Report on the Need to Build Capacity in International Language and Intercultural Capabilities in New Zealand: The Role of Tertiary Education (Japanese as an Illustration)

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Executive Summary

Context

As a small economy, New Zealand needs to have an outward focus and to establish and grow international relationships in trade, investment, diplomacy, research and innovation. International language and intercultural capabilities have long been recognised as important in New Zealand trade and tourism, especially with key partners in Asia. However, the number of students studying international languages has been falling consistently in the secondary and tertiary sectors over the last decade. In the tertiary sector, there has been a decline in the study of all languages, even for Japanese, the most studied international language in tertiary education, and one of New Zealand’s strategic Asian languages. This trend in falling numbers echoes those in other Anglophone countries such as the UK, the USA and Australia. Anglophone countries have the advantage that English is an international lingua franca, and this has resulted in a complacency towards the need to study international languages. However, research in the UK, the USA and Australia has led to increasing concern about the economic and social implications of a deficit in language and intercultural capabilities, which in the UK has been quantified as costing at least £48 billion in lost sales potential in 2006 alone. This concern has resulted in a number of government initiatives and policies in each of these countries, with clear directives for their implementation. There are calls for their governments to work with business and education on the long-term strategic needs in relation to language and intercultural capabilities to meet not only economic but also social and employment needs.

Nature and purpose of the report

In the *Tertiary Education Strategy 2014-2019 (TES)*, the New Zealand Government expects tertiary education organisations (TEOs) and their users (i.e. students, employers and industry) to make “a more prominent contribution to a more productive and competitive New Zealand” (p. 2). This report explores the need to build language and intercultural capabilities in New Zealand, using the aims of the TES, and its priorities for improving economic outcomes for society and individuals as a framework for analysis. It is noted that the TES does not indicate international language and intercultural capabilities in any of its priorities or strategies. The term ‘international languages’ is used in this report as the data for the report focuses mainly on the most commonly taught languages in the senior secondary and tertiary sectors, which in the case of New Zealand are Asian and European languages. In order to explore the implications of a continuing decline in language and intercultural capabilities in a specific cultural and language context, the report uses Japan and the Japanese language as an illustration. Research from the UK, the USA and Australia is presented to see what learning there might be for New Zealand. For the New Zealand context, the report draws mainly on findings from interviews with 14 New Zealand residents from industries, ministries and academia, many of whom have links with Japan, and can speak Japanese. The findings in this report will be of relevance to TEOs, Government policy makers and stakeholders.

Key findings

The report findings indicate that in order to address the decline in the study of languages there is a need for clear action to be taken in a number of areas, not only by TEOs but also by the Government as it prepares the next TES.

1. The decline in numbers in language learners is the result of societal values and attitudes towards language acquisition and the ecology of the education system

The decline in numbers of students studying languages at secondary and through to tertiary level is not just the result of a lack of interest on the part of students, but the unintended outcome of societal values and attitudes, and an education system that do not seem to place value on language and intercultural capabilities. Factors such as lack of clear pathways, narrow information on career possibilities especially for STEM (i.e. science, technology, engineering, and mathematics) and language
combinations, and lack of recognition of international languages as essential NCEA credits for university entrance all portray an indifferent attitude towards the strategic economic and social value of international language acquisition.

2 There is a need for more balance between the emphasis on STEM and on 21st century transferable skills, including language and intercultural capabilities

Transferable skills are critical for the changing needs of the work environment, and research indicates that they will be more important than subject content knowledge in many areas of employment in the future. While subject content knowledge and skills needs are likely to change or be redundant in the next decade because of the disruptive effects of technology, transferable skills will always be required, and are essential for career progression. Language and intercultural capabilities are transferable skills, and encompass good communication skills, ability to appreciate different perspectives, creativity and problem-solving skills necessary for innovation, and flexibility and adaptability necessary to navigate future changes in demand. TEOs, as well as employers, are perceived to be over-emphasising STEM knowledge and skills and not articulating the importance and relevance of transferable skills for career pathways sufficiently clearly. Graduates without transferable skills will be vulnerable to the disruptive effect of technological advancement, as well as disadvantaged in the job market if they only speak English.

3 Exposure to experiential and international experiences is advantageous for employment

Experiential learning including internships and work experience, along with exposure to international experiences through study and internships abroad, is believed to develop transferable skills and capabilities. Study and internships abroad are particularly effective for developing language and intercultural capabilities, creativity, willingness to take risks, flexibility, adaptability and resilience, and global awareness. Although these experiences, skills and capabilities are valued by employers, according to data between 2012-2015, it appears that only 0.2-0.3 percent of the entire body of tertiary students in New Zealand went overseas to study on an exchange. The TES states that international students will provide domestic students with a global context to enhance understanding and respect for their own and other cultures. However, this reliance on international students is unrealistic and a narrow view of internationalisation. At the same time, the introduction of strategic initiatives could harness much more potential from the presence of international students in New Zealand than is currently the case, particularly for networking and in relation to soft power when they return to their countries.

4 Technology advancement has repositioned the role of languages in career choice

The need for tertiary graduates with language and intercultural capabilities no longer solely applies to careers such as teaching and interpreting. With changing technology and workforce needs, new career options with an emphasis on interdisciplinary qualifications including language and intercultural capabilities are emerging in the areas of technology, science, engineering, robotics, health care, defence, and intelligence.

5 Language and intercultural capabilities are critical for social cohesion with increasing diversity in society and the workplace

Increased migration is resulting in demographic changes and growing diversity in society. Language and intercultural capabilities encompass an understanding of different worldviews, ways of communicating, and other ways of doing things. These capabilities are therefore seen as being invaluable for ensuring social equity and cohesion, as well as reducing workplace conflict. Importantly, the study of any additional language facilitates development of these capabilities.
6 The unintended consequences of the deficit in language and capabilities for trade, science, technology, research and development (R&D), investment, diplomacy, security, and soft power, illustrated by New Zealand’s relationship with Japan

Language and intercultural capabilities are often associated with trade and tourism, but not so much with science, technology, R&D, investment, diplomacy, security, and soft power. However, the ability to communicate in an international language even at a simple level, and/or to be interculturally competent even when working through an interpreter, are recognised as being increasingly essential. While English is the lingua franca for many STEM areas, language and intercultural capabilities are essential for navigating cultural barriers to establish mutual understanding and trust more quickly, developing and maintaining relationships, and facilitating exploration of new potential from relationships.

The declining numbers of students studying a language is likely to have detrimental unintended consequences. In the specific case of Japanese, just one of the languages of New Zealand’s trading partners, the lack of Japan specialists as well as those with Japan/Asia literacy could prove problematic for maintaining and building on what is a valuable relationship for New Zealand, not just in terms of trade and tourism, but for investment, R&D, diplomacy, security, and soft power. There is significant potential for New Zealand to learn from Japan’s knowledge and experience of planning for and managing natural disasters such as earthquakes and tsunamis, as well as from Japan’s vision and innovation in areas such as smart housing, robotics and healthcare.

7 The need for a government-led collaborative approach with TEOs and stakeholders to determine national language and intercultural needs

While there have been key initiatives by the New Zealand Government, NGOs and TEOs to build language and intercultural capabilities, they are fragmented and not all of these are sustainable. It is clear that there needs to be cross-sector, multilevel dialogue between the Government, TEOs and stakeholders to determine the language and intercultural capability needs for New Zealand. The findings from this report indicate the urgent need for a national language policy that strategically develops these capabilities. The policy should not only include the provision of sustained funding but should also be based on research of educational, social and pragmatic needs of New Zealand and have clear directives for implementation.

Recommendations for TEOs

1. Include language and intercultural capabilities in the definition of internationalisation, and normalise language learning as essential transferable skills in the strategic plans of TEOs.

2. Provide a coherent language study pathway from the school sector to tertiary level and require language credits to be essential for university entrance or for graduation.

3. Provide clear and accessible pathways (e.g. double degrees and conjoint degrees) to develop both technical skills and language and intercultural capabilities, and identify future career options to meet emerging demands.

4. Place greater emphasis on the development of transferable skills in all programmes, and include language and intercultural capabilities as essential transferable skills in the graduate profile.

5. Include study of language and intercultural capabilities as part of communication skills in all undergraduate curricula, in addition to academic English skills.

6. Promote awareness of the relevance of languages for New Zealand, such as Japanese, one of the strategic Asian languages.
7. Review the content and delivery of language programmes to ensure they provide courses that are relevant and accessible to students in all disciplines.

8. Facilitate an increase in the number of students from all disciplines to do internships or study abroad. (This will have additional value in university score cards and international university ratings).

9. In the TES, Steven Joyce, the former Minister of Tertiary Education, said that tertiary education is expected to make “a more prominent contribution to a more productive and competitive New Zealand” (p. 2) and to work more closely with industry and the community. To meet this expectation, TEOs need to take a leadership role and:

   i. Ensure more collaboration with stakeholders;

   ii. Jointly press the Government for a national cross-sector coordinated initiative to research, develop and implement a national language strategy.

Recommendations for Government

1. Research the demand for language and intercultural capabilities in New Zealand to identify where needs exist and what levels of language skills are required in different sectors (e.g. economic, social, cultural, and environmental).

2. Develop a national language strategy across all the education sectors that focuses on planning as well as provision, with clear directives for implementation and pathways of study through school and on to tertiary level.

3. Ensure funding for sustained provision for language learning across all education sectors.

4. Promote and provide clear information on the strategic importance of language and intercultural capabilities in the New Zealand workforce in order to contribute to a change in societal values and attitudes.

There has been a change of Government since the 2014-2019 TES was published, and there are a number of policy reviews taking place. It is hoped that the findings of this exploratory study will be considered in the various discussions including those in the Future of Work Forum. It is also hoped that the findings will inform the next TES, and contribute to the establishment of a national language strategy that identifies the economic, social and cultural language and intercultural capabilities needs of New Zealand. Such a strategy would mean that New Zealand would lead the Anglophone countries in establishing a national policy for language education across the education sectors.
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List of Acronyms

AAC&U  Association of American Colleges and Universities
APPG  All-Party Parliamentary Group
ACTFL  American Council on the Teaching of Foreign Languages
ALLiS  Asian Language Learning in Schools
AMACAD  American Academy of Arts and Sciences
ATAR  Australian Tertiary Admission Rank
ATEED  Auckland Tourism, Events and Economic Development
AUT  Auckland University of Technology
BRIC  Brazil, Russia, India, China
CAPE  Centres of Asia-Pacific Excellence
CBI  Confederation of British Industry
CEDA  Council for Economic Development of Australia
CLS  Critical Language Scholarship
COE  Council of Europe
CQ  Cultural intelligence
EU  European Union
EBacc  English baccalaureate
GCSE  General Certificate of Secondary Education
GDP  Gross Domestic Product
HEFCE  Higher Education Funding Council for England
IMF  International Monetary Fund
IPENZ  Institution of Professional Engineers New Zealand
ISPS  International Sports Promotion Society
IWLP  Institution-Wide Language Programmes
JENESYS  Japan-East Asia Network of Exchanges for Students and Youths
JNCL-NCLIS  Joint National Committee for Languages and the National Council for Languages and International Studies
JSANZ  Japanese Studies Aotearoa New Zealand
LEAP  Liberal Education and America’s Promise
MBIE  Ministry of Business, Innovation and Employment
MFAT  Ministry of Foreign Affairs and Trade
MoD  Ministry of Defence
MoE  Ministry of Education
NCEA  National Certificate of Educational Achievement
NGO  Non-Governmental Organisation
OECD  Organisation for Economic Co-operation and Development
R&D  Research and Development
RSNZ  Royal Society of New Zealand
SARS  Severe Acute Respiratory Syndrome
SMEs  Small and medium enterprises
STEM  Science, Technology, Engineering, and Mathematics
TEO  Tertiary Education Organisation
TES  Tertiary Education Strategy
UNESCO  United Nations Educational, Scientific and Cultural Organization
UAE  United Arab Emirates
UK  United Kingdom
UN  United Nations
USA  United States of America
UTS  University of Technology Sydney
WEF  World Economic Forum
1 Introduction

1.1 The Tertiary Education Strategy 2014-2019

In 2014, the New Zealand Government published the Tertiary Education Strategy for 2014-2019 (Ministry of Education [MoE] & Ministry of Business, Innovation and Employment [MBIE], 2014; henceforth, TES). Its aims and strategies are based on the “Government’s focus on improving New Zealand’s economic outcomes” (p. 2) and are discussed in six strategic priorities. These aims and strategies reflect the Government’s expectations of tertiary education organisations (TEOs) to contribute to improved economic outcomes for the benefit of society and individuals, by responding to the changing needs of the work environment and society.

The focus of Strategic Priorities 1-4 is on the role of TEOs in equipping students with the necessary technical skills and qualifications to build and extend economic growth for the success of business and other organisations, as well as ensuring that graduates are prepared for the increasing competition for higher-skilled jobs. Priorities 1-4 also require TEOs to place greater emphasis on development of transferable skills because they are “one of the crucial outcomes of tertiary study” (p. 10). Transferable skills will enable graduates to adapt as the disruptive effects of technology bring changes to the work environment. In addition, in Priority 6, Growing International Linkages, the tertiary sector is expected to be more outward-facing and to expand its social, cultural, economic, and international engagement. This would give “students a global context” and enhance “their understanding and respect for their own and other cultures” (p. 18), as well as benefit research partnerships and help grow international education activity including the recruitment of international students. There is also the expectation in the TES that TEOs and industry collaborate more closely to identify the relevance of skills and knowledge being developed. Closer collaboration with industry, together with clear and relevant pathways to support career choices, will ensure better employment outcomes for graduates, in addition to better economic and social outcomes.

1.2 A major omission in the TES Strategic Priorities

The aims of the TES align with international research findings: to ensure a skilled workforce for successful economic growth and outcomes for the economy, individuals and society (see for example Section 6). However, the Strategic Priorities of the TES do not align with international research undertaken in a range of sectors, including government, NGOs and industry, that recognises the importance of a workforce with language and intercultural capabilities in achieving these outcomes. In the UK, the USA and Australia, which, like New Zealand, are Anglophone countries, there is increasing concern that a deficit in international language and intercultural capabilities in the workforce, caused by falling numbers of students learning an international language in the secondary and tertiary sectors, is having a negative impact on achieving successful economic growth (American Academy of Arts & Sciences [AMACAD], 2016; British Chambers of Commerce, 2013, 2015; O’Leary, 2015). Research by Foreman-Peck and Wang (2014) has quantified that in 2006 alone Britain lost £48 billion in potential sales because of language and culture ignorance. This concern is not limited to negative effects on business and the economy, but extends to a wide range of sectors from finance, science and technology to security and defence, soft power, community services, and research and education (AMACAD, 2017; Australian Government Department of Defence, 2016; Cambridge Public Policy SRI, 2015; Eng, Tambiah, & Mar, 2015). It is therefore significant that there is no reference in the TES to developing

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1 The six priorities are: (1) delivering skills for industry, (2) getting at-risk young people into a career, (3) boosting achievement of Māori and Pasifika, (4) improving adult literacy and numeracy, (5) strengthening research-based institutions, and (6) growing international linkages.

2 Soft power involves influencing by persuasion or attraction, rather than by force or economic coercion. Its importance is increasingly recognised particularly in the area of international politics with the shift in Western models and power balance to one that involves East, West and Southern powers. Soft power includes resources such as education, culture and the arts, trade, research and development. Language and intercultural capabilities are considered to be integral to success, whether it be business, diplomacy or research (Chen & Breivik, 2013; Hill & Beadle, 2014; Tinsley, 2013). Language and intercultural capabilities and soft power will be discussed in Section 6.
language and intercultural capabilities in any of the Strategic Priorities, not even in Priority 6, Growing International Linkages. Instead, there appears to be an assumption that increasing international students and study abroad will provide a global context that will automatically lead to understanding and respect of students’ own and other cultures.

New Zealand is also experiencing a worrying trend in declining numbers of language learners that is occurring in the other Anglophone countries, and is not immune to the potential negative impacts. Recent initiatives and research indicate that there is recognition of the importance of language and intercultural capabilities for effective engagement in New Zealand’s increasingly multicultural society, and internationally. Examples include:

- The Royal Society of New Zealand’s report *Languages in Aotearoa New Zealand* (2013);
- The Ministry of Education’s international capabilities report *Measuring New Zealand Students’ International Capabilities: An Exploratory Study* (Bolstad, Hipkins, & Stevens, 2013);
- The *Ngā Reo o Tāmaki Makaurau Auckland Language Strategy* (COMET Auckland, 2015);
- The Superdiversity Stocktake carried out in 2015 by the Superdiversity Centre based in Auckland and the subsequent report *CQ Stocktake: Developing Cultural Capability to Succeed in New Zealand* (2016);3
- The ongoing research carried out by the Asia New Zealand Foundation, such as *New Zealanders’ Perception of Asia and Asian Peoples 2016 Annual Survey* (2017), and jointly with the New Zealand Association of Language Teachers, *Five Key Recommendations for Learning Languages to Thrive in New Zealand Schools* (2016);
- The New Zealand Government’s decision in 2014 to provide $10 million over five years to fund an increase in Asian language learning in schools (ALLiS);4
- The New Zealand Government’s initiative announced in 2016 to fund $35.5 million over four years for three new Centres of Asia-Pacific Excellence (CAPE).5 The Centres support tertiary institutions and other stakeholders to develop language, research and knowledge in collaboration with regions in the Asia-Pacific.

While these initiatives are significant, they constitute a fragmented approach to building language and intercultural capabilities. This can be attributed to the lack of a clearly articulated national strategic approach, and explains the disconnect between these initiatives and research, and the strategies outlined in the TES. This lack of alignment reflects what has been referred to as the monolingual or ‘English is enough’ mindset, characteristic of the recognised complacency towards language learning in Anglophone countries (Coleman, 2009; East, 2008; Lo Bianco & Slaughter, 2009; Spence-Brown, 2014). While there is an emphasis in the TES on building capacity in the areas of science, technology, engineering, and mathematics (STEM), and the concomitant development of transferable skills and a global outlook, there is no mention of language and intercultural capabilities, or recognition that language and intercultural capabilities are transferable skills and that they can facilitate the development of other transferable skill sets. In short, despite the TES prioritising a global outlook and expanding international linkages, there is no strategic value placed on building language and intercultural capabilities in the tertiary sector.

1.3 Aim of this report

The aim of this report is to explore the implications of New Zealand’s deficit in language and cultural capabilities for the economy and society in relation to the aims and strategies set out by the TES. It is a small-scale study, focusing on international language learning (i.e. languages other than English and

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3 The Superdiversity Centre was established to analyse the law, policy and business implications of diversity in New Zealand. It is based in Auckland and provides advice and support for Government, business and NGOs.
New Zealand has important links with a number of countries, and trade and other connections with many. However, in order to locate and explore the implications of a continuing decline in language and intercultural capabilities in a specific cultural and language context, with concrete examples relating to that context, we have chosen to focus on Japan and the Japanese language in this report. We do so for a number of reasons:

- Japanese is the most popular language in the tertiary sector (Section 3.2);
- Japan is one of New Zealand’s top trading partners (Section 4);
- In terms of diplomacy, Japan has a leading role in the Pacific, and is a leader in research and development (R&D);
- Many of the New Zealand cadre of Japan specialists who established and developed the New Zealand-Japan relationships in the 1970s and 1980s are either nearing retirement or no longer working, and there is a need to ensure successors;
- There appears to be the impression that the potential for New Zealand from the relationship with Japan has plateaued, and the focus has shifted to other countries at the risk of lost opportunities because of a narrow view of the relationship.

1.4 Methodology

Our approach to this study is both deductive and inductive. It is deductive in that we aim to find out if international research findings on the need to build language and intercultural capabilities will apply to New Zealand’s situation, and it is inductive in that we examine the given topic through a case study specific to New Zealand and attempt to answer the following research questions with the view to proposing the role of New Zealand tertiary education to build such capabilities:

- What is meant by language and intercultural capabilities?
- What is the value of having language capabilities?
- What is the value of having intercultural capabilities?
- What can New Zealand learn from overseas research?
- What are the implications for New Zealand?
- What are the implications for tertiary education?
- What needs to be addressed in the next TES?

In this research, we employed cross-case synthesis (Yin, 2014), using research findings from the UK, the USA and Australia as a guide, to compare the international situation with that of New Zealand’s. Research from these specific countries is used because they are Anglophone countries like New Zealand, and there has been considerably more research conducted in these countries than in New Zealand. For qualitative data collection, we chose to interview New Zealand residents from industries, ministries and academia who may or may not have links to Japan, and who may or may not speak Japanese or any other international language; we approached 20 people through a network of personal contacts and referral from others, and 14 of them agreed to be interviewed (see Appendix 1 for the list of participants; four interviewees did not wish to be identified and are referred to as Interviewee 8, 10, 11 and 12 in the report). The interviews were semi-structured with a number of indicative questions, allowing each interviewee to expand and discuss what they identified as important. Each interview took 45 to 90 minutes, depending on the availability of the interviewee. It was voice-recorded and later transcribed. We employed the general inductive approach (Thomas, 2006) to code and analyse the collected data. While there are only 14 interviewees whose views may not be representative of the various sectors in

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6 It is recognised that international language and intercultural capabilities are only one aspect in the issues facing language practices in New Zealand. As stated by the Royal Society of New Zealand (RSNZ) (2013), the issues around languages are complex and multi-faceted. A more extensive, unified study involving a “high-level, cross-sector, multi-disciplinary approach” (p. 1), which would include, for example, community and heritage languages, is required to be able to address all the issues.
New Zealand business, each one was selected for their international experience and the insights into New Zealand’s language and intercultural needs. Significantly, many of their views have aligned with international and New Zealand research findings.

1.5 Structure of the report

This report develops as follows: in Section 2, we define intercultural capabilities, why language learning matters, and the relevance of language and intercultural capabilities as transferable skills (aka 21st century skills). In Section 3, we provide brief background information on language education in New Zealand, the trends in numbers of students learning languages in the school and tertiary sectors, and students’ reasons for studying or not studying a language in universities. In Section 4, we provide pragmatic reasons for investing in Japanese language and intercultural capabilities, with information on New Zealand’s relationship with Japan. In the remainder of the report, we examine and discuss findings from international research and from our own interview data. Sections 5-6 look at language and intercultural capabilities in relation to trade and economic growth, and other areas of importance, namely, defence and security, soft power, and science and technology. In Section 7, we discuss employers’ perspectives on language and intercultural capabilities, graduate profiles, and employment opportunities. Section 8 focuses on the role of tertiary education, and in Section 9, the final section, we discuss the findings of the study and conclude with recommendations for TEOs and for Government policy makers as to how New Zealand’s deficit in language and intercultural capabilities may be addressed.

2 Defining intercultural capabilities, and why language learning matters

2.1 Intercultural capabilities – more than cultural knowledge

Intercultural capabilities consist of much more than just knowledge of the visible aspects of a specific culture, such as national characteristics, products, institutions, and dos and don’ts (Arasaratnam, 2016; Byram, 2008, 2012b; Deardorff, 2015). While such knowledge is useful when interacting with people from specific cultures, it is now considered far too limited and to be only one aspect of intercultural capabilities. This is firstly because this knowledge alone fails to account for diversity within cultures and, according to Warren (2012), such failure can result in ethnic, national or international stereotyping that can lead to conflict because of misunderstanding unexpected or unfamiliar behaviour. Secondly, factual cultural knowledge alone does not provide the capabilities necessary for the complexity of encounters with people of linguistically, culturally or socially diverse backgrounds. Intercultural capabilities are skill sets that enable a person to go beyond knowledge of specific cultures and contexts and to interact appropriately and effectively with people from unfamiliar cultures and/or social backgrounds (Wilkinson, 2012). A person with intercultural capabilities is someone who can demonstrate respect for other perspectives and, when faced with uncertainty and conflict in unfamiliar contexts, can manage his/her own emotional responses (Guo, 2010). Intercultural capabilities therefore involve two levels: one that is objective, factual and theoretical, and the other that is subjective, emotional and attitudinal, as identified by one of our interviewees.

One is [...] you’ve just got to be comfortable being with people who aren’t Kiwis. Whether they be Australians or French or Germans or Americans or Chinese or Japanese, they’re all different. And so, there’s got to be a comfort and a general ability to deal with that. And then there’s another level where you’ve got more specific kind of knowledge, expertise and understanding with a particular country’s markets. (Interviewee 11)

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7 For information on language and intercultural capabilities relating to medicine, conflict resolution, cultural capital and social cohesion, see Cambridge Public Policy SRI (2015).
8 Conflict might occur when individuals misinterpret cultural differences, such as avoiding eye contact, or silence, which can lead to negative outcomes such as mistrust, loss of respect, anger, discrimination, and stress.
Research into intercultural capabilities draws from a wide range of disciplines, and there are a number of terms, models and frameworks.\(^9\) It is generally agreed, however, that the key elements for intercultural capabilities are: knowledge (the cognitive dimension), attitude (the affective/emotional dimension), skills and behaviour, and critical cultural awareness and understanding of self and others as individuals (Byram, 1997, 2008; Council of Europe [COE], 2016; Fantini, 2012). These elements are defined as follows:

**Knowledge**: knowledge of the world, such as knowledge of history, politics, human rights, culture, religions, environment, and sustainability, as well as language varieties, communication styles and conventions for interaction; in other words, global awareness (Byram, 1997, 2008; COE, 2016).

**Attitude**: such values as respect towards diversity, equality, human rights, and sustainability; also, interest and curiosity, empathy, and perspective taking/exploring other ways of seeing things (Deardorff, 2009; UNESCO, 2013).

**Skills and behaviour**: linguistic and communicative skills as well as analytical and critical thinking skills, flexibility, and conflict resolution (Byram, 2008; COE, 2016; Deardorff, 2009; Fantini, 2012; UNESCO, 2006, 2013).

**Critical cultural awareness**: an awareness of, and ability to critically reflect on, one’s own values and beliefs as part of belonging to a number of social groups or subcultures, whether they be national, ethnic, racial, linguistic, religious, or gender, which shape one’s cultural identity, worldview and, importantly, one’s attitude and behaviour (Byram, 2008; Byram & Feng, 2006; Deardorff, 2011a, 2011b; Holliday, 2011).

### 2.1.1 Intercultural capabilities for building trust and relationships

An important outcome integral to the concept of intercultural capabilities is the ability to establish and maintain relationships (Deardorff, 2009; Fantini, 2012). Two of our interviewees discuss the relevance of this outcome in the context of business.

I think that it’s [= attitude and motivation to establish effective intercultural relationships] absolutely critical for business because I think business is about relationships, and business is about trust. I don’t do business with people I don’t trust. So how do you know if you’re going to trust someone? You have to build rapport with them and you have to be able to get a feel of them, and they for you. (Peri Drysdale)

[In] Japan, like New Zealand, the relationships are critical. Business is not going to happen just because of a sort of rational decision; it’s going to happen because someone has met somebody and thought that they were trustworthy and thought that they were credible and long-term and say “ok, let’s look at New Zealand as an investment destination”. But if they don’t have some sort of personal connection then, unfortunately, we’re off the radar screen. That’s why we need to build up some way to find interlinkages. (Ian Kennedy)

### 2.2 Language and intercultural capabilities

Multilingual or international language capabilities are often just valued as functional technical skills for communicating ideas and facts to someone who speaks a different language. However, research in the field of intercultural capabilities has found an inextricable link between language, culture, and one’s worldview (Byram, 2012b; Fantini, 2012). Language learning not only has a technical value, but is now regarded as a vital entry point into cultures. It deepens cultural understanding and develops intercultural capabilities by providing individuals with a way of understanding the learned and shared.

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\(^9\) These include intercultural competence, global competence, transnational competence, and cultural intelligence (CQ). CQ is commonly seen in leadership training and it includes psychological factors, such as motivation, resilience, adjustment, adaptation, and strategies (Livermore, Van Dyne, & Ang, 2012; Middleton, 2014).
communication styles, patterns of beliefs, behaviour, and values of individuals one is interacting with. Many of our interviewees have endorsed this view, and their comments highlight the nexus between language and culture (Byram, 2012b).

I think having an understanding of the culture is important, because languages actually reflect the culture of the country. [...] I think it’s important to have an understanding, as that manifests itself in the business [culture]. I mean every country has its own unique business culture which is developed over many, many years, and it’s important to have an appreciation of that, just as much as the language. (Jason Reeves)

They [= language and culture] go together. Someone who tries to speak the language without understanding the culture is not going to get it right either; they’re not going to understand it. (Ian Kennedy)

I think they go together, just the language for the sake of language and then having some person freeze because they can’t handle the environment when they get there is a bit pointless. I think a combination of the two makes a certain amount of sense so we can have appreciation for just our differences really. (Interviewee 11)

2.2.1 Language, transformational learning and the development of global awareness

The insights into identity and worldviews gained through language learning are considered to be potentially transformational in terms of effecting changes in an individual’s attitude, values and behaviour (Bostanci, Campbell-Cree, & Lotten, 2015; Byram, 2008; Fantini, 2012).

The transformation happens when the individual becomes aware of their ability to successfully overcome these hurdles and make a positive contribution in a culturally and linguistically different environment. (Bostanci et al., 2015, p. 16)

Such transformational learning is evidenced in the comments of interviewees who have learnt another language. They have found it valuable for changing their worldviews and gaining a global perspective. Here are two examples.

I think language learning is an extremely helpful skill. [...] I’ve found it very valuable in terms of learning to look at things through a different set of eyes, or through a different way of speaking. Japanese is probably a great example of that because learning Japanese for me was like having a brainwash in the old-fashioned sense of the word; that it felt like your brain was being taken out, turned upside down, and put back in again. It really was a massive rethinking of the way you talk and also to some extent of the way that you think and operate. There are just some things in Japanese that you do that you wouldn’t necessarily do in English and vice versa. (Phillip Turner)

I also feel that if you know different languages, you have a lot more respect for other cultures as well, whereas you can be quite just in tunnel vision, I guess, in your own little world if you just know the New Zealand way. (Tim Harvey)

2.2.2 ‘English is not enough’ – pitfalls of the monolingual mindset

Research is showing the benefits of the experience of learning a language in terms of raising ability to communicate more effectively in one’s first language, especially in intercultural interactions. At the same time, it is revealing the challenges faced by monolingual Anglophones when communicating in English in intercultural situations (Cambridge Public Policy SRI, 2015; Livermore et al., 2012). For

Cambridge Public Policy SRI (2015) is a report on a workshop to discuss and develop proposals to address deficiencies in the UK language policy, and to illustrate the strategic value of languages. The workshop was attended by representatives from government departments including the Ministry of Defence, UK Trade and
example, the monolingual Anglophone may lack awareness or willingness to adapt to second language English speakers, and have problems being understood. Information may also be lost or misunderstood because of assumptions about meaning if the same connotative meaning and implicature is not shared or understood between native and non-native speakers (Byram, 2012a; Clarke, 2016; Morrison, 2016). In order to communicate effectively/meaningfully when speaking in English in intercultural contexts to non-native English speakers, one has to understand one’s own communication style, the embedded cultural meanings, and how to use language effectively in different contexts (Livermore et al., 2012).

Nancy McIntyre, Manager in the School of Hospitality and Tourism at AUT, and one of our interviewees, who learned English as an international language, remembers an incident when she first came to New Zealand, and points out how English speakers need to be more aware of embedded cultural meanings when communicating to someone who might not yet be so proficient in English.

A senior engineer went past me, “How are you, Nancy?” and he was just like the wind; he just went past me so quickly. I was about to respond, “I’m fine, thank you, [name]”, but he was gone so I ran after him. I said, “[name], don’t you want to hear my answer?” He stopped, then he turned to me and said, “No.” I was so offended and surprised that he didn’t want to hear my response. (Nancy McIntyre)

Another interviewee, Daniel Scott, a graduate civil engineer, is competent in Japanese but has minimal knowledge of Mandarin. He recalls how a visit to China made him conscious of his own communication style, whether using his basic Mandarin or speaking in simple English. He realised that to be understood, he had to be careful with the words he used.

What am I asking here? [How can I say it?] And the most easily understandable way ... (Daniel Scott)

These examples illustrate the benefits of language and intercultural capabilities in terms of improving communication skills in one’s first language and reducing the pitfalls caused by lack of awareness of one’s communication style and use of own language. As Aaron Hynds, Director of Research and Development Hynds Innovation at Hynds Holdings Ltd. says:

From a language perspective, ‘cause we all speak English, there’s no guarantee that the person who’s speaking English understands or comprehends. (Aaron Hynds)

2.3 Language and intercultural capabilities are 21st century knowledge and skills

Transferable skills are often referred to as 21st century skills required in the workplace and for social cohesion (AMACAD, 2017; British Academy, 2014; Bostanci et al., 2015; Partnership for 21st Century Learning, 2015; Partnership for 21st Century Skills, 2008, n.d.). The World Economic Forum (WEF) (2016) maintains that disruptive changes in the workplace as a result of technological changes will create many new cross-functional roles for which employees will need transferable, as well as technological, skills. The TES clearly signals the importance of transferable skills.

Obtaining and developing transferable skills is one of the most crucial outcomes of tertiary study, including within generalist areas of study as well as vocation-specific qualifications. (p. 10)

The TES lists transferable skills as including “the ability to communicate well, process information effectively, think logically and critically and adapt to future changes” (p. 10). International organisations also include social and cultural awareness and the ability to speak more than one language.

2.3.1 The role of language and intercultural capabilities in developing transferable skills

As noted earlier in this section, language capabilities do not just consist of tangible linguistic and communication skills. They also consist of less tangible elements associated with transferable skills, such as greater sensitivity to cultural differences, openness to new and different ideas, ability to adapt to change, and analytical and thinking skills (Byram, 2008; COE, 2016; Deardorff, 2009; Fantini, 2012; Partnership for 21st Century Skills, 2008; UNESCO, 2006, 2013).

Language and intercultural capabilities are identified by our interviewees, who are proficient in other languages, as an important element in developing transferable skills and as a necessity for the diversity in the New Zealand workplace, whether it be individuals or organisational cultures.

Your problem solving is much better, in fact, it’s probably got an advantage over other people, because you think in different languages, you can think different complexities. So, I find that, because I can speak some languages, I think differently to other people. (Aaron Hynds)

So that experience of having your brain turned inside out and being forced to confront a different way of thinking, of speaking and culturally operating, I think, is tremendously valuable in helping me understand different points of view, and be able to navigate through a complex situation to be able to make decisions, work with a bunch of people, and influence people to certain outcomes. [...] That for me has been tremendously valuable. It has made me a very strong advocate that language is not the only way, but is one very useful way of teaching people those critical thinking, communication, problem-solving skills that management is all about. (Phillip Turner)

[…] if you’re in a company there’s an economic cultural aspect because you’re going from a culture [in that company] now you’re working for another company that’s got a different culture […] so then you have two different cultures interacting. From a new person coming in who is maybe a non-New Zealand naturalised citizen, then they’re actually learning two cultures, New Zealand culture, plus the company culture […] a lot of our customers employ non-native speakers so you have to deal with them on another level, you have to be patient always. (Aaron Hynds)

2.3.2 Shift in language teaching to an intercultural communicative approach

In response to intercultural research and increased understanding of the significance of intercultural capabilities and of language learning, there has been a shift in language teaching to an ‘intercultural communicative approach’ in the last 20 years internationally, and in the New Zealand school curriculum since 2007 (Newton, Yates, Shearn, & Nowitzki, 2010). The language and culture nexus is now made more explicit than in previous approaches such as the ‘communicative approach’. The intercultural communicative approach provides opportunities for learners to discuss and reflect on differences and similarities between their own and other cultures, ranging from language use and social practices, to identity and worldviews.

2.4 Conclusion

In this section, we have discussed what is meant by intercultural capabilities and explored the value of having language and intercultural capabilities for interacting in diverse contexts and developing a global perspective. We have also shown that they are viewed as important transferable 21st century skills. The aims of the TES include ensuring graduates are prepared domestically and internationally with both 12They are also referred to as learning and innovation skills defined as the 4Cs: critical thinking, creativity, communication, and collaboration (Bostanci et al., 2015).
qualifications and transferable skills that match the needs of business and other organisations, as well as the needs of society. The document clearly shows the interdependence of economic, environmental and social outcomes that illustrate the importance of language and intercultural capabilities and associated transferable skills.

The improved economic outcomes for New Zealand will also support society to achieve broader benefits and individuals to develop as confident, creative, and culturally enriched good citizens. (p. 7)

Priority 6, which focuses on international education, suggests the value of providing domestic students with a “global context” and enhancing “respect for their own and other cultures” (p. 18). This in turn would require students to develop language and intercultural capabilities in order to engage effectively in the global, internationalised world of education and future employment.

After the next two sections that focus on ‘language learning in New Zealand’ and ‘a pragmatic rationale for investing in language and intercultural capabilities’, we will discuss the evidence pointing to the relevance of language and intercultural capabilities to the aims of the TES and explore its implications for the tertiary sector.

3 Language learning in New Zealand

In New Zealand, learning international languages has never been made compulsory in education and, as we have pointed out, despite the Government’s focus on improving New Zealand’s economic outcomes and growing its international linkages, the TES does not list language and intercultural capabilities among transferable skills that are required of graduates in the 21st century. The number of students learning international languages has been consistently declining in both secondary and tertiary sectors for more than a decade. There have been approaches to promote language learning (e.g. ALLiS, CAPE; see Section 1.2), but these have been fragmented and uncoordinated and the Government does not appear to be addressing the serious issue of these declining student numbers in the age of globalisation. In this section, we provide brief background information on language education in New Zealand, the trends in numbers of students learning languages in the school and tertiary sectors, and students’ reasons for studying or not studying a language in universities. We then discuss further the position taken by the Government on language learning.

3.1 Language education and trends in language student numbers in secondary schools

Up until the 1960s the only foreign language offered in New Zealand schools, excluding Latin, was French (Haugh, 1997). Then, Japanese, considered prominent and important to New Zealand because of Japan’s increasing economic profile, was tentatively implemented in Years 7 and 8 in the late 1960s and officially included in School Certificate and Bursary, the secondary qualifications at that time, in 1973 (Haugh, 1997). In the New Zealand Curriculum Framework (MoE, 1993), ‘language and languages’ (i.e. English and languages other than English) was identified as one of seven main study areas and ‘communication’ was included in eight main skills. By then, the number of secondary school students learning an international language had exceeded 60,000, with Japanese, whose popularity surged in the early 1990s, being a close second to French in terms of student numbers (Education Counts, n.d.a). Between 1994 and 1998 Japanese was the most popular language in secondary schools but, since 1999, French has kept the top position as the language most learnt in the secondary sector (Education Counts, n.d.a, n.d.b), as illustrated in Figure 1.
The total number of secondary school students learning an international language peaked in 2008, a year after the Ministry of Education announced that foreign language education would be treated as a stand-alone study area called ‘learning languages’ and that students from Year 7 to Year 10 in all schools would be offered an opportunity to take up international language study as an ‘entitlement’ (MoE, 2007). After that, however, the total number continued to decline until 2016 and, with the exception of Spanish and Chinese, all the other languages commonly studied (i.e. French, Japanese and German) were losing popularity year after year. The drop in the number was particularly significant for Japanese (a decrease of almost 60% in two decades), and Japanese, once the most popular language among secondary school students, is now placed third after being overtaken by Spanish in 2015.

In 2017, the total number of students studying international languages increased slightly, mainly due to the rise in the number of students learning Chinese, and for the first time since 2003 the number of students learning Japanese moved upwards. The implementation of ALLiS is considered to be the driving force behind these increases of student numbers in Asian languages.

The proportion of secondary school students learning an international language has also been declining (see Figure 2). From 1996 till 2008 the proportion only slightly fluctuated between 23.6 percent (2002) and 25.6 percent (1996) but since 2008 the downward trend has not stopped and in 2017 fewer than one in five students (19.0%) took up international language study (Education Counts, n.d.b, n.d.c).

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13 The increase in the numbers in 2003 was likely due to the change in the data collection method that took place that year. Until 2003, data were collected as a ‘snap-shot’ view in July of each year and students not studying languages in July were not counted (East, Shackelford, & Spence, 2007). Since 2003, students taking a language for more than 20 hours over the whole year have been counted (McLauchlan, 2007).

14 Japanese is considered more difficult to learn than European languages because of the time and effort required to learn three sets of syllabaries; this is often seen as the reason why Years 7-10 students avoid Japanese when given a number of language options (Ogino & Kawai, 2017). When taking into account only the student numbers in Years 11-13, Japanese is still No.2 (3,259 in 2017) and Spanish, No.3 (2,839 in 2017) (Education Counts, n.d.b).
With the exception of Spanish and Chinese, the number of schools offering international languages has been greatly affected as a result (see Table 1).

Table 1. Number of Secondary Schools Offering International Languages (Education Counts, n.d.b)\(^{15}\)

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The number of schools offering international languages surged in 2003 but this was due to the change in the data collection method (see Footnote 13). In terms of the number of schools, German has suffered the most with more than a 40 percent decrease, followed by Japanese with a 35 percent decrease and French, the most popular international language in secondary schools, with a 31 percent decrease, from their respective peak numbers, excluding those in 2003 (Education Counts, n.d.b). Consequently, the number of secondary schools where at least one student took an international language in Year 9 and/or above dropped by 10.1 percent from 369 in 2008 to 335 in 2017 (Education Counts, n.d.d).\(^{16}\)

An analysis of the data on student numbers by year level reveals notably that the increase and decrease in overall student numbers are affected by, and largely due to, the number of Year 9 students taking an international language and, in fact, the student numbers and attrition pattern in Years 12-13 have remained almost unchanged in the past 20 years, as seen in Figure 3.

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\(^{15}\)In each row the cell that depicts the peak number of schools offering that language is highlighted (except that in 2003).

\(^{16}\)It was likely that students in some of these schools were studying languages through Correspondence School, especially when the student numbers were less than a handful.
This suggests that a certain percentage of upper-level students, who have genuine interest in language learning, continue studying their chosen language, regardless of the Government initiatives and education policy. Therefore, the decline in the number of students learning international languages observed in the secondary sector cannot be totally ascribed to a general lack of interest in language learning among students, and the concern is the low retention rate to senior levels.

In contrast to England, where every student must learn an international language at Key Stage 2, aged 7-11, and Key Stage 3, aged 11-14 (GOV.UK, 2014), in New Zealand, whether to choose to learn a language is up to each individual, unless language learning is part of their school module. As the data show (see Figures 1 and 3), the number of students studying international languages moved upwards, at least at lower levels, when a Government’s initiative was implemented (e.g. 1993, 2008, 2017). It is likely that the current climate in which a strong emphasis is placed on STEM subjects, as well as reading, mathematical and science literacy, makes it difficult for students to take up or continue learning a language, as this emphasis leaves little room for electives such as languages (Ogino & Kawai, 2017). Furthermore, languages, other than English and Te Reo Māori or Te Reo Rangatira, are not included in any lists of specific subjects required by any undergraduate programmes,17 thus, recognised but not required as NCEA (National Certificate of Educational Achievement) credits for admission to tertiary education. This fact is often pointed out by teachers as students’ reason for discontinuing language study (Haba, 2014; New Zealand Association of Language Teachers & Asia New Zealand Foundation, 2016). This strongly suggests that it is the structural factors and a lack of Government’s continuous and coordinated initiatives, rather than student interest, that cause the decline in language student numbers in the secondary sector.

The number and the proportion of students learning international languages have continued to fall since 2008. In the light of the trends outlined here, it is hoped that the Government’s recent initiative, Asian Language Learning in School Programme (ALLiS), will invigorate language learning in New Zealand. However, with no Government proposal to continue their support to those involved in ALLiS across the country, it is unclear what will happen when the funding from ALLiS comes to an end.

3.2 Trends in language student numbers in the tertiary sector

While the numbers of students studying international languages up to Years 12-13 have been stable for over two decades (see Figure 3), the strong focus on hard skills such as STEM in the current climate has had serious repercussions for the tertiary sector. One university has included languages in their general education component from which all undergraduate degree students must take at least one

17For instance, Tables A and B (the University of Auckland) and Lists A, B and C (AUT).
course. Other universities have mandatory language components in some humanities programmes. Apart from these, language learning is not mandatory in the tertiary sector either, and structural factors, such as timetable clashes and limited space for electives, often prevent students from taking languages (Oshima & Harvey, 2017a, 2017b). As a result, all five main languages, including Spanish and Chinese, have been losing ground, as illustrated in Figure 4, and this trend is not appearing to change. Unlike in secondary schools, however, Japanese, by and large, remains as the language most studied in tertiary institutions.

The proportion of tertiary students learning an international language has also been plummeting. In 2017 only 0.655 percent of the entire body of tertiary students took a language course (see Figure 5).

Enrolment patterns in Japanese at one New Zealand university have been examined by Ashton and Shino (2016). They found that more and more students take the language as an elective or a minor, with

18However, this does not necessarily mean that students choose to take a language as part of their general education. Further information on this university’s general education can be found on https://www.auckland.ac.nz/en/study/study-options/undergraduate-study-options/general-education.html.
19The data before 2007 were unavailable at the time of data collection. Also, no data were available on student numbers at each year level. The data include students studying an international language at universities, polytechnics and private training establishments.
fewer students taking it as a major, thus they found relatively healthy enrolments in first-year courses but smaller numbers of students in second- and third-year courses. Similar patterns are also observed in other tertiary institutions (Ogino & Kawai, 2017). Consequences of this trend include one university no longer offering Japanese as a major and one polytechnic that used to offer a Japanese major now only teaching the language as an elective.20

The decline in numbers studying languages at the tertiary level has led to a reduction in staff and course offerings, and even the closure of a number of language departments.21 This decline has put pressure on funding for language departments and impacts on ensuring a supply of language specialists, including potential language teachers, interpreters and translators, as well as researchers (RSNZ, 2013).

3.3 Reasons for studying or not studying languages at tertiary level

The fact that English is a global lingua franca has been cited as an influencing factor on complacency and motivation for learning international languages in Anglophone countries such as New Zealand (East, 2008; Kaplan, 1994). Why, then, do some students choose to study an international language?

Recently in New Zealand, research into reasons for learning Japanese was conducted independently by two groups, one of which focused on secondary and the other on tertiary. According to Ogino, Howard and Payne (2016), the top three reasons among secondary students were ‘interest in the Japanese language itself’ (87%), ‘to be able to communicate in Japanese’ (83%), and ‘travel to Japan for sightseeing’ (75%). Tertiary students gave ‘to be able to communicate in Japanese’ (84%), ‘interest in the Japanese language itself’ (81%), and ‘interest in pop culture’ (70%) as top three reasons (Minagawa, Nesbitt, Ogino, Kawai, & de Burgh-Hirabe, in press). In both cases, the top three reasons were related to intrinsic factors, rather than extrinsic factors such as ‘future career’. The tertiary-level study found that those who had studied Japanese before, either formally at school or informally through self-study, chose to take Japanese at university to further improve their language skills, while those who had never studied the language before often decided to study it by taking advantage of the degree requirements they needed to satisfy (e.g. general education, elective, minor). The research also found that a high percentage of Japanese major/minor students intend to use Japanese ‘for a career’ (44%), compared to non-major/minor students (14%). Frequently mentioned careers include ‘teaching (Japanese in New Zealand or elsewhere; English in Japan)’ and ‘translation and/or interpreting’ (Minagawa et al., in press). It appears that those who have invested much of their time and effort in tertiary Japanese study start to view Japanese as part of their career. We argue that New Zealand needs people engaging in these occupations and tertiary education has the obligation to support them in achieving their career aspirations.

As for reasons for students not studying Japanese, on the other hand, Oshima and Harvey (2017a, 2017b) have investigated why students stop studying Japanese at the transition between secondary and tertiary education. For some it is simply a lack of opportunity to study the language because of timetable clashes or limited space in their major; for others it is a belief that language and cultural skills are incompatible with their non-Japanese major, that the level of tertiary Japanese may be higher than they can cope with, or that there is not much value in studying the language further.

Research indicates, therefore, that whether or not to study Japanese at tertiary level is determined by a mixture of institutional systems and personal beliefs and motives influenced by intrinsic and extrinsic factors. All of the research cited above is based on learning Japanese and we are not aware of similar research having been conducted on other languages in New Zealand. Nevertheless, it is anticipated that the reasons for studying or not studying a language at tertiary level will be along the same lines.

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20 More information on these TEOs can be found on http://www.waikato.ac.nz/study/qualifications/bachelor-of-arts and https://www.unitec.ac.nz/career-and-study-options.
21 For instance, Japanese used to be offered by all universities and all the main polytechnics in the 1990s (Haugh, 1997). Lincoln University closed their Japanese programme in the 2000s, and currently Unitec and Ara Institute of Canterbury are the only polytechnics where Japanese is taught.
3.4 New Zealand Government’s position on language learning

Ashton and Shino (2016) point out that extrinsic factors do not just include career benefits but also the economic value of learning a language which is often promoted by the Government. The question is whether this value has been explicitly articulated by the New Zealand Government.

Government policy publications and reports relating to the tertiary sector, such as the Leadership Statement for International Education (New Zealand Government, 2011) which is part of the Government’s Business Growth Agenda along with the TES, have clear goals and objectives for international education. One such goal is to “make the best possible use of its [international education sector’s] international education expertise to build skills in our work force, to grow research capacity and to foster wider connections between New Zealand and overseas firms”, and one of its objectives is to “increase New Zealanders’ skills and knowledge to operate effectively across cultures” (New Zealand Government, 2011, p. 7). However, not until the International Education Strategy for New Zealand: Draft Consultation Document (New Zealand Government, 2017a) has there been any reference to international language or intercultural capability development. Even so, the 2017 document only briefly mentions the need to develop cultural and language skills, as “equipping New Zealanders with the international capabilities and readiness required to live and work globally” (p. 13).22

3.5 Conclusion

There has been criticism of the fragmented and uncoordinated approach to language policy across the New Zealand education sectors, and the lack of clear planning and guidelines for policy implementation (McGee, Ashton, Dunn, & Taniwaki, 2013; Ogino, Nesbitt, & Shino, 2016; RSNZ, 2013). Unlike countries such as the UK, the USA and Australia, where the Government’s commitment to language education is clearly articulated (AMACAD, 2016, 2017; Australian Government, 2012; Mansell, 2016; U.S. Department of Education, 2012), there does not seem to be the same level of concern at Government level about the implications of a decline in language and intercultural capabilities (Peddie, 1997; RSNZ, 2013). This has undoubtedly impacted the direction of New Zealand language education and the number of students learning languages in schools and universities. The Government’s policy and commitment from now on will determine whether its goals and objectives for international education will be achieved.

4 A pragmatic rationale for investing in language and intercultural capabilities: Japan as an illustration

New Zealand is an island country situated in the south-western Pacific Ocean. It cannot live in isolation and thus for economic growth relies heavily on other countries in the Pacific Rim, as well as European countries such as the UK and Germany. Its relationships with these countries are all important. One of these countries is Japan, the third largest economy in the world in terms of nominal GDP (International Money Fund [IMF], 2017) behind the USA and China. Japan is New Zealand’s fourth largest trading partner and its sixth largest source of international visitors. However, with increasing attention paid to China, Japan seems to have fallen off the radar, at least as far as the business world is concerned, and the general perception is that the New Zealand-Japan relationship has plateaued. Nevertheless, there are clear indications that the Government feels the need to reignite the relationship. On his visit to Japan on 18 May 2017, for example, the then Prime Minister Bill English said:

22 At the time of writing, the draft International Education Strategy for New Zealand (https://enz.govt.nz/assets/Uploads/International-Education-Strategy-2018-2030.pdf) was open to consultation during July and August, 2017. It has since been developed and published and can be accessed from https://enz.govt.nz/assets/Uploads/International-Education-Strategy-2018-2030.pdf. We note it mentions the importance of language, international capabilities and overseas experience, although there is still no clear link between them, and no reference to the strategic value of language and intercultural capabilities at tertiary level.
Japan and New Zealand are close friends and have partnerships in a number of areas, including trade and investment, science and technology, and security and defence. [...] Sport will also feature with Japan set to host Rugby World Cup in 2019, the Olympics and Paralympic Games in 2020, and the World Masters’ Games in 2021. [...] My visit recognises the strength of our long-standing relationship, and the important role that Japan plays in our region. (New Zealand Government, 2017b)

This sentiment was echoed by one of our interviewees.

In areas like science, innovation, tourism, Japan is tremendously important. Politically, in security terms, it’s a major friend of New Zealand’s and Asia’s. It’s the most developed sizeable Asian economy. Those are all very important reasons for taking Japan seriously and investing in the relationship. (Phillip Turner)

In this section, we discuss New Zealand’s potential for further developing a bilateral relationship with Japan and, using Japan as an illustration, provide pragmatic reasons for investing in language and intercultural capabilities.

4.1 Trade

The trade between New Zealand and Japan saw rapid growth in the 1970s and 1980s and, at one point, Japan was New Zealand’s largest source of imports and second largest export destination (Ministry of Foreign Affairs and Trade [MFAT], 2014). However, the New Zealand/Japan bilateral trade plateaued in the 1990s and in the past 20 years the total trade volume has remained steady within the range of 5.3 and 7.5 billion dollars per annum. Japan’s share in New Zealand’s export and import markets has fallen from around 16 percent to just over six percent during this period. Currently Japan is New Zealand’s fourth largest trading partner behind China, which overtook Japan in 2007, Australia, and the USA, which overtook Japan in 1998 (The Treasury, 2017). New Zealand’s main exports to Japan have not changed much for decades: both forestry products and aluminium making up around 15 percent of total exports to Japan, followed by dairy products, fish and meat, and fruit and vegetables. Japan is New Zealand’s largest market for aluminium and for fruit and vegetables. Japan’s supply of New Zealand’s imports has also remained almost unchanged with motor vehicles, mechanical equipment, and technology-intensive equipment and appliances, as well as petroleum products, which have become emerging imports in the last 10 years or so (The Treasury, 2017).

Many view trade between the two countries as being static because of the trade statistics, but MFAT (2014) points out that Japan’s relocation of industries overseas needs to be taken into consideration. An increasing number of Japanese firms export goods from, and buy products in, countries where the cost of assembly and processing is lower. Because of this, some of the New Zealand/Japan bilateral trade appears in New Zealand trade statistics for third countries, such as China, Australia, and Southeast Asian countries, which makes it difficult to quantify the true value of the trade between New Zealand and Japan (MFAT, 2014). The quality of the Japanese market for New Zealand is also often overlooked. Japan is a volume-driven market that requires quality products but rewards long-term engagement. Quality products in Japan command good prices and Japan views New Zealand products as premium. “The outcome for a successful firm in Japan is a stable market generating above-average returns” (MFAT, 2014, p. 4).

A number of our interviewees reinforce MFAT’s view of the value of the Japanese market in their comments.

In terms of trade [...] Australia and China are one and two, the US is three, Japan and EU are four and five. That’s unlikely to change in the foreseeable future. Certainly emerging countries – Vietnam, Philippines, Indonesia, India – every year they’re rising, but they won’t get to the level of Japan for a number of years. [...] [Japan is] incredibly important. (Jason Reeves)
I think the Japanese relationship with New Zealand has definitely entered a mature stage, where it’s not growing rapidly, but it remains very important. Japan is still one of our major trading partners and is tremendously important when people think about bilateral trade. (Phillip Turner)

[Speaking of Japan] The overall figures have remained largely the same, but it’s a high value market, generally speaking, for New Zealand exporters. (Jason Reeves)

4.2 Tourism

New Zealand is a popular destination among Japanese tourists. During the period between 1996 and 1997 Japan was the second largest source of international visitors to New Zealand, and the number of Japanese visitors peaked in 2002 at 173,500 (MBIE, 2009; MFAT, 2014). This was followed by a long period of decline, hitting the lowest level with fewer than 70,000 visitors in 2011. Japan, however, entered a growth phase again and, for the first time since 2007, visitor numbers returned to the 100,000 mark in 2017 (Tourism New Zealand, n.d.). Currently Japan is New Zealand’s sixth largest source of international visitors, amounting to 2.7 percent, behind Australia, China, the USA, the UK, and Germany, which overtook Japan in 2017 (MBIE, 2017a, 2018).

Japanese visitors are considered valuable from a ‘total lifetime’ perspective because they return to New Zealand 2.7 times on average following their first trip (Mudge, 2014). With the number of young Japanese travellers, as well as that of the older age group, increasing in the last 10 years, Tourism New Zealand is targeting those emerging ‘independent professionals’. Tourism New Zealand markets itself in Japan with the 100% Pure New Zealand campaign and joint venture campaigns with online travel agents and airlines, focusing on the traditional peak period for Japanese visitors (i.e. November to March). Air New Zealand’s introduction of seasonal Osaka services and a direct service from Haneda Airport in Tokyo is expected to create a further 40 percent growth in passenger capacity (Tourism New Zealand, n.d.). According to MBIE (2017b), Japan’s “strong domestic performance, along with recent increase in airline capacity, were the drivers of recent visitor growth” (p. 21) and they forecast that the visitor numbers from Japan will continue to increase at the annual growth rate of 4.7 percent to 140,000 by 2023.

Japan is a market that most of New Zealand has forgotten about because of China and other markets performing so well. It’s frustrating for people who really understand Japan and know the potential and that we underinvest and underpromote ourselves in Japan. (Jason Hill)

4.3 Investment

Furthermore, Japan is a long-standing and significant investment partner in a number of key sectors. In the year ended 31 March 2017, Japan was New Zealand’s fourth largest investment partner, both inward (from Japan $10.7 billion; 2.8%) and outward (to Japan $11.4 billion; 4.9%), behind Australia, the USA, and the UK (Stats NZ, 2017). Japan has kept this position since 2008 and since 2013, respectively, with the exception of 2013 (inward, behind Singapore) and 2015 (outward, behind Germany). Of all New Zealand’s investments, Japan’s share in the outward investment has fluctuated between 1.6 percent (2012) and 5.7 percent (2001) in the past 17 years, while its share in the inward investment has been fairly stable between 2.2 percent (2010) and 3.7 percent (2007) during the same period (Stats NZ, 2017). Many of Japan’s major investments are several decades old (MFAT, 2014).

Resource sectors, tourism and distribution of Japanese imports are main areas of Japanese investments in New Zealand. Japanese companies partially or wholly own a number of New Zealand’s major exporters to Japan, which makes the trade/investment nexus particularly significant in providing stable Japan-bound exports, especially in the sectors of aluminium and forestry that are a valuable source of jobs in regional economies (MFAT, 2014). Japan also invests heavily in food and beverage sectors. Of New Zealand’s top 100 food and beverage firms, 24 percent are owned by foreign countries, and Japan’s share of 19 percent is the highest, ahead of that of the USA (17%) and that of Australia (13%) (Coriolis, MBIE, New Zealand Trade & Enterprise, & Ministry for Primary Industries, 2015). In terms of New
Zealand’s outward investment in Japan, due to Japan’s low overall levels of inward investment in the OECD, MFAT (2014) predicts that New Zealand firms’ primary engagement will be through ventures with Japanese partners providing the capital, while Japan’s asset market continues to attract portfolio investment from New Zealand (e.g. $4.4 billion in stock as of 31 March 2017; close fourth behind the UK) (Stats NZ, 2017).

The Japanese investment approach is valuable for social as well as economic benefits, as pointed out by one interviewee.

The fact is, it’s long term. It’s not looking like a corporate raider looking at buying something and then selling it off for profit; it’s very long term and if you look at companies like Oji and Sumitomo Forestry, it’s more than 20, 30 years that they’ve been involved and they gradually build up. Secondly, all their investment is employment creating and thirdly, it’s almost 100 percent export creating and fourthly, they leave the New Zealand management in place. (Ian Kennedy)

4.4 Other areas: diplomacy, defence, science and technology, sports

There are other less visible areas not usually associated with the New Zealand-Japan relationship; these include diplomacy, defence, science and technology, and sports, as pointed out by the former Prime Minister Bill English (see p. 26).

**Diplomacy and defence.** Japan is a member of the UN Security Council. Japan continues to increase its global diplomatic role, including that of an international peacekeeper, and to strengthen relations with strategic partners, working for stability in the Asia-Pacific region and beyond (Rudolph & Tatsumi, 2015). The links between New Zealand and Japan date back more than 100 years and in 2012 the two countries celebrated 60 years of diplomatic relations (MFAT, n.d.). There are Japan/New Zealand Parliamentary Friendship Groups in both parliaments, and both countries share similar views on such global issues as security, human rights, and disarmament. In 2013 a memorandum of understanding, covering defence cooperation, was established between New Zealand and Japan (MFAT, n.d.). The relationship is mainly one of providing cooperation in a non-combative capacity, such as disaster relief, terrorism, setting standards in food safety, and global warming (Sato, 2011). Examples of recent reciprocal support are the aid after the Christchurch and Kaikoura earthquakes (given by Japan) and the aid after the Tōhoku earthquake and tsunami (given by New Zealand).

Undoubtedly, Japan does have highly advanced technology in that defence area and New Zealand has moved to joint engagement exercises with Japan. [...] There is greater contact now between New Zealand Defence and the Japanese Self-Defense Forces and there’s potential, I think. Maybe in the past we’ve sourced everything from Europe and UK, I think, to a certain extent, America. [...] Bring it closer to home, I think that is also a possibility. (Ian Kennedy)

**Science and technology.** In terms of science and technology, Japan is a “global scientific superpower” (MFAT, 2014, p. 10) and is the world’s third most R&D-intensive country with 3.59 percent of GDP dedicated to R&D in 2014 (OECD, 2016). New Zealand signed a Science and Technology Cooperation Agreement with Japan in 2009 and identified five priority sectors for collaboration: environment, advanced technologies, health and biomedical, disaster mitigation, and marine (MFAT, 2014). According to a survey by MBIE, there were 135 collaborations between the two countries in 2014 (MFAT, 2014.). As one of our interviews argues:

As the current general trends, I think Japanese researchers and enterprises have started looking overseas [for business opportunities]. There is a big chance that the demand for New Zealand will expand in Japan, and I think there are many New Zealand enterprises and research institutes that will consider it a business chance and actively work with Japan. [...] The stability in investment, the cleanliness of the political world and trustworthiness – because of these virtues, Japan is very attractive as a business partner. There are always people who see this and I think the relationship with Japan will further develop among those people. (Interviewee 8)
Sports. Japan is a leading rugby-playing nation in Asia. A large number of New Zealanders play professionally in Japan, and access to large corporations that manage teams can be provided through this linkage (MFAT, 2014). Golfing is another area where Japan’s links to New Zealand are observed. The New Zealand Open, for instance, is sponsored by ISPS Handa from 2017 until 2019, which can promise to provide stability to the tournament and cement the relationship between the two countries (ISPS, 2016). 23 Japan is a “significant and well-resourced participant” in commercial sport (MFAT, 2014, p. 12). One of the interviewees comments that:

There’s a lot of government to government “let’s use sports as a tool” to ignite relationships between Japan and New Zealand, so there’s a lot of talks behind the scenes. (Tim Harvey)

4.5 Conclusion

The bilateral relationship between New Zealand and Japan may seem to have plateaued but if this is the case, it has done so at a significant level and yet, as shown above, there still is potential for further development. Japan is a country whose language and culture are totally different from those of New Zealand. Thus, doing business with Japan requires language and cultural capabilities, that is, the ability to interact with appropriate language and cultural sensitivity as well as understanding of business norms. Those Japan specialists who were instrumental in strengthening the relationship between the two countries in the 1970s and 1980s are either nearing retirement or no longer working. Unlike China or Korea, Japan does not have a large pool of immigrants in New Zealand who could bridge the two countries not just to maintain but also to further develop the relationship and explore the potential. With the ever-decreasing number of learners of Japanese (see Sections 3.1 and 3.2), New Zealand may soon find it difficult to secure the workforce, let alone specialists, who can competently trade and negotiate with Japan, and may face countless lost opportunities as a consequence. There are pragmatic reasons for investing in Japanese language and cultural capabilities.

One of the roles of MBIE identified in the TES is to “develop ways to better identify skill shortages and future skills demand” (p. 23). The data discussed here suggest that this is one area where such skill shortages and future demand for skills exist. The future of the bilateral relationship largely depends on New Zealand’s commitment to investment in this area.

5 Language and intercultural capabilities & trade and economic growth

New Zealand is a small-part player in the world economy. Its projected GDP is US$221 billion in 2018 (0.252% of the gross world product) and its economy is placed 53rd in the world (Statistics Times, 2018). 24 With a population of 4,883,720 (Stats NZ, 2018), New Zealand has a limited domestic market and for economic growth it needs to look beyond the domestic market and engage further in international trade and investment. It is not surprising, therefore, that the New Zealand Government’s focus on economic growth is strongly articulated in the TES vision.

The TES vision clearly indicates expectations of tertiary education to meet the needs of a growing economy, contribute towards participation in a global economy, be ‘outward-facing’, and adapt more quickly not only to changing technologies and demands but also to changing skills needs. As international research findings show (AAC&U, 2007; Bostanci et al., 2015; British Chambers of Commerce, 2013, 2015; den Hollander, 2016; Mulholland, 2013; OECD, 2016), transferable skills, including language and intercultural capabilities, are considered necessary 21st century skills to deal with economic changes as well as social, cultural and political ones that will impact the future work environment. However, while the importance of transferable skills along with literacy skills are referred

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23 ISPS Handa also sponsors New Zealand football until at least the end of the 2019/2020 season (Football, 2017).
24 Cf. 1st: US (US$20,413 billion; 23.3%), 2nd: China (US$14,093 billion; 16.1%), 3rd: Japan (US$5,167 billion; 5.9%); 51st: Greece (US$226 billion; 0.259%), 52nd: Iraq (US$223 billion; 0.255%), 54th: Algeria (US$197 billion; 0.226%), 55th: Qatar (US$184 billion; 0.210%) (Statistics Times, 2018).
to in the *TES*, there is no mention of the importance of language and intercultural capabilities, and the only references to language are in the context of Māori language and culture, literacy, language and numeracy skills, and the provision of English courses for speakers of other languages. In this section, we refer to international research and interviewee responses to discuss how language and intercultural capabilities are linked with trade and economic growth.

5.1 Quantifiable evidence as to the cost of underinvestment in language capability

The negative impact of underinvestment in foreign languages is highlighted in a report analysing performance of small and medium enterprises (SMEs) in the UK by econometrist Foreman-Peck (2007). As explained in Section 1, Foreman-Peck, joined by Wang, quantified the cost of underinvestment in language capability in their report to UK Trade and Investment, and calculated that in 2006 alone the UK had lost £48 billion in potential international sales, which was equivalent to 3.5 percent of the UK’s GDP (Foreman-Peck & Wang, 2014). According to these authors, these costs were most likely to be centred on SMEs and non-exporters, who “may not know what they do not know” due to deficient information originating from “insufficient UK investment in the language and cultures of other countries” and who “thereby can lose profitable opportunities” (Foreman-Peck & Wang, 2014, p. 1).

Foreman-Peck and Wang (2014) further argue that because of language barriers, the UK underperformed in 2006 in such markets as the fast-emerging BRIC (i.e. Brazil, Russia, India, China) as well as in France, Germany and Japan, and that it does not invest enough in non-European language markets with huge potential, such as China, Japan and Russia. Their research confirms that businesses with high export intensity are aware of language barriers and appreciate cultural difficulties. They thus conclude that firms with low exports who stated they had not experienced cultural difficulties in selling abroad were either crowded into English-speaking markets or failing to appreciate the language barriers in expanding their trade in non-Anglophone markets.25 King (2014) points to the unrecognised potential value of language and intercultural capabilities in this context.

If you are running a company in export markets, or plan to move in this direction, when you next struggle with market share or when you encounter muddled business planning, the solution you seek may not be a new marketing strategy or a new product design. It may be that you need a language strategy that uses linguistic skills to direct business advantage. (para. 12)

Other UK research finds that foreign language skills are highly valued in sectors rebalancing towards a more export-oriented economy, with nearly half of manufacturing firms seeing such skills among their staff as helpful in building relations with overseas contacts (Confederation of British Industry [CBI], 2013, 2014, 2015).

5.2 The New Zealand situation

New Zealand, like the UK, is an English-speaking country and, as noted in Section 3, despite the fact that New Zealand’s economy relies heavily on trade, language education both at secondary and at tertiary level is diminishing due to the ever-decreasing number of students learning international languages. The New Zealand situation appears to be very much like that of the UK. In alignment with the findings of the CBI surveys cited above, our interviewees believe that there is a need for graduates to be equipped with language and intercultural capabilities, along with other transferable skills, for further development of international trade. This view is strongly expressed below by our interviewees.

I think a lot of it is society and employers. Do they value graduates who have intercultural capabilities or are bilingual? That’s just as important a question. Do they recognise the importance of it?

25 Firms with no experience in dealing with cultural difficulties had at least a 46 percent lower export-turnover ratio that those with some experience (Foreman & Wang, 2014).

26 The CBI is a voice in the UK for firms at the regional, national and international level to policy makers.
Probably from my perspective, New Zealanders, sadly, they don’t […] (Jason Reeves)

Employers generally, and especially Fonterra, we would like to see more students coming out with that broad set of skills, including intercultural competence, communication, critical thinking and so on, and I do think that language can be a critical component in providing for those. It doesn’t necessarily follow that a whole bunch of Japanese speaking graduates are going to make New Zealand richer. I do think there’s enormous potential for New Zealand to do better in educating our young people in that broad skill set, absolutely, and, yes, we’re certainly missing out on opportunities in business. (Phillip Turner)

We have a disproportionate amount of people who have studied another language or who have visited another culture, and require an understanding of those cultures to sell their products. I think it’s an absolute advantage to anyone who’s looking for a career in any industry that requires selling or engaging with other cultures and with other countries. Because apart from the language and the ability to communicate instantly with them, the insights of the culture and the way of thinking, and the time frames are different around decision-making, and all the things that come with being [linguistically and culturally competent] add value to you as a person and your ability to add value to the organisation you work for. (Jason Hill)

5.2.1 How much language and intercultural competence is enough?

Just about every interviewee states that learning some of the language of those they do business with, as well as developing a good understanding about their culture, is essential when doing business, as a way of showing respect to them. As these statements below illustrate, such efforts are appreciated and are an important aspect of establishing good relationships, which is a key to success in business.

If you can say your Mihi and you can say a few words in Te Reo, that’s going to create a better connection between the iwi and our staff than if you can’t. So, I think people have to make some level of effort if they want to form a relationship. (Interviewee 11)

I think it’s absolutely key to pick up a few words so I made a point of learning just the basics. You know so that you can appreciate the food and say hello and good night and good bye and you know all those things they really, really appreciate. (Peri Drysdale)

If they say that you’re doing your best to say something in Japanese, then they’ll respond a lot. […] A little Japanese does go a long way and not be apologetic about it; show that you’ve done it as a sign of respect and wanting to engage with them. (Ian Kennedy)

People with some knowledge of Japanese language or culture are showing their respect to Japan, so Japanese people generally appreciate that. (Interviewee 8)

So, a lot of the issues you have when you go to another country with a cultural change, with a language and a history which is different, is that you do some research on the culture, you learn some words, maybe you bring an interpreter with you, so you’re respectful. (Aaron Hynds)

Jason Reeves, Coalitions Manager, New Zealand Trade & Enterprise, confirms that SMEs hoping to start trade with Japan, are more aware of the importance of intercultural competence nowadays.

I think certainly to have an understanding of business etiquette, and what’s socially acceptable behaviour and what’s unacceptable, I think that’s important, and I think a number of customers understand that, and if they’re new, often that will be a question they’ll ask us. “This is only my second visit to Japan. How should I dress? How should I behave? How is the meeting going to run? What’s the time frame? Can I, should I ask questions?” Those are the kinds of questions people often ask me who are new to Japan. (Jason Reeves)
Peri Drysdale, who is an entrepreneur and owns Snowy Peak Ltd., has been trading with Japan since 1988. She ascribes her business success in Japan to her understanding of Japanese culture.

I studied it [= the culture] really hard even before I went there, even the simple things, just even: Where do I sit? Who speaks first? Who starts eating first? Gifts are important. I needed to work out of the people I was meeting with. What is the hierarchy? Who gets which gift? When do I give the gifts? It was often said to me in Japan, I felt to them like I was 80 percent a Japanese person. In other words, I fitted in 80 percent. The 20 percent of the time when I didn’t fit in, I really didn’t fit in and they’d get a real shock. But that was because at those points, I had to [be very clear what I meant]. And because I fitted in 80 percent of the time, that worked really well. (Peri Drysdale)

Although she does not speak much Japanese herself, she emphasises the importance of having Japanese-speaking staff when doing business with Japan, whether the other party may or may not speak English. However, she also noted:

It is a big ask to ask a business person to learn the language that they are working in unless they are going to work in one international market. (Peri Drysdale)

These comments suggest that an understanding of the culture is critical but that the amount of language someone learns might depend on the amount of work they are undertaking in a single market.

The importance of being able to communicate with importers of goods in their language is advocated by another interviewee, Aaron Hynds, Director of Research and Development, Hynds Innovation, Hynds Holdings Ltd., a fluent Japanese speaker who has established good relationships with a number of leading Japanese companies.

If you’re going to sell overseas, then you gotta speak the language. If you’re buying, it’s not as critical; it’s more polite rather than required. But if you’re going to sell overseas, you definitely have to speak the language. (Aaron Hynds)

The following comment from Jason Reeves endorses Aaron Hynds’ view of the importance of language for successful international trade:

It would be interesting to compare that with a country like the Netherlands. The Netherlands have been trading for four or five hundred years with the rest of the world; nobody speaks Dutch apart from the Netherlands. South Africa learned. I think the difference for them, it wasn’t about choice; it was about necessity. It wasn’t a nice choice to learn a foreign language. If we don’t learn a foreign language, we can’t trade. They’ve been very, very successful internationally for four or five hundred years, trading with everybody around the world. Language is not a barrier; it’s a requirement. (Jason Reeves)

Clearly from the interviewees’ comments above, employees with language and intercultural capabilities can play an important role in contributing to New Zealand’s trade and economic growth. However, unlike in the UK, there has been no research in New Zealand that quantifies the cost of underinvestment in language capability and consequent lost opportunities in trade. The lack of robust data on the economic implications of a deficit in language and intercultural capabilities must be addressed with some urgency. Alongside this and of equal importance is the necessity for research and consultation with industry to identify their needs. This is highlighted in the Minister’s Foreword in the TES which refers to the New Zealand tertiary education system having “strong links to industry, community and the global economy” (p. 2). More specifically, Priority 1 refers to the need for “more explicit co-operation between industry and TEOs about the types of skills that are most needed” with industry needing to “clearly identify its medium and long term needs” (p. 10).
5.3 Conclusion

Trade is critical to New Zealand’s economic growth. International research indicates that language barriers and a lack of intercultural capabilities can result in underperformance in trade. Tertiary education is expected to contribute to meeting the needs of a growing economy and active participation in global trade. Yet the current TES does not address the need for language and intercultural capabilities. Interviewees too echoed the need for employees with language and intercultural capabilities to contribute to economic growth and trade. It is therefore urgent that the Government instigate research that will quantify the potential negative effects of a lack of these capabilities in the New Zealand workforce, and consultation with industry to identify what capabilities are required. The future TES must include the need for such capabilities if tertiary education is to make the desired level of contribution to New Zealand’s economy.

6 Language and intercultural capability & other areas of importance

Research indicates that there are wider implications from a deficit in language and intercultural capabilities. The research discussed thus far seems to indicate that there is a higher level of awareness and sense of urgency in the UK, the USA and Australia at government and industry level regarding the lack of language and intercultural capabilities than there is in New Zealand. While the relevance, if not the quantified economic value of language and cultural capabilities, is generally understood in relation to particular areas such as trade and tourism in New Zealand, their relevance to other sectors of society might not be well-known. Internationally, language and intercultural capabilities have been linked to diplomacy, defence and security (as noted in Section 4), and to soft power, as well as to key services and sectors of society, such as law, finance, science, medicine and engineering, community services, and research and education (Abbott et al., 2014; Brecht, 2015; Cambridge Public Policy SRI, 2015; Eng et al., 2015; JNCL-NCLIS, 2016, n.d.; McGinn, 2015).27

6.1 UK research and initiatives to increase language and intercultural capabilities

In the UK, declining investment in language and intercultural capabilities and consequent closure of university language departments and degree courses have resulted in a number of negative ramifications. These ramifications include: a shortage of language teachers; a lack of English speaker translators and interpreters in the EU civil service, resulting in meetings being cancelled; inadequate languages services for the criminal justice system and health sector; risks to defence and security; and reduction of soft power (see discussion in the subsection below). Concern at Government level around the lack of language capabilities and the cost not only to the economy (see Section 5 for the cost to trade and economic growth), but also to society, led to the establishment of an All-Party Parliamentary Group on Modern Languages (APPG) in 2008 and a Manifesto for Languages in 2014 calling for a national languages recovery programme (APPG, 2014; British Council, n.d.a, n.d.b). There has been a raft of research reports by the British Government, NGOs, business and other organisations into the extent and implications of a deficit in language and intercultural capabilities, and the need to increase capacity in these.28

Several initiatives have been implemented in the education sectors to increase language and cultural capabilities as well as awareness of the implications of a deficit (see Section 8 for examples). For

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27 Further information on JNCL-NCLIS (Joint National Committee for Languages and the National Council for Languages and International Studies) can be found on https://languagepolicy.org/.
instance, the English Baccalaureate (EBacc) was introduced in the UK school sector, and the Routes to Languages programme was funded between 2013-2016 by the Higher Education Funding Council for England (HEFCE). The aim was to increase the number of students taking languages to senior school level and onto tertiary level, thereby increasing:

[N]ational capacity in those areas of employment that require proficiency in languages and intercultural competence, including careers where cultural mediation is a key asset, as well as careers in translation, interpreting, teaching and research. (Routes into Languages, n.d., Point 2)

6.2 Initiatives in the USA

In the USA, while American society is multilingual, it is estimated that as many as 80 percent of Americans can speak only one language, whereas 50 percent of Europeans over the age of 15 can speak two or more languages (AMACAD, 2015). The US Government’s concern about the language deficit of English speaking Americans led Congress to ask the AMACAD to form a Commission on Language Learning in 2015. Members of the Commission consist of representatives from universities, Government departments, and other stakeholders such as the legal and defence sectors. The Commission has been working nationally with academics and professional organisations to conduct research into language provision and to initiate discussion around languages. Topics include international education, research, the influence on economic growth, cultural diplomacy, and future productivity and fulfilment of Americans. It is recognised that America’s challenges and opportunities, whether public health or new technologies, require international understanding and cooperation and that language capabilities are central to these. Government initiatives to build national capacity in language and intercultural capabilities include the awarding of over US$71 million in grants to strengthen international studies, world language training and global experiences (U.S. Department of Education, 2016), and the establishment of the Critical Language Scholarship (CLS) Program. The CLS Program, in which Japanese is included as a critical language, provides tertiary students with intensive overseas language and cultural immersion programmes to:

[E]xpand the number of Americans studying and mastering foreign languages that are critical to national security and economic prosperity. CLS plays an important role in preparing students for the 21st century’s globalized workforce and increasing national competitiveness. (U.S. Department of State Bureau of Education and Cultural Affairs, n.d., para. 2; bold in the original)

6.3 Australian research

In Australia, there have been Government policies, programmes and investment over the last few decades to increase language provision as part of its economic strategy, as articulated, for example, in Australia in the Asian Century White Paper (Australian Government, 2012). One of the Government-commissioned series of reports (Eng et al., 2015), Smart Engagement with Asia: Leveraging Language, Research and Culture, highlights the importance of language and intercultural capabilities.

[L]everaging language, research and cultural capabilities will provide the basis for deep, long-term engagement that will return social, economic and political benefits to Australia and its partners in the region. (p. 8)

According to the report, many Australians do not think they need to study another language because of the status of English as a lingua franca, and 81 percent of Australians communicate only in English at

30 This lead to the publication of AMACAD’s report America’s Languages: Investing in Language Education for the 21st Century (AMACAD, 2017).
31 This report is part of a series produced from an investment of $10 million by the Australian Government into a series of research programmes called “Securing Australia’s Future”. The other reports can be accessed from http://acola.org.au/wp/securing-australia-s-future/.
home.

However, evidence shows that being monolingual in English is no longer adequate in an increasingly interconnected world where others tend to be multilingual. (Eng et al., 2015, p. 10)

There is a low level of interest in language study in Australia, especially Asian languages, according to the report. This has far-reaching consequences, and Australia therefore needs to build language and intercultural capabilities, especially capabilities for effective engagement in the Asia-Pacific region.

The depth of Australia’s linguistic and inter-cultural competence will be a determining factor in the future success of developments in innovation, science and technology, research capacity, international mobility, trade relations and economic competitiveness. In the medium to longer term, the Asia Pacific region will be a principal focus, presenting major challenges and opportunities economically, socially and culturally, for our national security interests. (Eng et al., 2015, p. 8)

According to Dr Kathleen Turner, a business executive and global consultant, the language and intercultural deficit is a threat to the economy and society and to Australia’s diplomatic influence, as noted below (Turner, 2017).

Languages, more than ever, are and will be more in demand in the future, as industry equips itself with a workforce capable of supporting markets and clients. The world is changing rapidly and new political, economic and social dynamics mean that Australian government and industry have to recalibrate their strategic outlooks. (para. 4)

Overall the language deficit in Australia, if not tackled, is a threat to our competitiveness, influence and standing in the world, as well as to our citizens’ ability to play a meaningful role in the global economy and an increasingly networked and interconnected world. (para. 11)

6.4 Language and intercultural capabilities & their importance to other sectors

The TES refers to the diplomatic advantage of having an internationally competitive tertiary sector in terms of increased international students and international research links. However, the advantages are considerably more extensive. In the following subsections, we discuss international research on language and intercultural capabilities in relation to defence and security, soft power, and science and technology. Comments from interviewees with related experience provide insights into the New Zealand context and some make reference to New Zealand’s relationship with Japan. As explained in Section 1.3, Japan is used in this report to locate and explore the implications of our discussions in a specific cultural and language context.

6.4.1 Defence and security

According to research in the UK, the USA and Australia, developments in technology, economic globalisation, and increased mobility and interconnectedness of people have brought greater challenges and new forms of threats to security (Abbott et al., 2014; Australian Government Department of Defence, 2016; Brecht, 2015; Chen & Breivik, 2013; Hill & Beadle, 2014; JNCL-NCLIS, 2014; McGinn, 2015). For defence forces, the nature of engagement has changed, and the new forms of threats necessitate thinking in new ways and agility to adapt to new situations. The human-centric factor and cultural awareness, including awareness of politics, law, human persuasion, behaviour, and culture, is considered to be more crucial today and just as important as weapons (McGinn, 2015; [UK] Ministry of Defence, 2015). Having personnel with deep cultural understanding and fluency in languages is considered to be critical (Adamson, 2015; Australian Government Department of Defence, 2016; [UK] Ministry of Defence, 2010).32 The Australian Government Department of Defence (2016) specifies the

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32 The talk by Adamson at the workshop hosted by the Cambridge Public Policy SRI, 2015, can be heard on https://soundcloud.com/university-of-cambridge/sets/camlangpol-2015.
strengthening of, and increased investment in, Defence’s international engagement, with this becoming “an integrated core function across the entire Defence portfolio” (p. 118).

Defence will expand cultural and language capabilities to increase its effectiveness in operating in the region and collaborating with international partners. Defence will develop higher levels of cultural understanding of our region, including more intensive training for those who work routinely with regional partners. Defence will increase the number of personnel with intermediate and advanced language skills to support our enhanced international engagement, with a focus on languages in the Indo-Pacific region. (Australian Government Department of Defence, 2016, p. 153)

According to UK reports, researchers in language and area studies often play an important part in providing information on such issues as security, terrorism, cyber-crime, and international crime (British Academy, 2009). With declining numbers taking languages to higher levels, the British Government is struggling to recruit sufficient specialist linguists, such as language analysts, for intelligence work (Chen & Breivik, 2013). Additionally, the decline in researchers in languages and area studies has impacted negatively on securing research funding in these areas, which in turn has impacted on knowledge transfer from higher education institutions to Government on areas of interest (Chen & Breivik, 2013). Similarly, in Australia, Hill (2011) reports that the capacity to carry out research related to Indonesia is based on a solid knowledge of the language and that the declining numbers of those fluent in Indonesian is threatening the amount of scholarship undertaken.

The New Zealand Ministry of Defence (MoD) has very recently released the Strategic Defence Policy Statement 2018 (MoD, 2018), which builds on the Defence White Paper 2016 (MoD, 2016). As is the case for the Australian context (Australian Government Department of Defence, 2016), defence is seen to “contribute to New Zealand’s network of strong international relationships” (MoD, 2018, p.6). In the Defence White Paper 2016 the Ministry views its personnel of the future as being highly regarded by their international partners for “their ability to work among culturally diverse populations, across a range of environments” (MoD, 2016, p. 55). This presupposes a high level of intercultural competence but the report is not explicit about this or the need for language capabilities. The more recent policy statement reports that detailed capability requirements, which are necessary to deliver the policy, will be discussed in the Defence Capability Plan Review 2018 to be released later in the year. The capabilities are described as those that will enable the Defence Force “to remain relevant and make credible contributions to international efforts in support of peace and security” (MoD, 2018, p.14). With this aim, intercultural and language capabilities are essential requirements for Defence personnel.

The need for intercultural capabilities is clearly indicated by one of our interviewees who has direct experience working in the area of defence and security as a language and cultural advisor. Because of confidentiality and in the interests of security, no detailed information is provided by this person from the interview. However, it is clear from what the interviewee is able to say, that the New Zealand Ministry of Defence considers it important for personnel to have intercultural capabilities to be able to interact effectively with other cultures in areas of operation. This helps personnel avoid making intercultural mistakes, and having a narrow worldview that can inhibit them from being able to see different ways of doing things which can lead to potentially dangerous assumptions.

And also, the acknowledgement that [one’s] culture is not the standard or is the measure [is important]. It’s the ability to think that maybe there are other cultures which offer different perspectives, different ways of life. [...] [Avoiding] that sense of superiority or being absolute about my culture being the binoculars with which I view the world. (Interviewee 12)

The interviewee also considers at least some language capabilities are necessary, because of the embedded cultural meanings in words. For example, it is now well known that when Japanese say ‘hai’ (yes), it does not mean they agree; it means they understand, and ‘and so please carry on’; Japanese do not like to say ‘no’ so they respond indirectly.

So, if you don’t even know these basic words, you can’t really read the person. Some language
knowledge is important in the beginning; maybe not reading and writing [...] (Interviewee 12)

It seems then that having intercultural capabilities, and at least some language capabilities, are particularly pertinent from what is known about the nature of New Zealand military operations overseas, which often consists of training of, and support for, local forces in areas of combat such as in the Middle East or in disaster relief in the Asia-Pacific region.

6.4.2 Soft power

As noted in Section 1, soft power involves being able to influence by persuasion or attraction (see Footnote 2). In this sense, diplomacy is considered to be soft power as the attributes, values and outputs of a country enable the country to be seen as attractive and respected by other countries and, hence, establish and maintain positions of influence for the country (House of Lords Select Committee on Soft Power and the UK’s Influence, 2014). Films, education, business and innovation, political values, and sport are all considered to be soft power (Hill & Beadle, 2014). Some aspects of soft power have been discussed in Section 4; references made by interviewees to New Zealand’s niche products, sports, tourism, the clean green image, creativity and innovation, and a place to invest and set up partnerships are all elements of soft power. As noted in Section 1, we use Japan to illustrate points made in the report. Most of the aspects of New Zealand’s soft power listed above are known to the Japanese, as indicated by interviewee, Aaron Hynds.

New Zealand’s talked about all the time in Japan. It’s on the TV all the time. (Aaron Hynds)

The experience of one interviewee, Peri Drysdale, is an example of how natural products and New Zealand’s clean green image have aligned well with the Japanese emphasis on quality goods and resulted in a successful business exporting to Japan.

Peri Drysdale founded Snowy Peak Ltd. in 1981, producing high-end garments from natural and sustainable materials such as merino. She then launched the Untouched World brand in 1998 as an ethical lifestyle brand. She started to research the Japanese market in 1988 through the New Zealand Embassy in Japan to see if her garments could be sold in Japan. When informed that there was no market for her goods, she decided to visit the country herself, despite the fact that she had no contacts in Japan and spoke no Japanese. She prepared by reading a lot of books about Japanese culture and doing business, and took with her a suitcase full of samples and a rugby player who spoke some Japanese from having played rugby in Japan. While taking photos of woollen garments (which she was not supposed to) in a well-known Japanese department store, she caught an employee’s attention and was fortuitously introduced to a buyer. The buyer gained her access to a wholesaler and a list of names of wholesalers. One had a son skiing in Mount Hutt, so the connection was made. This connection gained her access to a major Japanese department store and the company has been trading with them ever since on the New Zealand-made brand.

[A significant Japanese company said they wanted] made in New Zealand [having ‘made in New Zealand’ rather than outsourcing using New Zealand materials, even though the cost would be higher...]. So, I think that’s a bit of an opportunity.

Peri Drysdale is a good example of a successful businessperson who clearly appreciates the importance of intercultural capabilities and the potential of soft power. She does not have a propensity for languages, but has a sound understanding of Japanese business etiquette and cultural knowledge (and some basic language skills). From the beginning of her business engagement with Japan she understood the importance of establishing, and then maintaining, relationships through trust with her Japanese contacts, who have loyalty continued to provide an outlet for her niche product in the high-end Japanese market.
6.4.3 Science and technology

Overseas research links language and intercultural capabilities to STEM disciplines and related business and industry. (See also Section 7 on how adding language and intercultural capabilities to a STEM qualification increases opportunities for both employers and employees.) The link between language and intercultural capabilities is described in research by JNCL-NCLIS.

Global content is literally exploding. Every minute of every day: 571 websites, 100,000 tweets, 48 hours of video and 204 million emails are created. Content today is multidirectional (B2B, B2C, C2C, etc.), multimodal (desktop, mobile, audio, video, interactive), global (over half of all internet users are now in Asia) and multilingual (less than 30% of the internet is now in English). Foreign Languages (FL) are at the heart of our national STEM sector’s ability to communicate, innovate, collaborate and compete in this context. The $15b U.S. language industry is a highly technologized driver enabling U.S. STEM businesses to reach foreign markets worth $1.5 trillion. FL has long been an element of the federal STEM research portfolio and should be included in all STEM-related policy and planning. (JNCL-NCLIS, 2013, p. 1)

At the same time, and seemingly in contradiction to the statement above, English is the lingua franca for science, engineering, technology, medicine, pharmaceuticals, and over 90 percent of international scientific communication (MacKenzie, 2014). As STEM background interviewees state, it is possible to be able to work in a STEM environment and discuss research and technical matters without having to speak another language.

[Talking about engineering] For all practical purposes, English is the ultimate Esperanto; it is the lingua franca for much of the rest of the world, therefore, the vast majority of. [...] Many, many engineers work in a similar way; they’re from a similar pedigree, similar background, and consequently learning English is, or being able to converse in English is, the way to go. (Interviewee 10)

Japanese researchers that they [= New Zealand researchers] choose are probably those who understand English. [...] In other words, Japanese researchers are globalised and are able to use English. [...] They [= Japanese scientists] understand everything New Zealanders say when they use technical terms, so they have no problem with discussing research. (Interviewee 8)

However, these interviewees consider the benefits of having language and intercultural capabilities depend on the context, especially in terms of establishing and progressing relationships.

As you go from society to society, obviously, there are expected cultural norms and expectations. [...] When you go to India, the first thing that happens is I get called Sir or Professor and I have to stop myself from slapping them down and saying “no, you do it my way” because in their country you do it their way and it’s perfectly acceptable. (Interviewee 10)

When it comes to casual talk, it is often the case that Japanese researchers cannot communicate. [...] There are times when Japanese researchers find it difficult to discuss how they will progress their research project or to talk about things not directly related to research. (Interviewee 8)

Aaron Hynd’s experiences illustrate how language and cultural capabilities have helped him contribute to innovation in the family’s engineering business. They were extremely valuable in establishing partnerships with Japanese companies and gain benefits for New Zealand from highly developed Japanese R&D in the area of engineering technology.

Aaron Hynds is Director of Research and Development Hynds Innovation at Hynds Holdings Ltd., which specialises in water and infrastructure-based solutions. He went to Japan at the age of 18 to learn martial arts, and studied Japanese while there, totally immersing himself in the culture and social life. He is now bilingual. Aaron is working on forming partnerships with the industry, customers,
suppliers, and research bodies to produce New Zealand based solutions as well as to sell New Zealand technology overseas. He sees a lot of manufacturers closing down because they are neither cost leaders nor technology leaders.

For Aaron, his language and knowledge of Japan were critical in establishing relationships with companies in Japan that have newer and more advanced fit for purpose technology.

If I didn’t speak Japanese, we wouldn’t have had the meetings. You can turn up and you might have had an interpreter, and it would have taken longer. The fact that I could understand the culture and understand the language, allowed me to jump several levels at once.

In addition, he believes that being able to speak and think in another language improves problem solving, and helps in thinking about different complexities.

Aaron sees Japan as a world leader in technology, especially in earthquake, tsunami technology, and smart housing, and believes New Zealand can benefit from Japan’s R&D. However, the benefit could be mutual. Japan is not a cost leader; it is a technology leader. Aaron believes that New Zealand’s ability to take an idea and improving it at much less cost, could be attractive to Japan. He also believes that New Zealand’s clean and green image provides an opportunity to sell our technology overseas.

The potential benefits of partnerships in the area of science and technology with Japanese companies and research institutions for mutual benefit is echoed by other interviewees.

[...] increasingly robotics is of interest to Japan and agriculture as their farmers grow older [...] In healthcare, people who have heart disease or liver problems need to have some sort of system to alert somebody if they have a problem or older people who are struggling to remember things and need to be reminded this morning you take the red pill and the blue pill. Something that’s sort of in the robotics IT area, I think that New Zealand could be incredibly creative. Where we excel also is in finding [cost effective solutions]. It’s a generalisation but Japan tends to be over engineered. They’ll produce something that will be the best in the world – no question – and will never break down but it will cost a fortune. The chances are a New Zealander will look at and find a way to achieve the same objective, maintain quality standards and cut costs at the same time. That’s an area in which New Zealand can really work together with and add value with Japan big time, I believe. (Ian Kennedy)

Geotechnical engineering and dealing with structural design to cope with earthquakes is where it’s at. And the other thing is timber engineering. Because Japan, basically since the middle ages, has had a huge forestry and managed forestry capacity and it’s a leader in timber engineering. And we have a lot timber engineering take place in New Zealand. (Interviewee 10)

There is a large market for Suntory’s sesamin, for instance, in Japan. Making use of their product development capacity and combining Japanese companies’ commercialisation technology with unique materials from New Zealand; they are considering the possibility of creating new products. (Interviewee 8)

At first glance, science and technology may not be an area where language and intercultural capabilities are useful but, as discussed above, such capabilities can play an important role in relationship building for future international collaborations and partnerships. They are indeed useful and important in STEM disciplines. It would be beneficial for TEOs to raise awareness about career choices and the career advantages in having language and intercultural capabilities alongside STEM. This aligns with the TES expectation that TEOs will “work more closely with industry to improve the relevance of research and achieve greater transfer of knowledge, ideas and expertise to industry and wider society” (p. 17).
6.5 Conclusion

International research clearly shows that there are wider implications of a deficit in language and intercultural capabilities in the UK, the USA and Australia that appear to have resulted from reduced investment in language and intercultural capabilities. The governments of these countries have been active in instigating programmes to counter this deficit which is viewed as threatening economic growth. As we have discussed, international research links language and intercultural capabilities to areas beyond trade and the economy such as diplomacy, defence and security, soft power, and research and innovation, as well as science and technology. Increasingly, building international links and relationships will be critical to social and national needs. The contribution of language and intercultural capabilities to those areas above is echoed in comments from our interviewees. We see, for example, the value that a director of Research and Innovation in a New Zealand company places on his Japanese language and intercultural abilities and their contribution to innovation in his business through links with Japan’s high-quality research and development. In New Zealand, language and intercultural capabilities’ links with defence and security, soft power, and science and technology do not seem to be widely recognised, yet they do exist. While innovation and R&D are seen as important and captured in the TES, the link with language and intercultural capabilities is not identified. If future tertiary education in New Zealand is indeed to be able to build stronger international research links, the TES would need to identify the wider potential of international linkages and joint R&D partnerships, such as with Japan as identified by the interviewees. It is clear that extending expectations for tertiary education in the next TES to include language and intercultural capabilities would progress outcomes for R&D and innovation, international linkages and diplomacy as well as economic, social and employment outcomes.

7 Employers’ perspectives, graduate profile and employment opportunities

7.1. International research on employers’ perspectives on language and intercultural capabilities

The TES recognises the need to prepare graduates for increased competition globally for both higher-skilled and lower-skills jobs, and for “the changing nature of work” (p. 4). This therefore means that there must be a clear understanding of what industry needs are, and the direction these changes are likely to take.

An international report on nine countries consisting of seven non-Anglophone countries in addition to the UK and the USA (British Council et al., 2013) has found significantly that employers value intercultural capabilities as effective in the face of growing competitiveness and the global challenges and opportunities brought about by interconnectedness. 33 Formal qualifications and traditional skills remain important, but employers are also looking for:

[C]andidates who can navigate a workplace that transcends national and cultural borders, particularly for positions that require interaction with individuals and organisation from nationalities and cultural backgrounds different from their own. (British Council et al., 2013, p. 4)

When asked to rank technical and soft skills, the top three skills identified by employers are the soft skills of “respect for others”, “builds trust”, and “working effectively in diverse teams”; these are followed by “open to new ideas/way of thinking” which are ranked equal to “qualifications related to the job”, followed by “expertise related to the field” (p. 11). Below these are a range of other technical and soft skills such as “analytical thinking” and “adjust communication to suit different cultural settings” as well as collaboration, self-motivation, and leadership (British Council et al., 2013). It appears that employers are seeking a holistic profile of IQ (hard skills), EQ (soft skills) and CQ (cultural

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33 A joint international study commissioned of human resources managers at 367 large employers in nine countries (Jordan, Indonesia, the UK, South Africa, India, the USA, the UAE, Brazil, and China). The aim was to find out what skills employers were looking for, why they valued them, what they meant by intercultural skills, and the benefits and risks of having or not having employers with intercultural skills.
skills). Of particular interest is the finding that a lack of intercultural capabilities is associated with business risk, such as miscommunication, team conflict, loss of clients, and damage to an organisation’s reputation.

Research shows that industry groups in the UK, the USA and Australia are becoming aware of the importance of language and/or intercultural capabilities, especially in relation to trade. However, there is a disconnect between research findings and actual practice by employers, with a strong emphasis still on filling STEM demands when recruiting staff (Brecht, 2015; British Chambers of Commerce, 2012, 2013, 2015; O’Leary, 2015; The Guardian, 2015; Turner, 2017).

7.2 Research in the UK

Extensive research in the UK into language and intercultural capabilities shows that pragmatic language skills (i.e. ability to communicate in an international language) and associated intercultural capabilities are being recognised more than ever. These capabilities are associated with good communication skills, a global mindset, cultural agility, and good skills for teamwork (British Academy, 2014; Mansell, 2016). Employers value time spent studying or working overseas as contributing to the development of maturity and independence, along with language and intercultural capabilities, such as resilience and the ability to adapt to unfamiliar situations, and consider these capabilities to be very relevant for roles with an international focus (British Council et al., 2013; British Council, 2015). A large majority of respondents in a British Council survey believed that the international experience helped develop abilities needed for innovation, such as creativity, critical thinking and strong problem-solving skills (British Council, 2015).

A British Academy survey of SMEs has found that seven out of 10 firms believe that future executives will need international language capabilities and international experience. They also believe that increasing the number of employees with language capabilities would help create new business opportunities and strengthen existing relationships (British Academy, 2014; Mansell, 2016). While language and intercultural training and immersion experiences for staff are an option, not all employers, especially SMEs, have the resources for this training. The British Academy research found that many employers were reluctant to provide training because of cost, which could support the case that employees should gain linguistic and intercultural capabilities before they enter the workplace (British Academy, 2014; Mansell, 2016).

7.3 Research in the USA

In the USA, the Commission on Languages final report (AMACAD, 2017) has found that employers are increasingly recognising the negative impact of the language and intercultural deficit.

Almost 30 percent of the US business executives who participated in a 2014 study commissioned by the Coalition for International Education reported missed opportunities abroad due to a lack of on-staff language skills, and nearly 40 percent reported that they had failed to reach their international potential due to language barriers. Business leaders are beginning to recognise that they are missing opportunities

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34 The British Academy Born Global two-year project on languages and employability (https://www.thebritishacademy.ac.uk/born-global) researched the extent and nature of language needs for employment in the UK to inform government language policy development and implementation. The project was initiated, following public concern over declining language capability in all sectors of education and in the face of recurrent calls from employers for stronger language skills to support economic growth. The aims were to provide a new paradigm for evidence-based policy development, engaging key stakeholders from education and employment in a radical rethinking of languages education for the 21st century. Among the questions the project sought to clarify were how education could ensure sufficient numbers of graduates with the right language and cultural awareness that employers said they were looking for; what level of language skill would be sufficient; and how to address that lack of incentive for language learning when there appears to be little advantage in the workplace for UK-born employees with language skills. The 2016 report discusses the implication for higher education. The project produced two reports: Born Global: Summary of Interim Findings (British Academy, 2014) and Born Global: Implications for Higher Education (Mansell, 2016).
at home as well, especially in negotiations to attract foreign direct investment in the US workforce. In 2015, nearly 70 percent of foreign investment went into the manufacturing sector (AMACAD, 2017).

Some employers in the USA are now offering higher salaries to bilingual employees, and recognise international experience, whether from study, internships or work (AMACAD, 2017).

7.4 Research in Australia

In Australia, there is similar growing concern about the negative economic impact of the deficit in language and intercultural capabilities; “Australia has fallen behind by not devoting sufficient time, resources and effort to language learning” (Turner, 2017, para. 1). However, awareness is not evidenced across the business sector. A report by O’Leary (2015), for example, indicates that not all employers appear to understand the implications of a deficit in Australia’s Asian language and intercultural capabilities for business success.

According to O’Leary (2015), one of the biggest barriers to developing opportunities in Asia is the lack of understanding in Australian businesses of the capabilities necessary to engage with Asian countries (i.e. Asia capabilities). These capabilities and experience include cultural intelligence (CQ), working or studying in Asia, working in and managing culturally diverse teams, language capability, and Asian networks. Findings identify “1 in 3 Australian workers have no or very little overall Asia Capability” (p. 7) and “[o]nly 5.1% are fluent in one or more Asian languages” (O’Leary, 2015, p. 7). The report shows that while employers might value these capabilities, they do not know how to use them effectively, including those of their Asian workforce. O’Leary (2015) argues that if Australian organisations wish to make the most of the Asian opportunity and respond to Australia’s multicultural society, organisations need to take more action by reviewing their strategies to build Asian cultural capabilities in their workforce as well as ensuring they are making the most of their Asian workforce capabilities. This will also include provision of intercultural training for all staff including their Asian workforce, and international immersion experiences.35

A lack of emphasis on building language and intercultural capabilities as transferable/soft skills is evident in various Australian business skills needs surveys. These surveys have a strong focus on demands for STEM skills and transferable skills, such as the 4Cs: critical thinking, creativity, communication, and collaboration (see Section 2.3). A 2015 report on Australia’s Future Workforce? (Committee for Economic Development of Australia [CEDA], 2015), largely focuses on STEM skills. Only one section of the report identifies the importance of transferable skills.

Often described somewhat pejoratively as ‘soft skills’, leadership, cross-cultural communication, problem solving and teamwork are all highly valued by employers and will be a critical element in preparing graduates to compete in the global war for smart talent. (den Hollander, 2015, p. 231)

Professor den Hollander, who is Vice-Chancellor of Deakin University, also states that intercultural skills are essential for the global market.

The Australian Industry Group’s Workforce Development Needs Survey Report (2016), which included analysis of various skills shortages and selection criteria for employment, identifies the need to improve international capabilities, namely, language, culture and markets, in the category “Areas in which improvements to leadership and management skills are needed” (p. 29). Over 50 percent of respondents believe improvement is needed. However, of these, only 5.3 percent believe major improvement is needed, 26.9 percent believe there is a medium need, and 21.3 percent believe there is a minor need.

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35 Development of intercultural capabilities is a life-long process, and bilingualism or multilingualism does not guarantee intercultural capabilities to manage the diversity an individual is likely to encounter in the domestic workplace and internationally (Byram, 2008).
This lack of recognition of the strategic importance of language and intercultural capabilities generally in the business sector appears to be causing concern, as Turner (2017) states:

Several business colleagues have argued that an inability to trade in languages other than English is damaging Australia’s export performance. Indeed, the language deficit in Australia is truly serious with most sectors having no foreign language ability for the markets they serve, and disconcertingly the largest deficits are for the fastest developing markets. (para. 2)

And that Australian Government and business should work together to develop educational policy relating to languages and international skills, and [...] focus on the long-term strategic needs for languages. (paras. 15, 16)

7.5 Language education and national aspirations: the need for a more strategic approach

While research is indicating growing recognition internationally by employers in business and industry of the importance of language and intercultural capabilities and associated transferable skills, in the UK, the USA and Australia there is still an emphasis on meeting STEM needs. UK research, for example, shows that employers have been giving priority to filling the STEM skills gap and job advertisements often do not ask for language or intercultural capabilities even though employers value them (The Guardian, 2015). Consequently, demand for language skills in certain areas have been ‘trumped’ by priority being placed on the other attributes (The Guardian, 2015; King, 2014). As O’Leary (2015) states, employers may not be fully aware of the contribution of language and intercultural capabilities to their organisations or how to utilise them. The CBI report (2014) points out that this practice is sending mixed messages about the value of language and intercultural capabilities, not only to students and graduates but also to society (CBI, 2014). It can be seen as perpetuating the ‘English is enough’ mindset. UK research has found that the reason offered for the low demand for language training among companies was “because of the perception that overseas companies were investing in their workforces learning English” (Mansell, 2016, p. 9). In the case of Australia, Turner (2017) recommends that the Australian Government take “a more strategic approach to language education, linking it to national aspirations for international engagement in business” (para. 16). Turner’s recommendation echoes the call for a national languages policy by researchers in Australia and New Zealand (Lo Bianco & Slaughter, 2009; Peddie, 1997; RSNZ, 2013; Spence-Brown, 2014; Waite, 1992) over the last few decades. Such a national languages policy would need to be strategic and coordinated, not fragmented and piecemeal, across all sectors of the education system, including the tertiary sector, for it to be fully effective.

7.6 Graduate profile and employment opportunities: evidence of the repositioning of language and intercultural capabilities

Research in the UK, the USA and Australia indicates that while there is still an emphasis in many industry sectors on STEM qualifications, language skills are increasingly considered to be a necessary ‘extra’ (Brecht, 2015; AMACAD, 2017; Mann, Brassell, & Bevan, 2011; The Guardian, 2015). In the UK, language skills are reported to give a competitive edge when applying for jobs and also an ability to apply for a wider range of jobs (British Academy, n.d.a, n.d.b). School leavers and graduates who speak only English are considered to be at a disadvantage in the job market because of competition from international peers who often have two or more languages in addition to English (British Academy, 2014; Cambridge Public Policy SRI, 2015; Mansell, 2016). However, opinion of employers in the UK

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36 Concerned over the falling numbers studying languages in the UK, The Guardian and the British Academy set up a two-year partnership ‘The case for learning languages’ project. This generated a series of articles, discussions, public debates, and online Q&A and a final report on the highlights from the series (The Guardian, 2015).

37 See the British Academy’s Languages at Work Summary Report and the questionnaire completed by 75 participants, as well as case studies of 13 language-active individuals, on https://www.thebritishacademy.ac.uk/sites/default/files/3.%20Languages%20at%20Work%20Survey%20Summary.pdf, and https://www.thebritishacademy.ac.uk/sites/default/files/3.2%20Languages%20at%20Work%20Survey%20free%20form%20answers.pdf, respectively.
also indicates that rather than there being a need to increase the number of graduate linguists, there is a real need to have graduates with language skills as additional capabilities (The Guardian, 2015).

7.6.1 The need for interdisciplinary degrees across all sectors

UK, USA and Australian research indicates that while there is a need for highly proficient linguists for occupations that have a premium on language capability, such as language analysts, interpreting and translation and teaching, there is growing recognition of the value of having interdisciplinary degrees for widening employability and career options. The need for interdisciplinary degrees applies particularly to STEM disciplines combined with languages and linguistics (British Academy, 2014; JNCL-NCLIS, 2013; Mansell, 2016) or other humanities qualifications (Cunningham, Theilacker, Gahan, Callan, & Rainnie, 2016).

Technological change and growing cultural diversity, as discussed in Section 6, is increasing demand for, and shortages of, employees with linguistic, analytical and intercultural skills across a wide range of sectors. These include legal and political services, marketing, finance and insurance, medicine, computational linguistics, forensic linguistics, specialist research, and translation and interpreting, as well as in engineering/technology, intelligence and defence. The importance of language capabilities is observed in the multilingual approach for tracking, interpreting and reporting on different language sources. For example, data-mining software combined with human expertise, which includes language capability, is used for digital disease surveillance, and detection systems searching for, and mapping, information that could cause public health crises (Cambridge Public Policy SRI, 2015). Such combined use of technology and languages for surveillance of online data in a range of languages is being recognised as crucial for fast global public health alerts. For instance, language capability was integral to the detection of an initial Chinese report on the SARS epidemic in 2003, and Spanish reports on the Swine Flu outbreak in the Mexican media in 2009 over three months sooner than cases were reported in the USA and Canada (Cambridge Public Policy SRI, 2015). The work of scientists and doctors is shown to be more effective when combined with language and intercultural capabilities to enable them to respond to different cultural needs and expectations (Cambridge Public Policy SRI, 2015).

7.6.2 Lack of awareness of language and intercultural capabilities as valuable transferable skill sets

However, research indicates that many students and graduates undervalue the range of skills that are developed by having language and intercultural capabilities, and appear to be unaware of the increased employability and career options beyond the traditional specific careers of teaching, translation and interpreting (British Academy, 2014; Mansell, 2016; The Guardian, 2015). It appears that language graduates do not sufficiently promote the skills and capabilities they can offer to an employer and there are fewer language graduates in management and professional occupations (Mansell, 2016). This is possibly compounded by the fact that employers do not indicate a need for language and intercultural capabilities in job advertisements unless the roles specifically require them, as mentioned in the following subsection. As a result, the message around the advantage of having language and intercultural capabilities, especially for career advancement, is not clear to graduates.

7.7 New Zealand employers’ perspectives of graduate attributes

In New Zealand, there has been a range of research into needs relating to language and intercultural capabilities as necessary skills for the workforce, for example, the Asia New Zealand Foundation (2017),

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39 Refer to Section 5 and also https://study.com/articles/Become_a_Linguist_Step-by-Step_Career_Guide.html; https://www.publicpolicy.cam.ac.uk/research-impact/value-of-languages.

40 SARS is the acronym for severe acute respiratory syndrome, a viral respiratory illness caused by a coronavirus. It was first detected in Asia in 2003 and spread to over two dozen countries, killing an estimated 774 people. For more information, see https://www.cdc.gov/sars/about/fs-sars.html.
Hamilton-Hart & Fiedler (2017), and the Superdiversity Centre (2016). The Superdiversity Centre 2016 report emphasises the importance of having staff with CQ capabilities as follows:

CQ is the ability of an individual or an organisation to operate and thrive across cultural borders, the ability to deal with people who are not like themselves, to manage diverse staff members, and to understand diverse customers. Policies and processes for boosting the CQ of an organisation and its staff members will be crucial in retaining and growing market share [in the case of businesses], delivering effectively on their mandates and retaining the trust of the electorate [for government] and maximising individuals’ opportunities [in the case of the population in general]. (p. 10; square brackets added by us)

In terms of employment, the focus of the interviewees varies because of their respective roles and sectors. However, the themes from their various comments largely reflect international research findings. We present our interviewees’ perspectives on necessary and preferred graduate capabilities and attributes (i.e. the graduate profile) in the remaining subsection.

7.7.1 Both hard skills and soft skills are important

Unless language and intercultural capabilities are required for a particular role, they are not usually looked for, although they might be considered ‘nice to have’, according to interviewees.

[…] if they’re employed for a role, and that role has nothing to do with a language, then having a language is a benefit, but not the reason why we hired them. (Aaron Hynds)

If they did speak the language, that would be a big tick. Even if they don’t, that’s not necessarily a cross. They might have that cross-cultural competence from some other things, and we’re very open to that, so language is kind of a part of the picture; it can be a really good indicator and it can be a really good training. It’s not the be all and end all. (Phillip Turner)

However, according to one interviewee, if there is a choice between two applicants with similar qualifications and experience, “we would [choose the one with language]”; that is, language capabilities could be the determining factor. Another interviewee echoes the international research findings that the soft skills are not being emphasised sufficiently, even though the hard skills are a priority, and that without soft skills, graduates could be disadvantaged in terms of career progression.

I think my message to business is, maybe we encourage the STEM thing a bit by sending misleading signals, over emphasising the technical stuff. But that’s entry stuff. […] [After] five years, that won’t matter so much. Past that, the broader skill set is what will propel you through and will enable the continuous learning, the ability to sit outside yourself, look back, reflect, adapt, manage change, see the opportunities, that sort of stuff. […] those additional skills, around relationships, strategic thinking, critical thinking, problem solving, ability to influence, to lead collaboratively, to be innovative, and to manage people such that they blossom. (Phillip Turner)

7.7.2 Language capabilities as a necessary extra

The need for hard skills in most types of employment is not a new phenomenon; traditional language careers, such as teaching, translation and interpreting, require good language and intercultural capabilities, but also require respective hard skills to qualify for the professions. Our interviewees identify a range of roles in areas ranging from business and tourism to the technical, in which hard skills are a priority but in which also language and intercultural capabilities are either necessary or are

Further readings can be found on https://www.educationcounts.govt.nz/publications/international.
important extras. For roles that involve overseas partners, language capabilities can be essential even if not always in the job advertisement.  

[In the case of employing engineers] If it’s New Zealand and they’re dealing with New Zealand projects, probably wouldn’t be any scope for them, but if you’re dealing with overseas, where you’re building technology to be sold in New Zealand, and you’re dealing in a country where language is a struggle, then you would employ a person based on their engineering skills and language skills. (Aaron Hynds)

Well, I think business does look for that. I think we always say languages preferred; jobs off shore we’ll always say. It might not be in the advertisement, but we will be looking for resilience, adaptability, cross-cultural competence, and we’ll definitely be looking for that in the interviews and in the background. (Phillip Turner)

7.7.3 Intercultural capabilities and other transferable skills

While there may not be many employment opportunities that specifically require language skills to interact with others in the field, all the interviewees speak of the importance of intercultural capabilities and associated transferable skills.

Well, nowadays absolutely, because there’s probably no workplace they’re going to go into where they’re not going to have to work alongside other [cultures] in whatever capacity, selling to them, buying from them, working alongside them, managing them, supervising them or working for them. [...] A lot of our customers are from different cultures and I insist that, even if a sales person is not going to that market, [...] they have to know what that culture is [...] if we can feel more familiar to them in the way we do business, then we’re going to get through to the needed trust level much faster. [...] I would employ [...] Kiwis or any other nationality who are willing to learn how to work with those particular nationalities. (Peri Drysdale)

I think it will be difficult if you do not have a global vision. What is a global vision? Well, it probably is open-mindedness. (Interviewee 8)

Employers generally, and especially Fonterra, we would like to see more students coming out with that broad set of skills, including intercultural competence, communication, critical thinking and so on, and I do think that language can be a critical component in providing for those [...] They’ve got to be resilient, they’ve got to be understanding, they’ve got to be sensitive, they’ve got to know how to operate in that environment. (Phillip Turner)

Yes, because a lot of our customers employ non-native speakers so you have to deal with them on another level; you have to be patient always. (Aaron Hynds)

7.7.4 International experience

A number of interviewees consider international experience, whether from study or internship, very useful both for language acquisition and for developing global perspectives and intercultural capabilities. The interviewees who have developed a high proficiency in Japanese have done so through complete immersion in Japan. In fact, two interviewees are doubtful about whether a high level of proficiency, or specialist cultural knowledge and deep awareness can be achieved just from university

For examples of career advantages of being able to speak Japanese, see Appendices 2, and also the Sasakawa Fellowship Fund for Japanese Language Education website: http://www.massey.ac.nz/massey/admission/scholarships-bursaries-awards/other-scholarships/sasakawa/japanese-language-fund/for-students/why-japanese.cfm. The Fellowship Fund aims to raise awareness of the advantages of Japanese language capabilities and offers Undergraduate Scholarships. Preference is given to those studying double majors, conjoint degrees or double degrees that combine hard skills with the soft skills of Japanese language.
study in New Zealand. This endorses the importance of study abroad or internship experiences while at university.

I think it is questionable what you can do with the Japanese language that you have learnt only for a few years at university. (Interviewee 8)

Studying a language without complete immersion is almost a waste of time. You can’t study a language without understanding the culture and being able to speak the language fluently or in a context where it’s natural. [...] If I’d gone around using that Japanese and my understanding of just what I learnt at university, I would have been made to look foolish and stupid and I wouldn’t have succeeded in anything. Because you don’t understand the nuances of the culture. [...] The language is part of the culture, and culture is part of the language, and you can’t have one without the other. (Jason Hill)

7.7.5 Work experience benefits employers and job applicants

Interviewee comments indicate that some work experience, whether paid or voluntary, is very advantageous, as it enables an employer to assess attributes of applicants, such as work ethic, and to follow up on references. It is often difficult for new graduates with no work experience to be successful in applications for certain positions, so such experience can provide useful evidence.

Having a good CV [...] and then references are very important as well. [...] Work experience, something. If it’s marketing, then have they gone out and done six months of internship? Those sorts of things are important. (Tim Harvey)

If someone comes and says “I’ve been an intern at Tourism New Zealand or ATEED or somewhere”, I don’t care if they got paid or not; I just want to know that they’ve worked somewhere, they’ve got some experience. I can ring someone and go, “Were they good or bad?” Because at the end of the day it’s all about attitude. (Jason Hill)

7.7.6 Applicants need to articulate the relevance and advantages of language and intercultural capabilities

One interviewee’s comments reflect UK research (Mansell, 2016; the Guardian, 2015) that it is very important that applicants are able to articulate the capabilities gained from language study and international experience, and their relevance to the position they are applying for.

If someone comes into a job interview here and says they’re fluent in a language, does that make me more likely to employ them than someone that doesn’t? [No, it doesn’t.] (Philip Turner)

The importance of being able to articulate these capabilities is reinforced by another interviewee’s belief that many New Zealand employers and New Zealand society generally do not recognise, or are not fully aware of, the importance of language and intercultural capabilities.

I think many employers, even if it’s an international company that does trade in a number of countries, I don’t necessarily think they place that much importance, sadly, on graduates who are bilingual, who have cultural skills, which they should do because that can impact their ability to conduct business in different countries. So probably that’s not from a university perspective, but from an employment perspective. I think it’s probably a little disappointing that not so many companies place an importance on having bilingual skills or intercultural capability. (Jason Reeves)

7.7.7 Other general attributes

Our interviewees also mention other attributes that they consider important for graduates to have.
• Good personality. “The personalities are more important sometimes than the degrees.” (Tim Harvey)
• Trustworthiness. “Can they look at me and trust me? That’s more important to employers I think. […] It’s very much trust, and has someone recommended you.” (Tim Harvey)
• Interest. “Showing you’re interested in them, their culture and what you can do for them, I think, is the key thing with those particular nationalities.” (Peri Drysdale)
• Passion. “It doesn’t really matter about your age; it’s what you want to do and how good you are. I think most importantly the passion for what you do.” (Jason Hill)
• Courage “It’s having, I guess, the guts to go out there and not be afraid to knock on people’s doors […] because there’s a lot of helpful people out there.” (Tim Harvey)
• Proactivity. “Thinking of problems that we might have that they can provide a solution to.” (Jason Reeves)

7.8 Conclusion

The findings from this section indicate that our interviewees’ comments reflect those of industry and employers in the UK, USA and Australian research in many aspects. They consider language and intercultural capabilities, as well as associated transferable skills, to be valuable attributes in the workforce. They argue that increasing the number of employees with language capabilities would help create new business opportunities and strengthen existing relationships. They also value international experience for developing global perspectives and language capabilities, and indicate that any work experience is very important. Our interviewees and international research associate lack of intercultural capabilities with business risk and not reaching both domestic and international potential, and examples range from employee conflict to loss of reputation and clients. However, the findings raise a number of concerns in that, according to our study, there is a mismatch between what employers are saying and actual practice, and this is sending mixed messages to graduates. This has implications for achieving the aims and priorities of the TES in New Zealand, and signals a need for TEOs and Government to take action in terms of increasing awareness of the relevance of language and intercultural capabilities, and facilitating their acquisition as part of the graduate profile.

We draw on the findings of our study to annotate the following extracts from the Tertiary Education Strategy 2014-2019 in order to highlight shortcomings and areas for future action with regard to a focus on languages and intercultural capabilities:

• “assisting … individuals to realise their full potential” (TES, p. 7): Employers do not always identify or prioritise language and intercultural capabilities or international experiences such as study abroad or even work experience/internships in job advertisements. At the same time, many students and graduates are not aware of the value and advantage of language and intercultural capabilities, international experiences or internships, or able to articulate them.

• TEOs to place “a greater focus on transferable skills” (TES, p 10): Employers are placing increasing emphasis on the importance of transferable skills, including language and intercultural capabilities, for career progression. However, languages and intercultural capabilities are not clearly identified as transferable skills in the TES, and students and graduates are not fully aware that language and intercultural capabilities are valued transferable skills.

• “… better information to support young people’s career choices” (TES, p.2): There is increasing need for interdisciplinary/double/conjoint degrees that include language and intercultural capabilities and for students to be made aware of the rationale for such programmes. The TES emphasises STEM skills but does not mention the potential of combining them with other disciplines such as humanities.

• “develop ways to better identify skill shortages and future skills demand” (TES, p. 23): Research indicates that many employers may not know how to use language and intercultural
capabilities effectively, including those of their Asian workforce. The TES emphasises STEM skills and transferable skills but not language and intercultural capabilities, and does not identify them to students and graduates as future skills demands.

- “more explicit co-operation between industry and TEOs about the types of skills most needed and how to develop them” (TES, p. 9): There is a call for government and business to work together to develop a strategic educational policy for languages to meet national needs. The development of a national policy would only be effective if it includes all the education sectors, from primary through to tertiary and is informed by research.

In the next section, we will discuss the role of tertiary education in developing language and intercultural capabilities, from the perspective of what we can learn from international research, initiatives taken by universities in the UK, the USA and Australia, and the expectations of our interviewees.

8 Language and intercultural capabilities & the role of tertiary education

8.1 The role of tertiary education in equipping students with language and intercultural capabilities

Research from the UK, the USA and Australia presented in Sections 5-7 shows that language and intercultural capabilities are considered important for business, innovation and growth, as well as for the increasing diversity in the workplace. There is a call in all three countries for government, business and education to work closely together to build language and intercultural capabilities in the workforce. These findings are echoed by our New Zealand interviewees. It is also clear that language and intercultural capabilities are significant in the cultural and language context of the relationship between New Zealand and Japan, which we explore as an illustration in this report. However, as evidenced in Section 3, the numbers of students studying languages in New Zealand in the secondary and tertiary sectors, including Japanese, are falling, with only 0.655 percent of tertiary students taking a language course in 2017. In this section, we focus on the role of tertiary education in building language and intercultural capability.

8.1.1 The need for TEOs to adapt to the new realities of demand for language and intercultural capabilities

The aims and strategies in the TES are based on the Government’s focus on improving New Zealand’s economic outcomes. The six strategic priorities listed in the TES reflect the previous Government’s expectations of TEOs to contribute to these economic outcomes and to improved outcomes for individuals and society by:

- Developing skills and knowledge for business innovation and growth (Priorities 1, 2, 5 and 6);
- Ensuring graduates have the relevant necessary transferable skills needed in the workplace (Priorities 1 and 4);
- Ensuring that industry, business and employers have an active role in tertiary education (Priorities 1 and 5);
- Developing international linkages to increase the movement of people and ideas to benefit research, and to enable a growth in international student numbers and in New Zealand students studying abroad (Priority 6);
- Providing through international linkages a global context for students to enhance their understanding and respect for their own and other cultures (Priority 6).

The TES aims, priorities and strategies are echoed in international research. However, international research has indicated that tertiary education also has an important role to play in equipping students with language and intercultural capabilities not only for the growing internationalisation of the job
market but also for the increasing cultural and linguistic diversity in society and in the workplace (AMACAD, 2017; American Council on the Teaching of Foreign Languages, n.d.; British Academy, 2011; British Council et al., 2013; Mansell, 2016; Mulholland, 2013). In addition, the research shows that universities could do more; they have to adapt to the new realities of demand for graduates with skill sets (see Section 7) that include language and intercultural capabilities as a result of the new and emerging demands from, and disruptive effects of, developing technologies (AMACAD, 2017; Cambridge Public Policy SRI, 2015).

In Sections 8.2 to 8.5, we present key aspects of discussions in the UK, the USA and Australia, which are marked by a sense of urgency about the role of education in relation to language and intercultural capabilities, recurrent themes that have emerged from research, and examples of resulting initiatives by universities.

8.2 The UK – integration of language and intercultural capabilities as essential transferable skills

The findings from research in the UK provide strong evidence that the business sector wants graduates to have sound broad transferable skill sets for the changing needs of the workplace, and that language learning has a role to play in developing these skill sets. The summary report of interim findings from a two-year research project commissioned by the British Academy suggests that universities review their language programmes “to create a new fusion of learning, with languages, intercultural flexibility and business and customer awareness, developing into an integrated and dynamic programme of learning” (British Academy, 2014, p. 33). In this way, English and a foreign language would be in “the same space in the cognitive framework of the learner, […] becoming powerful foundations for the development of employability skill” (British Academy, 2014, p. 33). The British Academy suggests language departments:

[S]hould position themselves as an essential part of core knowledge and behaviours, and show how learning a language is transformative, changing attitudes and behaviours, shaping and refining them, to enable young people to develop an international outlook, intercultural understanding and strong multilingual communication skills. These are the attributes of the global mind-set, which young people should develop, if they are to be competitive and successful in the global labour market, and happy and fulfilled individuals within society. (British Academy, 2014, p. 34)

8.2.1 The need for TEOs to revitalise language programmes

The Summary Conclusions section in the final report on the two-year British Academy research project (British Academy, 2014; Mansell, 2016) states that there is clear evidence that language learning is of value to individuals, society and the economy, and that universities, teachers and students need to understand this value. It also states that:

University language departments […] should review their courses in terms of content, assessment and modes of delivery in order to ensure that they develop the skills particularly appreciated by employers, such as global mindset and resilience, as well as analytical, linguistic and intercultural skills. (Mansell, 2016)

8.2.2 Provision of clear and flexible pathways to meet global and national challenges

Tertiary education needs to provide for graduates in the traditional areas of teaching, translation and interpreting, but also needs to ensure pathways for graduates with strong linguistic skills to meet the “untapped demand for both technical linguistic skills and intercultural understanding in the wider economy” (Mansell, 2016, p. 11; bold in the original). As a discipline, languages are regarded as making valuable contributions in the context of global and national challenges, and good language provision is “thereby strengthening a university’s standing and reputation” (British Academy, 2011, p. 6). At the same time, research is showing that “there is a pressing need to rethink languages in higher education” (Mansell, 2016, p. 13), and that flexible pathways and options to develop language and intercultural capabilities should be available to students (Mansell, 2016). These range from double
degrees, whereby students can develop knowledge and capabilities in two disciplines, to space in programmes for one or more optional language courses (Mansell, 2016).

8.3 The USA – language and intercultural capabilities as essential learning outcomes for all students

Martha Abbott, the Executive Director of the American Council on the Teaching of Foreign Languages (ACTFL) who was appointed to the National Security Education Program by former President Obama, maintains that tertiary institutes need to make room for students to study languages even when majoring in areas where languages are not required, and to promote study abroad.

It’s an important skill for today’s students to have, to interact with others around the world. That’s so important in the business world, because business often doesn’t get done at the table, but in social settings. It’s hard to quantify opportunities missed because of language barriers. (As cited in Carter, 2016, para. 6)

The Liberal Education and America’s Promise (LEAP) initiative of the AAC&U includes languages and intercultural knowledge and competence as skills for essential learning outcomes for higher education. Languages and intercultural knowledge and competence are elements in a number of the seven Principles of Excellence for Education developed by LEAP, that sit within a framework of integrative study spanning the school and tertiary sectors (AAC&U, 2007).

To succeed in a chaotic environment, graduates will need to be intellectually resilient, cross-culturally and scientifically literate, technologically adept, ethically anchored, and fully prepared for a future of continuous and cross-disciplinary learning. Learning about cultures and social structures dramatically different from one’s own is no longer a matter just for specialists. Intercultural learning is already one of the new basics in a contemporary liberal education, because it is essential for work, civil society, and social life. (AAC&U, 2007, p. 15)

Currently universities in 13 states have implemented LEAP, including California, Georgia, Indiana, and Washington.

8.4 Australia – leveraging advancing technology with complementary human capital

In Australia, there is awareness of the need for tertiary education to have greater alignment with 21st century skills demand that includes language and intercultural capabilities, including literacies and capabilities for engagement with Asian countries. In the CEDA report on jobs and skills for economic growth and diversity, den Hollander states that:

In a flat, connected world, graduates will need the cultural awareness, global contacts and skills essential for a global market place. Most graduates will either work in an international company or spend part of their career overseas – to be global business savvy, to be worldly, is no longer a ‘nice to have’, it’s a competitive advantage [...] universities will need to take the employability of their graduates much more seriously. (den Hollander, 2015, p. 231)

8.4.1 Ensuring a balance between hard and soft skills

While the CEDA report focuses on the need to build technical skills, den Hollander emphasises the importance of having a balance between technical skills and soft skills.

If the Australian university sector is to thrive, indeed survive, it must develop organisational structures and business models that leverage ever advancing technology with complementary human capital – the creativity, entrepreneurship, intuition and cross cultural understanding that are uniquely human. (den Hollander, 2016, p. 231)

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43 The LEAP website can be accessed from https://www.aacu.org/leap.
44 For a list of LEAP states, see https://www.aacu.org/leap/states.
den Hollander endorses the use of more experiential learning approaches, such as the flipped classroom model and internships that enable students to build lecture content outside the classroom. This would enable students to develop “generic skills that can’t readily be commoditised” and to “use campus time for discussion” (den Hollander, 2015, p. 321). Experiential learning approaches are considered the most effective for developing language and intercultural capabilities (Byram, 2008; Crossman, 2011; Deardorff, 2011a; Witte, 2011).

The Australian report on *Skills and Capabilities for Australian Enterprise Innovation* (Cunningham et al., 2016), which is one of a series of research reports from the “Securing Australia’s Future” programme mentioned in Section 6.1, states that innovation will require organisations to have teams of workers with complementary skills, including humanities skills, and that individuals will require a range of skills and competencies.

Successful innovation into the future depends on the core components of the Australian innovation system – Australian enterprises, education practice, and government policy – moving beyond a dominant focus on technical skills to also consider the other sets of skills that are necessary. Technical skills are necessary, and in many cases foundational, but are not sufficient for successful, sustained innovation. (Cunningham et al., 2016, p. 8)

### 8.4.2 Breaking the ‘vicious circle of monolingualism’

While the report on *Skills and Capabilities for Australian Enterprise Innovation* (Cunningham et al., 2016) calls for tertiary institutions to align courses more with 21st century skills and integrate them across faculties, Eng et al. (2015), in the same series of reports, focus on the issue of monolingualism stating:

Thus, smart engagement with Asia requires breaking ‘the vicious circle of monolingualism’. Foreign language education remains essential for Australia. It is not sufficient to rely solely on English in the expectation that others will adapt. The principle of reciprocity demands that Australians need to cultivate a preparedness to recognise the inherently complex language diversity within the region, and the capacity and sensitivity to navigate this complexity. (p. 10)

### 8.5 Recurrent themes in the literature relating to action that must be taken by tertiary education

The international research findings from the UK, the USA and Australia discussed in this report have a number of recurrent themes pointing to the need for tertiary education to articulate and promote the value of language and intercultural capabilities more clearly. The themes have a common thread that foreign languages and intercultural capabilities be normalised in the curriculum and be incorporated in essential transferable skill sets. These themes are outlined in this section, and identify changes that need to take place and action that should be taken by tertiary education in order to build language and intercultural capabilities.

1. The definition of internationalisation needs to be broader than just a focus on recruiting international students; an understanding of internationalisation and language learning should be “at the heart of university missions and strategies”, with language learning “central to the missions and internationalisation agendas” (British Academy, 2011, p. 6).

2. Proven language competence to some level should be required for university entry or that students should graduate with a language qualification (AMACAD, 2017; British Academy, 2009).

3. Studying or working abroad in undergraduate programmes should be encouraged and facilitated more (Mansell, 2016).

4. The value of language study, along with intercultural capability development and associated transferable 21st century skills, should be more clearly articulated (e.g. career possibilities and
career advancement), so students are able to identify and express the value of their capabilities, especially at interviews (British Academy, 2014; British Council, 2015; Mansell, 2016).

5. Clearer and more accessible pathways must be provided for language learning in various disciplines, especially STEM disciplines, whether for electives, minors, single, or double majors/degrees (Mansell, 2016). While there is a need to have graduates in language and linguistics, there is also a need to increase the number of graduates with language and intercultural capabilities as part of their skill sets across all disciplines (AAC&U, 2007; Abbott, as cited in Carter, 2016; Mansell, 2016; The Guardian, 2015).

6. Intercultural capabilities and global awareness should be part of the internationalisation of the curriculum, and embedded in the curriculum of disciplines, not just as a generic competence along with others, but overtly and specifically, and tailored to the discipline, whether engineering or science, nursing or business. Intercultural learning does not automatically occur by placing students amongst international students on campus, or by study abroad. Many disciplines in the USA already have intercultural capabilities in their accrediting standards (Deardorff, 2015; Leask, 2015; Vande Berg, Paige, & Lou, 2012).

7. Higher level language study should meet the needs of particular career paths (AMACAD, 2017; British Academy, 2014; Hill, 2011; Mansell, 2016).

8. Language training should be provided for researchers and at the postgraduate and postdoctoral levels to ensure researchers do not shy away from research that requires some language competence, whether development economics or natural sciences, as well as to benefit collaborative research and partnerships with international institutions (British Academy, 2011).

9. Delivery of language courses must be reviewed by language departments to ensure they are dynamic, provide the essential transferable skills, meet the changing needs and expectations of students, and are more accessible to students who are not language majors (AMACAD, 2017; British Academy, 2014; Hill, 2011).

10. Language departments should ensure a common understanding of proficiency levels across and within universities, using, for example, the Common European Framework of Reference (British Academy, 2014; Mansell, 2016).

11. Curriculum and delivery should be reviewed to provide more experiential learning, including internships and study abroad, to develop transferable skills (AMACAD, 2017; den Hollander, 2016; Mansell, 2016).

12. There should be close collaboration between businesses, government organisations, communities, and higher education to ensure greater awareness and understanding of the significance of language and intercultural capabilities, and to build capacity (British Academy, 2014; Mansell, 2016). AMACAD (2017) states:

   It is critical that we work together at this moment in history, when there is so much to gain by participating in a multilingual world, and so much to lose if we remain stubbornly monolingual. (p. 6)

8.6 Examples of measures taken by universities in the UK, the USA and Australia

A number of measures have been taken by higher education institutions in the UK, the USA and Australia in response to increased understanding of the implications of language and intercultural capabilities deficit from research. Some examples are listed below.
8.6.1 UK initiatives

**Compulsory language study:** The University College London requires a GCSE (General Certificate of Secondary Education) or equivalent in a foreign language for all entrants. Those without a qualification are required to gain one once enrolled (Cambridge Public Policy SRI, 2015).

**CAL graduate languages: reading languages for researchers:** The College of Arts and Law at the University of Birmingham recently launched the UK’s first one-year instruction course for postgraduate students who need to acquire a reading ability in a particular language. Currently there are five languages, Russian, French, German, Italian, and Spanish. This is in recognition of the value of languages to all kinds of professional careers.

**Institution-Wide Language Programmes (IWLP):** Many universities have established institution-wide language programmes, which are offered free as credit-bearing modules, with some universities offering subsidised fees if taken as non-credit-bearing modules for personal development or interest. According to a British Academy survey, in the 2014-2015 academic year there were nearly 55,000 IWLP enrolments by students across a range of disciplines including STEM, compared to the 39,000 full-time undergraduates and postgraduates enrolled in language degrees in the 2013-2014 academic year in participating universities (Mansell, 2016). However, the data are not considered an indication of an increase in demand for linguistic study amongst British undergraduates. Findings of a study of trends in one university showed that students were most likely to take the IWLP out of interest in a country itself and/or its culture, and that it was usually those taking language courses to a more advanced level who linked language study to career benefits. This aligns with the findings of the JSANZ (Japanese Studies Aotearoa New Zealand) survey (Minagawa et al., in press; see Section 3). Additionally, the survey found that 39 percent of the students who took a language under the scheme were international students who already had at least two languages (Mansell, 2016).

**Routes into languages initiative:** This was a two-staged initiative (2006-2016) funded by the Higher Education Funding Council for England (HEFCE) with the rationale that languages and area studies are strategically important and vulnerable (Routes into Languages, n.d.). The aim was to promote the value of language study in schools and universities, and to encourage secondary school students to take languages to A level (i.e. final year of secondary school) and continue to university or to begin language study at university. While the funding has ceased, the lead universities are working with other universities in their regions to develop programmes within their own budgets, as well as to seek business sponsorship.

8.6.2 USA initiatives

**Compulsory language study:** Yale University has a compulsory foreign language requirement for its Bachelor of Arts and Bachelor of Science degrees, irrespective of the level of foreign language study at the end of secondary education. Princeton University has also made foreign language compulsory in its Bachelor of Arts; Princeton includes foreign languages as one area in the general humanities and social sciences education required for the Bachelor of Science in Engineering.

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45 See their entry requirements on [http://www.ucl.ac.uk/clie/CourseUnits/Pre-course/MFLrequirement](http://www.ucl.ac.uk/clie/CourseUnits/Pre-course/MFLrequirement).
46 Further information on this programme can be found on [https://www.birmingham.ac.uk/schools/lcahm/departments/languages/postgraduate/reading-languages.aspx](https://www.birmingham.ac.uk/schools/lcahm/departments/languages/postgraduate/reading-languages.aspx).
47 Links to universities offering IWLPs ([https://www.illas.ac.uk/resources/gpg/352.html](https://www.illas.ac.uk/resources/gpg/352.html)) are available on the Internet: for example, the University of Reading ([https://www.reading.ac.uk/ISLI/enhancing-studies/isli-learn-a-language.aspx](https://www.reading.ac.uk/ISLI/enhancing-studies/isli-learn-a-language.aspx)) and Newcastle University ([http://www.ncl.ac.uk/sml/study/language-programme/](http://www.ncl.ac.uk/sml/study/language-programme/)).
48 A 2016 University Council of Modern Languages and Association of University Language Centres in the UK survey of participating higher education institutions; 61 responded, reporting a total number of 55,354 students on the programmes. These numbers show a steady increase from 2012.
49 Yale University foreign language requirement: [http://catalog.yale.edu/dus/distributional-requirements/foreign-language-courses/](http://catalog.yale.edu/dus/distributional-requirements/foreign-language-courses/).
50 Princeton University foreign language requirement: [https://odoc.princeton.edu/curriculum/general-education-requirements](https://odoc.princeton.edu/curriculum/general-education-requirements).
Language embedded degrees: The University of Notre Dame offers a unique degree in international economics, in which graduates complete coursework in economics along with advanced training in Arabic, Chinese, French, German, Italian, Japanese, Russian, or Spanish.  

Interdisciplinary partnerships: Jamestown Community College in southwestern New York has internationalised its programmes by expanding interdisciplinary partnerships between the language and global studies curriculum and other disciplines. The aim is to increase the number of students studying foreign languages and to provide study abroad opportunities.

Consortia (as outlined in AMACAD, 2017): Several universities have formed consortia to provide for language courses not offered in their own institutions, including less commonly spoken languages like Uzbek and Dutch. These are offered by using various forms of technology, such as blended learning or video conferencing.

Ambitious recruitment efforts at first-year student orientation events and large general education “feeder” courses: The University of Arizona has maintained an upward trend in enrolment of majors in French, German, Russian, Italian, Chinese, and Japanese with recruitment strategies and general education courses that provide pathways into languages programmes. The recruitment promotes awareness of the value of linguistic, cultural, historical, and literary approaches within language study, to issues in engineering, business or even lands management. For example:

[H]ow “German culture, science and technology”, for instance, shows how the specific traditions housed in the German language offer a meaningfully different set of operational principles and assumptions about things such as “security”, “risk”, “progress”, “growth” and “the economy”. (Gramlin, 2017, para. 22)

8.6.3 Australian initiatives

Compulsory language study: There are a number of programmes in tertiary institutions that have compulsory language study. For example, the University of Sydney’s Bachelor of Arts and Bachelor of Advanced Studies (International and Global Studies) require a minimum of a minor in language study, and an exchange overseas. Another example is the Bachelor of Global Studies at Monash University.

Compulsory one year overseas in combined degrees: Many university programmes require study overseas as seen above. Study overseas in the University of Technology Sydney (UTS) is offered in combined degrees: International Studies alongside another bachelor’s level professional degree. All combined degree students spend one academic year overseas studying approved relevant subjects in a partner institution (see Section 8.4). Currently, 31 professional degrees can be combined, including popular combinations involving Business, Communication (e.g. digital and social media), Construction Project Management, Design Animation, Engineering, Forensic Science, Health Science, Laws, Nursing, Science in Information Technology, and Sport and Exercise Science.

Compulsory courses outside of major: Since 2008 the University of Melbourne has required most students to take 25 percent of their bachelor’s degree in ‘breadth’ subjects, outside of their home faculty. This has resulted in a substantial rise in language enrolments. This model is also used in the

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51 The University of Notre Dame, International Economics major language training and international experience: http://romancelanguages.nd.edu/joint-and-allied-programs/international-economics-major/
53 Monash University: https://arts.monash.edu/bachelor-of-global-studies/
54 UTS International Studies combined degree structure: https://www.uts.edu.au/future-students/international-studies/study-areas/bachelor-arts-international-studies
universities in Western Australia and will shortly be introduced into the University of Sydney (Dutton, 2017).

**A language bonus system:** Currently, 20 Australian universities are operating a language bonus system (University Languages Portal Australia, n.d.). Under the system, students who have studied languages up to Year 12, which is the final year of study in Australian secondary schools, have their university entry score raised (i.e. Australian Tertiary Admission Rank [ATAR] + bonus points).

8.7 The development of global awareness and language and intercultural capabilities: overseas experiences

The apparent over-reliance in the TES on increasing numbers of international students as a strategy for providing a global context (see Priority 6) contrasts with the recurrent theme in the international literature on the value to graduates and employees of international experience (AMACAD, 2017; British Council, 2015; Jackson, 2012; Vande Berg et al., 2012). Priority 6 of the TES seeks to ensure that students have a global context to enhance “their understanding and respect for their own and other cultures” (p. 18). Study abroad is one of the indicators of success for Priority 6, although there is only one brief reference to study abroad for New Zealand students right at the end of the section. Research shows that international experiences through study abroad/exchanges are especially important for Anglophone students, and universities need to promote their value and support students to take up international experiences such as study abroad or internships (AMACAD, 2017; British Council, 2015; Bostanci et al., 2015; Mansell, 2016; Vande Berg et al., 2012).

8.7.1 International experiences develop transferable skills and better career opportunities

Research indicates that students who engage in study abroad not only generally receive better marks and graduate at higher rates but also have broader career opportunities and access to higher paying job (British Council, 2015). Significantly, time spent in a country that has a different culture and language has greater impact over a far shorter period of the sojourn, than in one with a similar culture and same language (British Council 2015; Jackson, 2009). According to the British Academy (2014) and Mansell (2016), people who have travelled, worked or studied abroad report improved verbal communication as well as analytical and critical thinking skills. Close to half of those who had spent time abroad were involved in innovation within the workplace, including R&D and product improvement activities, compared with around one-quarter of those with no international experience. This is in line with the TES expectations that ultimately learning should support successful economic, social and cultural outcomes, including good employment outcomes.

8.7.2 Language and intercultural capabilities motivate applications for study abroad/internships

According to research, there is a positive correlation between language acquisition and interest in study abroad, and at the same time the biggest factor inhibiting over half the students participating in the research from undertaking study abroad is linked to lack of language skills (Bostanci et al., 2015; British Academy, 2014; British Council, 2015).

8.7.3 The need to prepare and support students participating in international experiences

Research shows that exposure to cultural differences does not guarantee language or intercultural development. To ensure deep learning and optimum gains from exposure to different cultures (as with campus experiences), intentional development is necessary. It is essential for students going overseas to have pre-departure preparation, in country mentoring and intervention, and post-experience debriefing and ongoing opportunities to share and explore experiences (Giovanangeli, Oguro, & Harbon,
The UTS combined degree structure mentioned above, in which the International Studies degree is compulsory for students in any other degree who wish to participate in study abroad, is an example of the importance placed on preparation, intentional intervention and support when overseas, and debriefs and sharing opportunities after returning home.

The UTS International Studies degree builds language and intercultural capabilities and international awareness before, during, and after the study abroad experience. Students choose the country/region of their International Studies degree, and gain language and cultural and societal knowledge before departure, along with research skills. They spend one academic year overseas, in which they study language and related subjects at the host university and carry out a research project, supervised by UTS staff, which they write up on return. Despite taking up to five (or six years), the combined degree programme can have over 600 applicants with approximately 250 students overseas each year. According to anecdotal evidence from students, prospective employers ask more about the one year overseas than about the students’ professional degrees.

8.8 New Zealand perspectives

The Priorities in the TES require tertiary education to provide students with the necessary knowledge and skills to contribute to the growth of the New Zealand economy whether it be trade or innovation, or the needs of society, and ensure that students have good career opportunities. As we have noted in previous sections of this report, there is no reference in the TES to international language and intercultural capabilities as part of the necessary knowledge and skills. Like international research, New Zealand research (see Section 3) points to the need for tertiary education to do more in terms of ensuring language and intercultural capabilities of students (Ashton & Shino, 2016; Ogino et al., 2016; Oshima & Harvey, 2017a, 2017b). In this section, we present interviewee responses related to the role of tertiary education. Many of the interviewees’ responses reflect the findings in international and New Zealand research, and raise some interesting issues around graduate capabilities and soft skills, curriculum, global awareness and experiential learning, and the nature of teaching language and intercultural capabilities across all disciplines.

8.8.1 The need to change societal values regarding language capabilities and overvaluing STEM

For some interviewees, the declining numbers of students studying languages to higher levels in schools and onto tertiary education is a concern, especially with New Zealand’s focus on trade and the need to be outwardly focused.

It’s disappointing that the number of students that study a foreign language in New Zealand go this way every year despite the fact that there’s increasing trade every year, particularly China. […] I’m just wondering what educators or the Government can do because it’s part of the Government’s long-term strategy of developing trade with emerging markets, such as China, Philippines, Vietnam, etc. There is a requirement to understand the culture. […] It hasn’t really transferred across into a tertiary sector, or even high schools in terms of numbers of students studying Japanese, Chinese. (Jason Reeves)

A number of interviewees comment on the disconnect between the value of language learning and societal and parental values that influence students’ choice of study. Language learning is often seen as ‘a luxury optional extra’, and there seems to be a belief that students should focus on the ‘hard skills’ like STEM subjects. While interviewee Phillip Turner, Director Global Stakeholder Affairs, Fonterra, New Zealand, considers hard skills to be ‘a given’ for many employment positions, especially a graduate’s first employment positions, he is very concerned about the focus on STEM by the Government and employers, to the detriment of ensuring graduates develop soft skills, including language skills, as necessary for career progression.
I don’t understand this Government obsession with STEM. [...] Most people’s education to that point is focused mostly on the technical so I think there’s a disjunction there. And I think we let people down by kind of way overpromising what the technical thing is going to give them and not informing them fully of the more rounded skill set that they will require if they want to succeed at that senior level. Within that framework, I think language learning is an extremely helpful skill. (Phillip Turner)

8.8.2 STEM students would gain particularly from building language and intercultural capabilities

Phillip Turner suggests that rather than putting resources into increasing the number of language graduates per se, there would be more marginal gains from ensuring non-humanities students, such as STEM students, have a broader set of skills, which include intercultural capabilities and effective communication skills. He believes language learning can be a critical component in providing those skills. This reflects the findings of international research that the workforce in general, and not just management or specialists, needs to have language and intercultural capabilities in their skill sets (AMACAD, 2017; Brecht, 2015; The Guardian, 2015).

The engineering academic (Interviewee 10) believes it is useful for tertiary students to develop intercultural capabilities by taking some humanities papers, and that it might be useful for undergraduate engineering students to consider learning a language, although not postgraduate students because they have less ‘latitude’. However, while STEM students would probably have the greatest marginal benefit, he believes that they are less likely than humanities students to want to take up language study.

Most engineering students have something of a phobia associated with doing non-technical subject matter. So, when they take an elective, they tend to select something that’s also a technical elective. (Interviewee 10).

The engineering curriculum even for undergraduates is very full; it has an exhaustive competency framework for the technical elements of being an engineer, and also contains soft skills related content to meet the requirements of the engineering professional body. According to our interviewee, out of 12 core competences of the Institution of Professional Engineers New Zealand (IPENZ), seven are related to soft skills, such as managing complex organisations and dealing with ethical issues. However,

The limit of cultural engagement components is related primarily to Treaty of Waitangi and the engagement with iwi and Tangata Whenua [...] (Interviewee 10)

8.8.3 Making the international language curriculum more accessible to all disciplines

The ‘phobia’ regarding non-technical elective choices and the full engineering curriculum raise the issue of the need for curricula to meet the changing needs and expectations of students as indicated in the aims of the TES and in international research. In the case of languages, language departments may need to review how languages are being taught in universities. One interviewee (Interviewee 11) questions whether current language teaching approaches are excluding certain cohorts of students, particularly those who lack confidence in their language learning ability, or intrinsic or extrinsic motivation. Several interviewees make suggestions as to how to change approaches to meet different student needs, interests and expectations. These suggestions include embedding language study into courses to increase relevance.

I wonder if it should be language or if it should be broader than that, of which the language is a component, and they just get the basics but they’re actually getting to understand a different culture and how it compares to ours, and why it’s important, and how it helps trade. I don’t know, maybe it needs to be something different. [...] I guess it’s about embedding it into our education system so people see it as more important. [...] Rather than language as the course, maybe its language as an overall component of something and then maybe it can build, you know, like everything else, like Maths or Science, for example. (Interviewee 11)
I believe, to be innovative and creative with other countries, you’ve got to have an understanding of history and culture and politics [...] and that will naturally lead into, as it did with me, a wish to speak the language. (Ian Kennedy)

8.8.4 The dilemma of the full curriculum

In the case of the full curriculum, as one interviewee says, there have to be ‘trade-offs’, because it is not realistic to keep adding to what are already full programmes, especially if they have to meet requirements of professional bodies. This can also apply to other disciplines, such as education and teaching training, or nursing. A civil engineering graduate, Daniel Scott, questions the value of having such a full curriculum, especially in terms of technical aspects. Daniel has worked and studied overseas and in New Zealand since graduating (see below for his profile). He now realises that he would have benefitted more from an international focus or a focus on more effective communication in his New Zealand university undergraduate studies.

When I was [at university] you were able to do a degree in three years and there’s less scope for doing anything else and they still cram the same amount of super technical engineering. You talk to anyone in industry and it’s the guy that knows the most about technical is the guy that can still remember his university, the recent graduate. But at the same time, there’s only this much of it that’s useful. [...] The year in the United States gave me an insight into another system. They have a lot more open system where the engineers can study other things. They get the overall exposure [...] you want to teach them how to be engineers, you don’t need to teach them everything about engineering. [...] I think a lot of learning does happen when you start working anyway. (Daniel Scott)

8.8.5 Greater collaboration between government, industry and TEOs

Daniel Scott’s questioning of the amount of technical focus in the curriculum, and that of interviewee Jason Hill, Head of Tourism, ATEED, below, echo international research and the aims of the TES: that there is a need for more collaboration with Government agencies, industry, and professional bodies to review university curriculum in the light of changing needs of the workplace and society.

The question about the institutes and the industry working more closely together to create students that are more employable or who have the right skills, is a challenge because I think the industry needs to take responsibility for their lack of involvement in the development of courses and the content of what the students are learning over the years. (Jason Hill)

8.8.6 Global awareness, study abroad and internships

The interviews also echo the importance stated in the TES, of ensuring that students are exposed to a global context, and, as we have noted, study abroad is one of the indicators of success for Priority 6 of the TES. Many interviewees talk about the importance of students having global awareness and interest in other cultures, for example:

Encourage young New Zealanders to expand their horizons in all those fields but at the same time make language and culture an integral part of that. [...] Get people interested to look beyond New Zealand and that’s going to be vital for their business interests. (Ian Kennedy)

They also mention the importance of providing students with opportunities like study abroad or internships to experience interacting with other cultures to develop global awareness. They believe that such experiences broaden worldviews, facilitate the acquisition of different value sets and attitude, and provide evidence of adaptability and resilience. As two interviewees explain:

If I’m looking at their CV and if they’ve experienced another culture or they’ve done an exchange for a year at school, I know for a fact that it’s changed them. I know for a fact that they have a much
more open mind than people who haven’t had that experience. (Jason Hill)

Getting our [students] exposed to different environments, different kinds of cultures and making them kind of like, you know, a little bit more empathetic and open-minded about that is entirely achievable. (Interviewee 11)

Civil engineering graduate, Daniel Scott, is an example of the benefits of immersion in another culture, learning the language and the influence of these on worldview.

**Daniel Scott** is a civil engineering graduate, with a bachelor’s degree from New Zealand, and a masters in Economics in Engineering from Cornell University in the USA. He studied Sanskrit, Latin and French when at school. He comes from a family background of engineers, and even though his father, an engineer, has had international experience, speaks Hindi and German well and some French and Spanish, Daniel never thought about taking languages. After graduating, he gained a Fulbright Scholarship and studied at Cornell University. There he mixed with students from other countries and in other disciplines, including from Japan. He then worked as an engineer in Germany for a short while, where he learnt some German. On returning to New Zealand, he did not want to settle into a full-time job as he still wanted to see other parts of the world, so he applied for the JENESYS Program and started to learn Japanese.56 While in Japan on the JENESYS program, he became fascinated by Japan and its culture. He applied for the Prime Minister’s Scholarship for Asia to study Japanese and spent five months studying in Tokyo, after which he applied for a work visa for a year. During his time in Japan he was totally immersed in the language and culture. He homestayed with a family who could not speak any English, and made friends with Japanese and foreigners who would speak to him only in Japanese. From Japan, he visited China and also India, and then worked for a while in an engineering company in England. On returning to New Zealand, he joined the Asia New Zealand Foundation Leadership Network and secured an internship in Fukuoka with Japan Railways, Kyushu, Japan. Again, he was totally immersed in the language and culture. It was during this time that Daniel experienced his first serious case of culture shock. He felt overwhelmed when he found that his values and attitude towards employee relations differed from the Japanese ones. Up until that point he had navigated cultural differences well, and developed a high level of cultural sensitivity to Japanese cultural expectations. Daniel had not had any intercultural training, and did not have the knowledge and skills that would have helped him identify the triggers that caused his strong reactions, and then to manage them. Nevertheless, since returning from his internship, he is pursuing opportunities to apply his engineering knowledge and skills and his experience of Japan and the language. He sees opportunities from introducing Japanese technology in New Zealand.

Through all his time in Japan, Daniel has developed a network of friends and formed deep relationships. He believes that, had he not been able to speak Japanese, he would not have been able to form such deep relationships.

But if you couldn’t speak it, you wouldn’t have the same credibility. [...] it definitely does enable you to get closer. There’s only so much you can do with English.

He also believes that he would not have gained the cultural understanding without the language.

I didn’t realise when I was in Japan but the sort of depth you can get in terms of like culture when you can speak that other language and now that I have done that - don’t get me wrong; my Japanese is in no way perfect and my understanding of Japanese culture is even less perfect - but it sort of enables you to get onto a deeper level.

In New Zealand, unfortunately, only a very small number of tertiary students go overseas on an

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exchange or study abroad programme. According to MoE’s data from 2012 to 2015 (MoE, 2013, 2014, 2015), the number of outbound exchange students was between 933 and 1,155 each year, which was less than 0.3 percent of the entire body of New Zealand tertiary students (i.e. 415,870 to 420,195 during the same period; Education Counts, n.d.f).

8.8.7 Making more of the networking potential and promotion of New Zealand’s soft power from having international students

The TES mentions the diplomatic value of international students in terms of expanding New Zealand’s reputation abroad, as well as the potential for developing domestic students’ global perspectives. Interviewee Ian Kennedy, Japan Related Specialist, makes an interesting suggestion to capitalise more on international students, both for developing relationships and potential networks for New Zealand students. He believes it would be valuable to help international students, especially those from Asian countries like Japan, to see that New Zealand is more than just scenery.

If we can change the perception of New Zealand to reflect the reality of a country at the cutting edge of industry and creative innovative space, that would provide a spring board to new connections with Japan. We should look to give that exposure to Japanese students coming to New Zealand to learn English – that would be really good. (Ian Kennedy)

A number of organisations like the New Zealand Japan Business Council have counterpart organisations in Japan. These organisations have young member networks, and students from Japan could be encouraged to join these counterparts when they return to Japan to maintain links with New Zealand. New Zealand students who join New Zealand branches would benefit from potential networking.

8.8.8 The need for TEOs to raise awareness of language and intercultural capabilities and transferable 21st century skills as essential graduate attributes to adapt to technological and social change

The TES identifies the importance of transferable skills, although as we have noted, unlike international research, it does not include language or intercultural capabilities as transferable skills. All the interviewees believe these are of great importance as transferable skills and a number of interviewees talk about the important role of universities in developing these life skills in graduates. The interviewees believe that language and intercultural skills are important not only for interacting internationally but also for social cohesion with the increasing diversity in society and the workplace, and changing job demands as a result of technological advances.

If education was able to get across to the students the importance of [...] cultural awareness and cultural understanding, and understanding that people in fact that people generally are different. They don’t have to have a different nationality or a different look to come from a different paradigm, different family training, and different value sets. And I think the biggest thing about getting ahead is trying to get alongside that. [...] If you can teach students to not see everything through the eyes that they were brought up with and understand that other people are raised with different sets of values and beliefs, and one is not better than the other, just different [...] (Peri Drysdale)

Phillip Turner feels very strongly that universities are not effectively communicating the importance of transferable skills and ensuring graduates develop broad skill sets “to kind of get outside your head, to think about another point of view, to think about complex problems” for managing change. He thinks “languages can be a critical part of that”.

I am interested in how languages, and humanities in particular, can teach those life skills more effectively. I think they’re really, really important. Within the cohort of people that do go to university there should be a lot more emphasis on critical thinking, resilience, adaptability, creativity, somehow. [...] I think the best thing an education can do for people is to open their minds to different experiences, being able to deal with different sorts of situations and peoples and problems. To be
able to think critically through issues and make decisions and communicate effectively. I think most business people would probably agree with that. (Phillip Turner)

While he believes that hard skills are important, Phillip Turner is also very concerned about the disruptive effect on careers of technological change, and the impact on types of hard skills needed in the future.

People trained in accountancy – we won’t need them any more in ten years; computers will do it, or something. So, it’s equally important that they have a broad skill set of managing change as well, and languages can be a critical part of that. (Phillip Turner)

An unbalanced focus on hard technical skills, therefore, means graduates are vulnerable to technological change.

8.8.9 Which language to choose

The choice of language to study will depend on the purpose of the study, whether it is strategic for a particular career or whether it is for the transferable intercultural capabilities. Responding to a question on which languages students might study, many of our interviewees considered Chinese to be the most important for New Zealand these days in terms of trade, and three interviewees said they would like to learn it or to increase their current levels of proficiency. Having said that, other languages are also considered to be really important, such as those of emerging markets like Indonesia and South America, as well as established ones, especially Japan. Japan and Japanese appear to have a unique importance for New Zealand. According to Mark Pearson, Lead Advisor, North Asia Division, MFAT, in the past, New Zealand had a cadre of Japanese speakers who were instrumental in establishing and building a very successful relationship with Japan. The fact that their numbers are diminishing, and there are not as many Japanese New Zealanders to draw on to replace them as there are Chinese or Korean New Zealanders, would indicate that Japanese should be one of New Zealand’s priority Asian languages. However, not all students will become language specialists. Studying a language for reasons other than specific career goals was a finding in the UK Institution-Wide Language Programmes (IWLP) discussed in Section 8.4.1. If the goal is to gain transferable intercultural capabilities and global awareness, study of any language that interests a student would be valuable. If Asia literacy is a goal, then the choice would be an Asian language.

8.9 Conclusion

The TES aims for universities to have “a greater focus on attaining transferable skills” such as critical thinking and the ability to adapt for future changes to “benefit graduates and employers, and to improve employment outcomes” (p. 10). International research indicates that language and intercultural capabilities are important transferable skills for economic growth, for social cohesion with increasing diversity in society and for the workplace, and to adapt to the disruptive impact from technological change on careers and skills needs. The research also indicates that tertiary education has an important role in developing these capabilities, and that it needs to rethink the role of language and intercultural capabilities in the curriculum across all disciplines including STEM, and to recognise that they are necessary 21st century transferable skills. One of the significant themes from the research is to make language and intercultural capabilities integral to missions and strategies of TEOs, and to normalise them in the curriculum. Concomitant with this is the need to have a wider definition of internationalisation than international student recruitment to provide a global context for students. The definition would need to include language and intercultural capability development, and international experiences through study/internships abroad or exchanges.

Examples in Section 8.3 of initiatives for undergraduate and postgraduate students as well as researchers taken by tertiary institutions in the UK, the USA and Australia, have stemmed from increasing awareness of the importance of language and intercultural capability evidenced in research. Central to these initiatives is the aim to make language and intercultural capability development more accessible.
in terms of relevance and pathways, particularly to STEM disciplines. Some New Zealand TEOs have also undertaken initiatives, such as compulsory language study in a number of programmes, although these are mainly in humanities programmes, and promotion of study abroad and internships. Despite these initiatives, the numbers of tertiary students studying languages continues to decline, and the number of students going on study abroad was a mere 0.2-0.3% of the total tertiary student body between 2012 and 2015 (see Section 8.8.6). The decline in numbers of students going on study abroad may be explained by research evidence pointing to a correlation between language capability and interest in study abroad. The TES includes supporting New Zealand students to study abroad as one of the indicators of success for Priority 6, Growing International Linkages. The International Education Strategy 2018-2030 (New Zealand Government, 2018) has a goal of:

[P]roviding opportunities for all students to develop skills, knowledge and capabilities to be global citizens, making global connections and helping New Zealanders to understand and embrace the benefits of international education at home and overseas. (p. 9)

In order to achieve this goal, the next TES must signal study/internships abroad or exchanges clearly as a strategy. In turn, it would need to signal to TEOs to provide sufficient resourcing to prepare and support students from pre-departure through to debriefings and sharing of experiences on return. The preparation would need to include language capability and strategies for intercultural capability development to maximise gains.

Data from our New Zealand interviewees align with international research about the role of TEOs. Their suggestions for changes range from making language study more accessible across all disciplines and having greater focus on transferable skills development, to strategic initiatives that would increase potential benefits from international students. Such benefits include networking and increasing their understanding of New Zealand beyond the stereotypes of scenery, so that they also see it as a nation that is dynamic and innovative. Echoing international research, our New Zealand interviewees state the importance of collaboration between the Government, industry and tertiary education to identify the language and intercultural capability needs of the economy and society. Greater engagement with industry is also a strategy in the TES. However, the interviewees’ comments would indicate that such collaboration requires language and intercultural capabilities to be in the graduate profile.

In the final section, we will present a summary of key findings from international research and data from the 14 interviewees. These will form the basis of recommendations for New Zealand tertiary education, and for Government action in terms of identifying ways to meet the language and intercultural needs for New Zealand.

9 Conclusion and recommendations

In the TES, the New Zealand Government expresses its expectations that TEOs be more outward-facing, flexible and strategic, and contribute more prominently to improving outcomes for the economy, society and individuals. This requires TEOs to revise curriculum, by working with industry, to ensure continued relevance in the face of technological change, workplace demands, and employment opportunities for graduates. The TES highlights the critical importance of graduates having relevant transferable skills, as well as technical skills, in order to adapt to disruptive effects of technological changes and other factors on the work environment and society. While the Government strongly focuses on what are identified as “new and emerging shortages” (p. 10) in the workforce, namely, STEM skills for innovation and economic growth, what it does not stress sufficiently is the need for transferable skills in the form of language and intercultural capabilities. International research in other Anglophone countries has identified language and intercultural capabilities as required transferable skills for the workforce across a diverse range of sectors (see Sections 5, 6 and 7). New Zealand, like the UK, the USA and Australia, has declining numbers of students who study international languages at secondary and tertiary levels (see Section 3) and yet, unlike these countries, does not appear to have recognised
the serious need to address the deficit in such capabilities.

9.1 Findings

Our exploratory small-scale study, based on data collected through 14 interviews (see Appendix 1 for the list of interviewees) has found that international research findings on the need to build language and intercultural capabilities do apply to New Zealand’s situation. Some of the main findings in this report relating to the New Zealand context, and illustrated by examples relating to New Zealand’s relationship with Japan, one of New Zealand’s international partners, are as follows:

9.1.1 Language and intercultural capabilities are essential 21st century transferable skills

- Language and intercultural capabilities are considered to be transferable skills along with critical thinking and problem solving, and in fact facilitate the development of such transferable skills. Learning languages and developing intercultural capabilities can be transformational especially when the learner becomes aware of different ways of seeing and doing things, which can contribute to the development of a global mindset and global knowledge. (Section 2)

- Intercultural capabilities are essential not only for effective international engagement but also for social cohesion because of increasing diversity in New Zealand society. (Section 2)

9.1.2 There is fragmented language education policy and planning, complacency towards language learning, and declining numbers studying languages

- Factors contributing to a deficit in language and intercultural capabilities in New Zealand include complacency stemming from the fact that English is a global lingua franca, a focus on STEM subjects, and the lack of value being placed on language capabilities (e.g. no NCEA credits from international languages are required for university admission). Also of significance are structural factors, such as timetable clashes and limited spaces for electives in tertiary programmes, and the Government’s fragmented and uncoordinated approach to language policy across all the educational sectors. (Section 3)

- As a result, between 2008 and 2017, the proportions of secondary and tertiary students learning international languages decreased by 26.3 percent (from 25.8% to 19.0%) and by 30.9 percent (from 0.949% to 0.655%), respectively. In 2017, only 3.8 percent of the entire body of secondary students and 0.17 percent of the entire body of tertiary students studied Japanese. (Section 3)

9.1.3 Unintended consequences of a deficit in language and intercultural capabilities – potential lost opportunities in trade, tourism, science, technology, R&D, diplomacy, security, and soft power

- New Zealand needs to re-evaluate its relationships with existing partners and the way to further explore their potential. For example, the nature of the country’s relationship with Japan has resulted in a range of partnerships and local employment, which benefits New Zealand society and the economy greatly. However, New Zealand is not capitalising on the potential offered by its relationship with Japan. Given the shortage of Japan specialists, graduates with language and intercultural capabilities are likely to be a decisive factor in the success of Japan-related areas of the economy: not only in maintaining existing relationships, but also in harnessing the potential that arises from New Zealand’s relationships with Japan. (Section 4)

- The economic impact of a deficit in language and intercultural capabilities on trade has not been quantified in New Zealand but can be assumed to be substantial when considering UK findings. In the UK the economic impact of the deficit in language and intercultural capabilities was calculated to cost the UK £48 billion in potential international sales in 2006 alone, equivalent to 3.5 percent of the UK’s GDP. This was likely to affect SMEs and non-exporters, who were not aware of the loss of potential business growth. (Section 5)
• Research links the importance of language and intercultural capabilities to areas beyond trade and the economy. These capabilities are relevant for diplomacy, defence and security, and soft power, as well as science, technology, and R&D. They are important in building relationships and partnerships, as well as harnessing potential for new ones, even in such fields as science and engineering where English is an international lingua franca. The narrow view of the relationship with Japan runs the risk of lost opportunities especially in R&D-related areas of technology, robotics, health care science, and smart housing. (Section 6)

9.1.4 Employers need graduates with language and intercultural capabilities

• Language and intercultural capabilities are seen as valuable attributes in employees in order to achieve domestic and international potential, as well as to reduce potential conflict in the workplace because of increasing diversity. A lack of intercultural capabilities is associated with business risk. (Section 7)

• Graduates with language and intercultural capabilities and/or international experience, coupled with technical skills, have an advantage in the job hunt, even when language capabilities are not specified in the job advertisement. Work and international experiences are associated with facilitating the development of transferable skills such as creativity, flexibility, resilience and a global perspective. (Section 7)

• There is a clear shift in the recognition of language and intercultural capabilities in graduate attributes as part of a holistic skill set. Technological changes are making language and intercultural capabilities more relevant, and new and emerging roles across different sectors from defence and security to medicine are creating demand for graduates with interdisciplinary qualifications, such as conjoint degrees or double majors in technical skills and language and intercultural capabilities. (Section 7)

• Employers might value language and intercultural capabilities in employees, but they may not be using their capabilities to their full potential. It is important that graduates are aware of these capabilities, are able to articulate them, and identity their relevance to an organisation. (Section 7)

• There is a disconnect between the recognition in the research and in some of the policies implemented by governments of the need to build language and intercultural capabilities across all sectors of the workforce, and the continued strong focus on STEM skills by many employers. There is increasing evidence in international research, and endorsed our interviewees’ comments, of the importance of a more strategic approach to meeting national needs for language and intercultural capabilities. (Section 7)

9.1.5 TEOs need to normalise language and intercultural capabilities for all disciplines

• There is a need for language and intercultural capabilities to be repositioned in tertiary education curriculum and articulated clearly in graduate profiles as essential transferable skills, and for a balance between hard technical skills and soft transferable skills. An overemphasis on hard technical skills means that graduates are vulnerable to the disruptive effects of technological change. (Section 8)

• Students across all disciplines, but particularly those in STEM disciplines, would benefit from developing language and intercultural capabilities for interacting in international situations, and to meet the challenge of changing job demands as a result of technological change. These capabilities would also enable graduates to more effectively interact in increasingly diverse workplaces and to contribute to social cohesion in society. (Section 8)
• TEOs are currently not sufficiently emphasising transferable skills, including language and intercultural capabilities, and there appears to be a need to review crowded and inflexible curricula. (Section 8)

• Delivery of language courses need to be more accessible to students, both in terms of timetabling and in terms of content that is relevant and engaging. Consideration needs to be given to the possibility of embedding language and intercultural competences as components in all programmes. (Section 8)

• Consideration could be given to benchmarking language courses offered in TEOs using the Common European Framework of Reference to ensure common understanding of proficiency levels. (Section 8)

• For development of intercultural capabilities, any language can be studied. As Asia literacy, research and innovation, economic growth, and career opportunities are important aims for the New Zealand Government, Japanese is a strategically useful language to study, and should be a priority Asian language. (Section 8)

• Graduates with high levels of language proficiency, especially in strategically important languages such as Japanese, are needed, along with graduates with interdisciplinary qualifications such as conjoint degrees and double majors that include language and intercultural capabilities and technical skills. (Section 8)

• TEOs in the UK, the USA, Australia, and New Zealand have been responding to the need to build language and intercultural capabilities. Some UK universities include language and intercultural capabilities as compulsory requirements for university entrance, and they are compulsory in some programmes in all these countries. However, declining numbers would indicate that more needs to be done in terms of national strategies. (Section 8)

• Experiential learning is considered instrumental in developing transferable skills, and changes in delivery of courses, as well as greater promotion of internships and work experience, are necessary to ensure the optimum environment for development to take place. (Section 8)

• Study/internships abroad offer opportunities to maximise language acquisition and development of intercultural capabilities and global perspectives. However, uptake in New Zealand between 2012 and 2015 was only 0.2-0.3 percent of the entire body of tertiary students, and would need to be promoted and resourced more effectively. (Section 8)

• International students are acknowledged to be important for New Zealand education and the economy, but more strategic initiatives could be taken to harness the potential for networking and promoting soft power. Japanese international students have particular potential for growing networks and relationships in R&D and investment. (Section 8)

• There is a lack of alignment between New Zealand’s focus on trade and the need to be outwardly focused, and societal values and attitudes which have a strong focus on STEM and do not value language education. There is an expectation from our interviewees that the Government and TEOs, in collaboration with business, will need to do more in raising awareness of the value of language and intercultural capabilities, and take effective action. (Section 8)

In summary, government policies and research by industry bodies, NGOs and academics in the UK, the USA and Australia recognise the urgent need to build language and intercultural capabilities in the workforce. A UK report has quantified the potential lost opportunities in trade alone as £48 billion in 2006, and there have been implications of a deficit in language and intercultural capabilities for other areas such as science, technology, innovation, R&D, diplomacy, security, soft power, and social cohesion. A common theme in the findings is the fundamental need to have a national strategy for
language planning and provision that involves government, industry and the education sectors. In New Zealand, there have been a number of initiatives to build language and intercultural capabilities. However, there does not seem to be the same sense of urgency in the Government or industry compared to the other Anglophone countries. There is ongoing debate in New Zealand about the need for a national language strategy but this has not been reflected in Government policy and planning. The absence of any sense of urgency or need to prioritise a national language strategy is reflected in the fragmented nature of the initiatives to build and sustain the development of language and intercultural capability, and in turn, in the TES as seen in this report, and particularly highlighted in Section 7.8.

9.2 Recommendations for TEOs

The findings from this initial study have implications for TEOs if they are to meet the expectations of the TES to ensure learning supports successful economic, social and cultural outcomes. TEOs need to collaborate more closely with industry and other stakeholders in order for the curriculum to reflect industry’s emerging and changing needs. They also need to ensure that graduates are adequately equipped with transferable skills, including language and intercultural capabilities. Based on our own findings as well as the findings and action identified in international and New Zealand research, we recommend the following for TEOs to consider in order to equip graduates with necessary skill sets:

1. Include language and intercultural capabilities in the definition of internationalisation, and normalise language learning as essential transferable skills in the strategic plans of TEOs;

2. Provide a coherent language study pathway from the school sector to tertiary level and require language credits to be essential for university entrance or for graduation;

3. Provide clear and accessible pathways (e.g. double degrees and conjoint degrees) to develop both technical skills and language and intercultural capabilities, and identify future career options to meet emerging demands;

4. Place greater emphasis on the development of transferable skills in all programmes, and include language and intercultural capabilities as essential transferable skills in the graduate profile;

5. Include study of language and intercultural capabilities as part of communication skills in all undergraduate curricula, in addition to academic English skills;

6. Promote awareness of the relevance of languages for New Zealand, such as Japanese, one of the strategic Asian languages;

7. Review the content and delivery of language programmes to ensure they provide courses that are relevant and accessible to students in all disciplines;

8. Facilitate an increase in the number of students from all disciplines to do internship or study abroad. (This will have additional value in university score cards and international university ratings);

9. In the TES, Steven Joyce, the former Minister of Tertiary Education, said that tertiary education is expected to make “a more prominent contribution to a more productive and competitive New Zealand” (p. 2) and to work more closely with industry and the community. To meet this expectation, TEOs need to take a leadership role and:

   i. Ensure more collaboration with stakeholders;

   ii. jointly press the Government for a national cross-sector coordinated initiative to research, develop and implement a national language strategy.
9.3 Recommendations for Government

Finally, the findings from this study indicate that there is an urgent need for a clear understanding of the implications of a language and intercultural deficit in New Zealand. As in the UK, the USA and Australia, there have been a range of initiatives by the Government and other organisations, including TEOs, to address this deficit (see for example Section 1 and Section 8.6). However, these initiatives have not been coordinated and have yet to resolve the deficit. They are not likely to be fully effective unless, as Lo Bianco states, there is a carefully planned programme of language planning and provision (Blakkarly, 2014). This argument has been maintained for many years by advocates of a strategic national language policy, and has been supported by recent research in the UK, the USA and Australia (AMACAD, 2017; Australian Government Department of Defence, 2016; British Academy, 2014; Mansell, 2016). This would require the Government to establish and lead a cross-sector, multilevel approach involving the Government ministries (e.g. MoD, MoE, MBIE, MFAT), industry, business and other sectors, NGOs (e.g. Asia New Zealand Foundation, COMET, the Superdiversity Centre), language associations, and representatives from across all the education sectors from schools to TEOs to:

1. Research the demand for language and intercultural capabilities in New Zealand to identify where needs exist and what levels of language skill are required in different sectors (e.g. economic, social, cultural, and environmental);

2. Develop a national language strategy across all the education sectors that focuses on planning as well as provision, with clear directives for implementation and pathways of study through school and on to tertiary level;

3. Ensure funding for sustained provision for language learning across all education sectors;

4. Promote and provide clear information on the strategic importance of language and intercultural capabilities in the New Zealand workforce in order to contribute to a change in societal values and attitudes.

There has been a change of Government since the 2014–2019 TES was published, and there are a number of policy reviews taking place. It is hoped that the findings of this exploratory study will be considered in the various discussions including those in the Future of Work Forum. It is also hoped that the findings will inform the next TES, and contribute to the establishment of a national language strategy that identifies the economic, social and cultural language and intercultural capabilities needs of New Zealand. Such a strategy would mean that New Zealand would lead the Anglophone countries in establishing a national policy for language education across the education sectors.
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### Appendices

1. List of interviewees

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<tr>
<th>No.</th>
<th>Name</th>
<th>Occupation and Japanese language level</th>
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| 1   | Peri Drysdale      | Founder/CEO, Snowy Peak (creative industry)  
Japanese language level: basic words and phrases |
| 2   | Tim Harvey         | Head of Japan, CMS Sport and Entertainment, NZ  
Japanese language level: bilingual |
| 3   | Jason Hill         | Head of Tourism, Auckland Tourism Events and Economic Development  
• Formerly, Regional Manager, Japan and Korea for Tourism New Zealand  

Japanese language level: fluent |
| 4   | Aaron Hynds        | Director of Research and Development, Hynds Innovation at Hynds Holdings Ltd.  
Japanese language level: fluent/bilingual |
| 5   | Ian Kennedy        | Japan related specialist  
• Former New Zealand ambassador to Japan  

Japanese language level: fluent/bilingual |
| 6   | Jason Reeves       | Coalition Manager, New Zealand Trade & Enterprise  
Japanese language level: fluent |
| 7   | Phillip Turner     | Director, Global Stakeholder Affairs, Fonterra, NZ  
Japanese language level: fluent |
| 8   | Anonymous          | Science advisor  

Japanese language level: bilingual |
| 9   | Daniel Scott       | Graduate civil engineer  

Japanese language level: competent |
| 10  | Anonymous          | University engineering professor  

Japanese language level: non-speaker |
| 11  | Anonymous          | Māori trust  

Japanese language level: non-speaker |
| 12  | Anonymous          | Translator/interpreter  

Japanese language level: non-speaker (but multilingual) |
| 13  | Nancy McIntyre     | Manager, School of Hospitality and Tourism, AUT  

Japanese language level: non-speaker (but fluent in Malay, Cantonese and English) |
| 14  | Mark Pearson       | Lead Advisor, North Asia Division, MFAT  

Japanese language level: fluent |

Note that their occupations were at the time of their respective interviews.
2. Profiles illustrating how Japanese language and intercultural capabilities can shape highly successful careers in business and law

**Annette Azuma – bilingual chartered accountant in New Zealand**

Annette Azuma is a chartered accountant, specialising in international business and dealing with a number of listed and unlisted corporates and high net worth individuals assisting with all aspects of taxation, compliance, M&A and immigration. Annette has also prepared successful submissions to government on behalf of client groups. Fluent in Japanese, she has particular expertise and experience assisting many Japanese clients doing business and investing in New Zealand, as well as representing New Zealand companies expanding their businesses to Japan. She also serves as Vice Chair of the Japan New Zealand Business Council and a board member of Drive Electric Incorporated. She is an industry representative on the International Languages Advisory Committee, Auckland University of Technology. Annette is a member of both Chartered Accountants Australia and New Zealand and CPA Australia.

Annette is passionate about Japanese people, language and culture. Her association with Japan spans approximately 25 years and includes the following experience:

- Kyoto Sangyo University: tax law, accounting and marketing
- Baker Tilly Japan: internal audit
- Baker Tilly London: assisting Japanese companies list on London Aim Market
- TBS TV: New Zealand live reporter for Global Good News

From earning a Japanese degree and having lived in Japan, Annette has become a fluent speaker of Japanese, which has enabled her to develop a niche business offering. Annette highly recommends a Japanese language degree partnered with a business degree, as her combination of business skills and speaking Japanese sets herself apart from her other peers.

Japan has the third largest economy in the world and is a very sophisticated market. If you can navigate the Japanese language and cultural intricacies, undertaking business in Japan is highly rewarding and provides a very satisfying career. You are not only dealing in business, but assisting with the overall strengthening of the Japan/New Zealand diplomatic and business relationships.

Catherine O’Connell – bilingual kiwi lawyer in Japan

Catherine O’Connell is a corporate and commercial lawyer who runs her own law practice in Tokyo. She is the first foreign woman to launch her own law firm in Japan and first New Zealander to set up practice as a sole practitioner. She has bar admissions in New Zealand, England and Wales and in Japan as Foreign Registered Lawyer (“Gaiben”).

Slowly but surely disrupting the Japanese legal services market as a “New Law” provider, Catherine’s focus is on “flexible lawyering”, offering secondments and part-time lawyers to place into businesses in Japan who need a lawyer with in-house (inside the business) experience on a project basis, for bridging staff gaps and legal staff taking parental leave, as well as providing ad hoc corporate commercial and compliance advice to the international business community and to those businesses undergoing trade between New Zealand and Japan.

Catherine’s combination of business skills and speaking Japanese truly sets herself apart from her other peers practicing law in Japan. Fluent and fully bilingual in written and spoken Japanese, Catherine says she would not have dreamed of opening a law practice in Japan had it not been for her deep understanding of Japanese language, the business culture here, and her broad scope of business relationships she has built up over 15 plus years in Japan and 15 plus years in New Zealand. She has particular expertise and experience assisting many Japanese clients doing business and investing in New Zealand, as well as representing New Zealand companies expanding their businesses to Japan.

Working as an in-house legal counsel in Japan in the headquarters of major household brand-name Japanese corporations brought to Catherine a real understanding of the need for lawyers on the ground in Japan who can communicate proficiently in Japanese in order to provide value to the business right at the coalface and truly understand the needs of the business. Catherine has chosen the untrodden path of working in manufacturing and tech companies since 2002, and this largely came from being amazed at “people who make stuff” and having a father who was a drafting engineer designing products to make peoples’ lives easier. She also looks to growing up with three brothers as enabling her to enjoy working with total ease in what is a very male-centric society in Japan. She can engage with engineers designing products, quality teams dealing with product liability issues, due diligence of logistics and other suppliers, as well as daily operation sales contracts for all kinds of products and compliance investigations – all done in Japanese. She credits her strong Japanese capability and depth and breadth of experience in large corporates as giving her credibility and authenticity, being key to gaining trust with her counterparts, and enabling her to truly understand the heart of Japanese people and what makes them tick. Her legal business model and service delivery with her background is a niche offering in the Japan market.

Catherine is absolutely clear that none of the career path she has followed would have been possible without studying Japanese and law together. She definitely recommends not studying Japanese language and culture in isolation, but to combining it with at least one other skill.

Be that law or accounting, engineering or medicine, music or sports. Language alone is very limiting for your career; limited to that of teaching, translating/interpreting and tourism-related roles, which are all great roles to have, but adding another skill or two brings a whole new dimension to the realm of work you can do, and the industries and sectors you can work in as the combination “language plus other skill”, it is a ticket to fulfilment in your personal life and career.

For anyone planning to select Japanese as a language, Catherine would recommend you definitely pick another area you enjoy, such as music, sports, marketing, sales, law, or accounting. Becoming a “Japanese-speaking something” opens doors for you. For Catherine, it was whilst working as a tour guide for Japanese tourists in New Zealand that she decided to go back to university and study law. Catherine says:
Japanese tourists asked me lots of questions about the laws of New Zealand, such as how they could buy a house or set up a business, how laws were made and enforced, and this interested me to research more about law so I could add this to the stories I told tourists as we travelled round the countryside. I found with more research of the law that I was drawn to study it formally, so that I could graduate as a Japanese-speaking lawyer and work in a niche market in New Zealand, and that is exactly what happened.

After that, when Catherine started in her first in-house legal role in Japan, Japanese capability was seen as a “nice to have” but now, to work in the law and other professional fields in Japan, having a healthy grasp of Japanese has flipped to being a “must to have”. Focusing on learning the language in New Zealand was a solid basis for learning the language in real life in Japan. Now she is focusing on AI, tech and the way lawyers will work in the future, especially in tech-savvy Japan and New Zealand, and she recommends all lawyers focus on these areas too.

Japanese life, culture, language, and community is in Catherine’s lifeblood with 30 plus years spanning Japan and New Zealand from age 18. Her full range of qualifications and experience can be viewed at https://www.catherineoconnelllaw.com/qualifications-experience/.

Catherine welcomes any inquiries to catherine@catherineoconnelllaw.com. You can find out more about her law firm at www.catherineoconnelllaw.com.

For further profiles, see: