

## **The practice of knowledge transfer and language mentoring at multinational companies operating in Hungary - based on empirical research**

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**Abstract:** The question of knowledge management/knowledge sharing has become more and more popular for the companies and organizations nowadays. Sharing of knowledge is necessary in the management practice of any competitive companies. Knowledge management has several forms and mentoring is one of them. Will future jobs require mentoring? Or will automation replace this practice also? Future will answer these questions, but what is for sure is that the participants of the future labour market are the present-day secondary school and university students. Therefore educators should focus on them heavily.

**Keywords:** knowledge management, mentoring, foreign languages, multinational companies

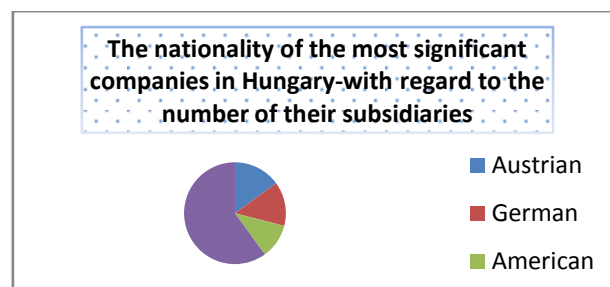
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### **1. Introduction**

The following paper is a brief summary of a research carried out in 2016/2017, examining multinational companies operating in Hungary with regard to their mentoring practice from linguistic and from labour marker point of view.

Knowledge is the most important capital of the organizations, thus developing and preserving it involves challenges and requirements for the institutions. The practice and concept of knowledge management has become a strategic field for several companies.

More and more Hungarian companies realize the advantages of mentoring practice, which supports the professional and personal development of the employees. Several companies apply mentoring system in order to help the entrants and in some cases provide them linguistic support. The number of multinational companies is continuously increasing in Hungary and these companies employ mainly Hungarian workers regardless of the fact whether they are owned by foreigners or by Hungarians. According to the statistics of the Hungarian Statistical Office among the foreign companies, who have subsidiaries in Hungary, the most companies are Austrian (15%), German (14%) and American (11%). If we add the percentage of Austrian, German and American companies, then the 40% we get means a big amount, therefore it is not doubt that the knowledge of foreign languages, especially the knowledge of English and German is a number one requirement on labour market. Of course language knowledge is one of the most wanted requirements at job-interviews as well in Hungary.



**Figure 1:** The nationality of the most significant companies in Hungary-with regard to the number of their subsidiaries, 2010

**Source:** Hungarian Statistical Office (KSH)

The following table represents the 10 biggest companies in Hungary and also their main profile, the company's nationality and also the shared company language is shown. Out of the 10 biggest companies in Hungary, there are only 2 companies, where the shared working language is either English or German. But there is not a single company where only Hungarian is the company language. At six companies out of the ten, English is the first company language, which demonstrates and proves the dominance of English language. At German companies, it is mainly the German language, which is used as the company language, but in case of

any other companies (can be Japanese or multinational); it is the English language, which is used as the shared working language. Therefore entrants who want to join these companies must have good linguistics skills and must be able to speak the language of the company. In most cases the language knowledge of the applicant is tested at the interview, both in written and in oral form, but there are some companies, which accept the language certificate of the applicant as proof of his language knowledge. Unfortunately having a language exam does not necessarily mean that the applicant is able to participate at international meetings or to engage in conversations in the language of the company.

**Table 1:** The 10 biggest Hungarian companies, 2015

	<b>Company name</b>	<b>Profile</b>	<b>Nationality/company language</b>
1	Mol Magyar Olaj és Gázipari Nyrt.	energy industry	multinational company with Hungarian centre / <b>English</b>
2	Audi Hungaria Motor Kft	car manufacturing	subsidiary of the German Audi AG, <b>German</b>
3	GE Infrastructure CEE Holding Kft	trusteeship	American / <b>English</b>
4	MVM Magyar Villamos Művek	energy sector	Hungarian / <b>Hungarian and English</b>
5	Mercedes-Benz Manufacturing Hungary Kft.	car manufacturing	German / <b>German</b>
6	Samsung Electronics Magyar Zrt.	electronics	South-Korea / <b>English</b>
7	Magyar Telekom Távközlési Nyrt.	telecommunications	Hungarian/ <b>Hungarian and German</b>
8	E.ON Hungária Energetikai Zrt.	energy sector	German holding / <b>German</b>
9	Flextronics International Kft.	electronics	American / <b>English</b>
10	Magyar Suzuki Zrt.	car manufacturing	Japanese majority ownership/ <b>English</b>

Source: [http://index.hu/gazdasag/2015/07/23/legnagyobb\\_magyar\\_cegek\\_listaja/](http://index.hu/gazdasag/2015/07/23/legnagyobb_magyar_cegek_listaja/)

## **2. Mentoring on the present and on the future labour market in Hungary**

Although mentoring system itself is not new, it has started to spread rapidly by having more international companies in Hungary. Mentoring practice has become an important part of the system of career development. Mentoring has different types and can be put into different categories. In this paper I am not going into details regarding the types of mentoring. One type of it can be language mentoring, which is not a widely-used practice in Hungary at the moment, but it would be advised to use it more frequently. Mentoring is beneficial for all the participants of the process. It has advantages for the mentor and his mentee as well. Mentoring contributes to the continuous transfer of talent/knowledge and it provides the opportunity for the today-leaders to transfer their knowledge to the future-leaders, which might result in the followings:

- employees get a more self-confident knowledge about the organisation
- retention of staff means that workers will be more loyal to their company and can save money on recruitment and training costs
- a more effective, a more successful organisation will be developed
- a more developed communication within the organisation will appear
- it shows the outside world that the organisation values its employees
- a more positive work environment will be developed
- it supports a sense of cooperation and harmony within the organisation

Due to the increasing speed of technological development and globalization, the speed of change in job destruction and job creation also increases. According to some calculations, half of the present jobs will be ceased due to automation. Some studies suggest that approximately 65% of children entering primary

school today will have jobs that do not yet exist. But will those jobs require the practice of mentoring? What are the expected future jobs? Can a new form of mentoring be developed? Is it necessary to develop a new form of mentoring at all?

The issue of knowledge management and knowledge sharing is especially interesting in cases where Hungarian employees and international/foreign companies participate in the complex system of knowledge management. The number of international companies with Hungarian employees is continuously increasing and the knowledge of foreign languages is essential for them in the everyday use. The question may arise how knowledge sharing can be implemented when employees do not share a common language with their employers. What factors influence the success of mentoring practice which supports knowledge sharing?

More and more Hungarian companies realize the advantages of mentoring practice, which supports the professional and personal development of the employees. Several companies apply mentoring system and in some cases they provide them linguistic support.

### **3. Literature review**

The concept of 'knowledge management' means corporate policy, practice and tools, which make it possible for the individuals to understand how their job contributes to the whole of the company, what benefits they might have and how they can contribute to the more effective and more successful operation of their companies. The most important value and product of a given company is knowledge itself. The employees have to be encouraged to acquire, to keep and to transfer knowledge. (Nemirovsky and Solomon, 2000) [1]. The employees have to learn and apply different techniques in order to be able to convert their know-how systematically into an important knowledge-source for the organisation. (Choo, 1996)[2].

The leaders have to support the establishment of a corporate culture, where knowledge is value, where knowledge-transfer is supported and where innovation and development is considered important. The effective knowledge-management requires new roles and responsibility from the leaders and from the employees as well. It is necessary that the participants of the process can observe their own work from multiple perspectives, they can phrase their opinions, they are able to make and receive critical remarks and they have to be suitable and willing to share their knowledge with each other. Its success depends on several factors, such as trust, cultural indifference, lack of reception, communicational problems and the attitudes of the participants, etc. (Bencsik, 2009)[3].

Unfortunately it is still typical in Hungary that employers expect the entrants -on entering the company- to possess the knowledge and skills the company requires. If the entrants cannot gain enough experience, then later this can be an obstacle for them to find job. But who knows the requirements of the future jobs now? Who will be able to help the job-seekers and the entrants as well to guide and to support on their path on labour market? At present it would be practical and useful that the present-day mentors would provide support for would-be employees about the possible job opportunities and about the possible requirements of future job market. Mentoring is often the missing link, which connects the new employees with his future workplace successes (Levinson and McKee, 1978)[4]. If the previous does not exist, the latter should also be missing. Hungarian companies should think about their own future and they should invest money and energy into developing a new mentoring program of their own, especially focusing on the requirements of the future jobs.

We know that new forms of mentoring have appeared in the last ten years. One form is when it is not the senior, experienced managers who teach, but on the contrary the junior employees act as mentors in order to teach their elder colleagues something new, especially when they teach them new technologies (Harvey, McIntyre, Heames & Moeller, 2009)[5]. The so-called reversed or reciprocal mentoring came to life basically because of globalization, quick technological development and market requirements. Harvey et al. (2009) summarized that students graduating from colleges and universities have high knowledge of internet, computer studies and other web-based technologies and they are very enthusiastic to share their knowledge with others. This form of mentoring has positive effects on both of its participants.

David Clutterbuck(2002) [6]introduced the concept of structured developing mentoring in Europe. According to Clutterbuck we talk about mentoring when somebody uses his own wisdom to build the other's wisdom. This shows and expects a really high level of intellectual and emotional intelligence from the members of the relationship. Is a new type of structured reciprocal mentoring about to develop in the near future to help the participants of the labour market get used to the new requirements of jobs?

### **4. Requirements of future jobs and labour market**

As technology changes, some old jobs will be ceased and some new ones will be created. If we believe what the estimates say about the percentage of job destruction due to automation, then who has to worry about losing his job? Are university students safe in this respect? Will they find their position on

labour market suitable for what they are studying at present? Do we have to worry about or do we have to be more prepared for what some studies say, namely that 65% of children entering primary school today will have jobs that do not yet exist?

What about teachers? Will we need fewer teachers in the future? If we want to achieve the sustainable development goals (SDGs) on education -which is to ensure inclusive and quality education for all and promote lifelong learning- we would certainly need a lot more teachers than we have today. Teaching teachers should be the top priority of education. If we want to raise kids in order to become independent, responsible adults who have individual thoughts and who are creative thinkers and responsible decision makers, then definitely we have to put more emphasis on how to train the future teachers, because these are the teachers who will teach our kids how to think individually, how to learn, how to bear responsibility and also how to maintain their curiosity. If these teachers or would-be teachers do not meet the previous criteria, if they are not individual and creative thinkers enough, therefore they cannot pass it on how to be individual and creative. They have to be given the best of education.

### **Sustainable goals on education**

**Target 4.7:**  
By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

Source:<http://www.eaea.org/en/home/news/sustainable-development-goals-from-a-wish-list-to-a-concrete-action-plan.html>

As technology changes rapidly, it alters how we communicate and interact. Most of us communicate via internet; we spend a lot time in front of our computers and other technical gadgets. Teachers can also share their knowledge with students with the help of different devices and students can also share their own thoughts with their mentors or friends no matter where they are geographically. We can see that technology has become a language itself and children from an early age master this new language. They are already born with the know-how how to operate these devices. Therefore it is obvious that we all have to speak this new language if we want to remain part of the groups we are in. Using internet and using tablets, I-pads and learning from ted-talks and podcasts will not dismiss teachers from all sectors, but for sure it will change the role of the teacher and it will broaden the learning experience.

## **5. Empirical research**

Thinking about the requirements of future jobs, we can agree that the role of almost all participants on labour market will be different in the near future. They need to realize that with the radical change in technology, they need to adapt their behaviour, their way of understanding and their attitude towards job and towards job requirements to the new circumstances. Using technology as the new-born language will be a basic requirement for all of them. And mentoring as such has to have an important role in helping and supporting the employees and employers to be able to adapt to the new situations.

The aim of my research was to examine and analyse the effect of language on knowledge transfer at foreign companies in Hungary. Furthermore I aimed at highlighting the possible problems and opportunities, which are created by the multicultural, multi-national and multi-linguistic environment. Despite the fact that employees of different nationalities work together, they are able to share and transfer knowledge and experience with the help of English, the common language of the company. This supports the fact that the common language within a company helps and supports the process of knowledge sharing in a corporate environment where the workers have different cultural background and different language. The leaders of the companies should manage the foreign languages well in order to promote the process of knowledge sharing in a common language.

Regarding the above mentioned, the motivating question of my research was to find out how much employees are willing to share their knowledge with their colleagues and how much they can share their knowledge if there is no common code, no common language. Or is there yet a common code when one of the participants speaks the given foreign language and the other does not? Can knowledge sharing be

successful and if yes in what form? How can employees remain motivated despite having linguistic difficulties?

The aim of my research was to examine the practice of knowledge sharing/knowledge transfer at some foreign companies operating in Hungary. I focused on examining knowledge transfer when there are linguistic difficulties for the participants.

### 6. Method of the research

The research was carried out in 2016/2017 with the participation of 161 respondents from different multinational companies operating in Hungary. The respondents were full-time workers at multinational companies. The research cannot be considered representative, but it shows the present situation in small. The participants were asked to fulfil the questionnaire about the following issues:

**Table 2:** Types of questions in the questionnaire

1.	Information about the company (size, location)
2.	Information about the person who fills in the questionnaire (age, mother tongue, working language, nationality, relationship with foreign employees ...)
3.	shared company language, foreign language learning, language skills and competencies
4.	knowledge transfer/ knowledge sharing, mentoring
5.	language learning at the company, knowledge transfer in foreign language

The snowball method was used during the research. I used SPSS 23 to analyse the given results.

### 7. Results/theses of the research

The following theses were developed after analysing the hypotheses:

**Table 3:** Theses of the research

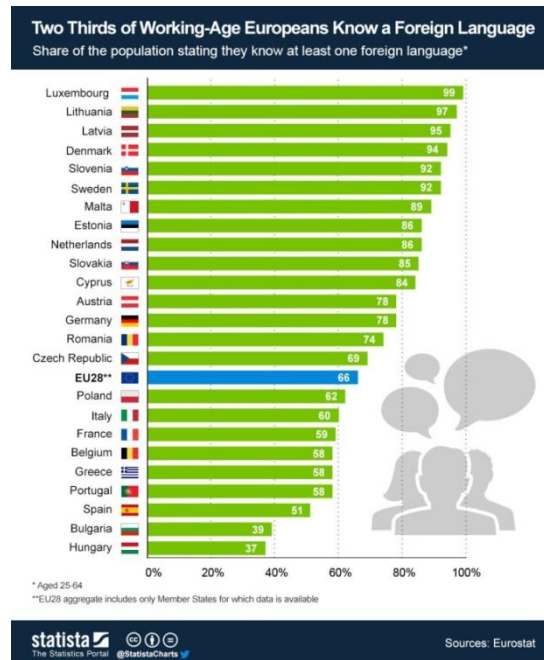
<b>Thesis 1:</b> The lack or the existence of a common language at international companies with employees of different nations obstructs or supports knowledge transfer.
<b>Thesis 2:</b> Companies -where the majority of ownership is Hungarian and where the common working language is Hungarian- just partly recognize the role of foreign language, while the international and multicultural companies operating in Hungary mainly recognize the role and importance of foreign languages necessary for the operation of the companies.
<b>Thesis 3:</b> Knowledge sharing in foreign language is not frequent at companies operating in Hungary, although one of the most frequent forms of knowledge transfer in mother tongue is mentoring.
<b>Thesis 4:</b> One of the most important preconditions of an effective and successful knowledge transfer in foreign language is that the language level of the participating parties is at least at intermediate level.

All the 4 theses can be discussed in more details, but the aim of the present paper is to show a very thin slice of the present-day labour market situation in Hungary with regard to knowledge transfer and language mentoring at multinational companies operating in Hungary.

One of the results I got was that employees agreed completely that knowledge transfer cannot be successful in any foreign language if the participants do not speak the language at least at intermediate level (it is called B2 level according to the common European framework of reference for languages). Speaking a foreign language at basic language cannot at all guarantee the success of the knowledge transfer in a foreign language. And we should keep it in mind that participants of the communication, the employees and the employers do not just chat about everyday issues, but they have to share and transfer knowledge about professional issues, such as operation of certain machines or assembling certain spare parts.

The following figure shows the percentage of how many of the European working-age workers (age between 25 and 64) claim to speak at least one foreign language. Luxemburg, Lithuania and Latvia are at the top of the list, and Denmark, Slovenia and Sweden are following them with their results more than 90%. Unfortunately Hungary is lagging behind as Hungary is the last in this order, with only 37%. 66% is the average in the European Union, which means that approximately 2/3 of the working-age workers claim to

speak at least one foreign language. Time has definitely come for us, Hungarians to do something against this situation and to start improving our language skills. And language mentoring is a very good way how to start to improve our language skills. We definitely need and we will definitely need language mentors to support the process of our learning. That is our only way to survive on future labour market.



**Figure 2:** Language knowledge of Working-Age Europeans

Source: Eurostat

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### Author Profile



**Gabriella Horváth-Csikós** graduated as a teacher of English at University of Veszprem, Hungary in 1997. Since then she has been teaching English and since 2008 she has been working and teaching in English at SzentIstván University, Gödöllő. Her field of research is mentoring, especially language mentoring at multinational companies and requirements of future labour market.