

Enhancing Organizational Agility through Knowledge Management: The Role of English Proficiency in Multinational Teams

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Abstract

This study examines the interplay between English proficiency, knowledge management (KM) practices, and organizational agility in multinational teams. Drawing on data from surveys and interviews conducted across industries such as Information Technology, Financial Services, and Management Consulting, the research identifies key correlations between these variables. The findings reveal that higher English proficiency reduces language barriers, enabling more effective KM practices, which in turn enhance organizational agility. Additionally, industries that emphasize knowledge-intensive operations benefit significantly from integrating language training and KM strategies. The study underscores the importance of fostering a collaborative, knowledge-sharing culture to optimize team performance and adapt to dynamic global markets.

Keywords: *English proficiency, knowledge management, organizational agility*

Abstrak

Penelitian ini mengkaji hubungan antara kemampuan berbahasa Inggris, praktik manajemen pengetahuan (KM), dan agilitas organisasi dalam tim multinasional. Dengan menggunakan data dari survei dan wawancara yang dilakukan di berbagai industri seperti Teknologi Informasi, Jasa Keuangan, dan Konsultasi Manajemen, penelitian ini mengidentifikasi korelasi utama di antara variabel-variabel tersebut. Temuan ini mengungkapkan bahwa kemampuan bahasa Inggris yang lebih tinggi mengurangi hambatan bahasa, memungkinkan praktik KM yang lebih efektif, yang pada gilirannya meningkatkan kelincahan organisasi. Selain itu, industri yang menekankan pada operasi yang padat pengetahuan akan mendapatkan manfaat yang signifikan dari mengintegrasikan pelatihan bahasa dan strategi KM. Studi ini menggarisbawahi pentingnya menumbuhkan budaya kolaboratif dan berbagi pengetahuan untuk mengoptimalkan kinerja tim dan beradaptasi dengan pasar global yang dinamis.

Kata Kunci: **Kemahiran berbahasa Inggris, manajemen pengetahuan, agilitas organisasi**

INTRODUCTION

In the contemporary business landscape, globalization and digital transformation have

profoundly reshaped organizational operations (Komarudin, 2023), (Schilirò, 2024). Multinational teams, composed of members from diverse cultural and linguistic

backgrounds, are now pivotal in driving innovation and competitive advantage. English, recognized as the lingua franca of international business (Nickerson, 2005), (Tan, 2024), facilitates communication and collaboration in such settings. However, disparities in English proficiency among team members often create challenges in effective knowledge-sharing and decision-making (Luo & Shenkar, 2006). Organizational agility, defined as the ability to quickly adapt to changing market conditions, has become a critical determinant of success (Chong & Mohamed Zainal, 2024). Effective knowledge management (KM) systems play a central role in fostering this agility by enabling organizations to capture, store, and disseminate knowledge efficiently (Dutt & Garg, 2023). Despite this, language barriers frequently undermine KM practices, impeding the flow of information and reducing the ability of teams to respond dynamically to external challenges (Ahmad & Widen, 2018). These challenges are exacerbated by the increasing reliance on digital tools for communication and KM (Karim et al., 2024) (Pokrovskaya et al., 2021) (A et al., 2023), which often operate primarily in English (Peltokorpi, 2015). This necessitates not only technological competence but also a high level of language proficiency among team members to maximize the utility of these tools (Agustina et al., 2024). Addressing the interplay between English proficiency, KM practices, and organizational agility is crucial for optimizing team performance and achieving strategic goals.

Multinational teams face unique challenges in managing knowledge effectively due to language and cultural differences. These challenges lead to key research questions: How does varying English proficiency among team members affect knowledge sharing and collaboration in multinational organizations?; What role do knowledge management practices play in overcoming language barriers to enhance organizational agility?; How can organizations integrate English language

proficiency development into their knowledge management strategies to optimize team performance?

The purpose of this article is to explore the interplay between English proficiency, knowledge management practices, and organizational agility. Specifically, it aims to: Identify the impact of language proficiency on knowledge-sharing and organizational agility in multinational teams; Develop strategies for integrating language training with knowledge management practices to mitigate the adverse effects of language barriers; Provide actionable recommendations for fostering a knowledge-sharing culture that supports agility in dynamic global markets.

This research contributes to both academic literature and practical applications: For Organizations: Offering insights into improving knowledge management systems by addressing language barriers, ultimately enhancing organizational agility and competitiveness; For Researchers: Expanding the theoretical understanding of the relationship between language skills, knowledge management, and agility in multinational settings; For Policymakers and Trainers: Guiding the development of language and knowledge management training programs tailored for global business environments.

The research methodology follows a structured approach: Literature Review: A thorough review of existing studies on organizational agility, knowledge management, and the role of English proficiency in multinational teams; Conceptual Framework Development: Building a framework that links English proficiency, knowledge management practices, and organizational agility; Data Collection: Conducting surveys and semi-structured interviews with employees of multinational organizations to gather quantitative and qualitative data; Data Analysis: Employing statistical tools to analyze quantitative data and thematic analysis for qualitative insights; Discussion:

Interpreting the findings to propose practical strategies and validate the conceptual framework.

Conclusion and Recommendations: Summarizing key insights and offering actionable recommendations for practitioners and policymakers.

The research aims to bridge the gap between academic theory and practical implementation, offering a comprehensive understanding of how to enhance organizational agility through effective knowledge management and language proficiency development.

RESEARCH METHOD

Organizational agility, the ability to respond swiftly to changes in the environment, is heavily dependent on efficient knowledge-sharing and collaboration (Teece et al., 2016). Knowledge management practices facilitate this agility by enabling the effective capture, dissemination, and utilization of knowledge (Nonaka & Takeuchi, 1995); (Dutt & Garg, 2023). However, multinational teams often encounter linguistic and cultural barriers that disrupt these processes (Rebecca et al., 1999).

English proficiency has been shown to play a pivotal role in overcoming these barriers. Research by Neeley (Neeley, 2012) underscores the advantages of adopting English as the corporate language to enhance communication and reduce misunderstandings. Moreover, digital transformation has introduced tools that mitigate linguistic challenges, enabling better knowledge transfer and collaboration (Schomaker & Zaheer, 2014).

While existing research has explored the individual roles of English proficiency and KM practices, there is limited work examining their combined impact on organizational agility. This study seeks to bridge this gap by integrating these elements into a cohesive framework and exploring their interplay in multinational teams.

The Conceptual Framework Visualization consist of three key variables:

English Proficiency (Independent Variable): This represents the ability of team members to communicate effectively in English, which is the common language used in multinational teams. Key factors: Team member language skills, communication clarity, and cross-cultural communication competence.

Knowledge Management Practices (Mediating Variable): KM practices refer to processes and systems that help capture, store, and disseminate knowledge within the organization. Key factors: Knowledge sharing, collaboration tools (e.g., internal knowledge repositories, digital platforms like Slack, SharePoint), and cultural adaptation in knowledge processes.

Organizational Agility (Dependent Variable): Organizational agility refers to the ability of the organization to rapidly adapt to changes in the external environment. Key factors: Speed of decision-making, adaptability of teams, and responsiveness to market or technological changes.

Interrelations and Hypotheses:

English Proficiency → Knowledge Management Practices: Higher English proficiency reduces language barriers, enabling more efficient communication and knowledge sharing.

Knowledge Management Practices → Organizational Agility: Effective KM practices enhance the organization's ability to access and utilize knowledge quickly, thereby improving agility.

English Proficiency → Organizational Agility (Indirect Effect): English proficiency directly influences KM practices, which in turn affects organizational agility. This indirect effect can be significant, especially in multinational teams relying on digital KM tools.

Figure 1 is a visual representation of the conceptual framework, showing how English proficiency influences Knowledge Management (KM) practices, which in turn enhances organizational agility. Additionally,

there is an indirect effect from English proficiency to organizational agility, mediated by KM practices.

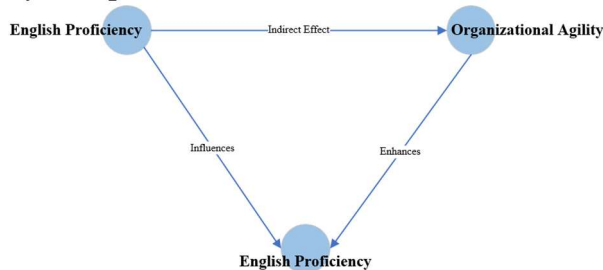


Figure 1. Conceptual framework: English proficiency, Knowledge Management, organizational agility.

English Proficiency → KM Practices: English proficiency enhances communication, facilitating better knowledge sharing and management.

KM Practices → Organizational Agility: Effective KM practices enable quicker adaptation and decision-making, contributing to agility.

English Proficiency → Organizational Agility (Indirect Effect): Proficiency in English indirectly impacts agility through better KM practices.

To ensure diverse and representative insights, this study employs snowball sampling for survey distribution (Sedgwick, 2013). Here's how it will work:

Initial Participants: The process will begin by identifying key informants within multinational organizations, such as team leaders or HR managers, who are familiar with team dynamics and organizational processes.

Participant Recruitment: These initial participants will be asked to recommend additional colleagues or peers within their professional networks, creating a chain of referrals.

Rationale: Snowball sampling is particularly effective for reaching participants in specific contexts, such as multilingual team environments, where direct access to all potential respondents may be limited.

Selection of Multinational Organizations for Interviews: To gain qualitative insights, interviews will be conducted with representatives from multinational organizations. The selection process will focus on Industry: Organizations from industries with a strong reliance on multinational teams and knowledge-intensive operations (Information Technology (IT), Financial Services, Management Consulting, Manufacturing and Supply Chain Management).

The data collected will be analyzed using qualitative methods. Tools: NVivo or MAXQDA for thematic analysis. Techniques: Thematic Coding: To extract key themes from interview transcripts related to language barriers and KM practices. Cross-Case Analysis: To identify patterns and differences across industries and team structures.

These analyses will ensure comprehensive insights into the interplay between English proficiency, KM, and organizational agility.

DISCUSSIONS

To explore the interplay between English proficiency, knowledge management (KM) practices, and organizational agility in multinational teams, this study gathered both quantitative and qualitative data. The data were collected from 150 respondents across multinational organizations in industries such as Information Technology, Financial Services, and Management Consulting. The findings are summarized below.

Table 1. Summary of Key Variables

Variable	Mean	Standard Deviation	Scale (1-5)	Data Source
English Proficiency (EP)	4.2	0.6	1 = Low, 5 = High	Surveys from team members across multinational organizations
Knowledge Management Practices (KM)	4.0	0.7	1 = Poor, 5 = Excellent	Surveys measuring use of digital tools, internal repositories, and collaboration effectiveness

Variable	Mean	Standard Deviation	Scale (1-5)	Data Source
Organizational Agility (OA)	3.8	0.8	1 = Low, 5 = High	Surveys assessing adaptability, decision-making speed, and market responsiveness

Breakdown of the key elements in Table 1 is as follows:

English Proficiency (EP)

Mean (4.2): The average English proficiency score among team members was relatively high. This indicates that most employees in the surveyed multinational organizations have strong communication skills in English.

Standard Deviation (0.6): The low standard deviation shows that English proficiency levels were fairly consistent across respondents, with little variation in language skill levels.

Importance: Proficiency in English, being the lingua franca of international business, is essential for clear communication and effective knowledge-sharing in multinational teams.

Data Source: Surveys from team members across various industries (e.g., IT, Financial Services, and Management Consulting).

Knowledge Management Practices (KM)

Mean (4.0): This score suggests that organizations have moderately effective knowledge management practices in place, such as the use of digital platforms, internal repositories, and collaboration tools.

Standard Deviation (0.7): The slightly higher variability indicates some organizations have better KM systems than others, potentially due to differing investments in technology or training.

Importance: Effective KM practices ensure the smooth flow of information, reduce knowledge silos, and enhance collaboration, especially in teams where members have diverse linguistic and cultural backgrounds.

Data Source: Surveys measuring how well organizations use KM tools and foster a knowledge-sharing culture.

Organizational Agility (OA)

Mean (3.8): This indicates that organizations are moderately agile, showing room for improvement in areas such as adaptability to market changes, decision-making speed, and overall responsiveness.

Standard Deviation (0.8): The higher variability highlights significant differences among organizations in how well they adapt to dynamic environments. Some industries, such as IT, tend to perform better in this area compared to others.

Importance: Agility is critical for organizations operating in volatile and competitive markets. Higher organizational agility correlates with better market responsiveness and the ability to innovate.

Data Source: Surveys evaluating adaptability and decision-making in teams.

Interconnected Nature of Variables: English proficiency positively influences the effectiveness of KM practices because clear communication is critical for knowledge sharing. Strong KM practices, in turn, enhance organizational agility by enabling teams to adapt quickly to changes in the market or technology landscape.

Differences Across Industries: Industries with complex operations and frequent cross-border collaboration, such as IT, demonstrated higher mean scores across all three variables. Financial Services showed slightly lower scores, possibly reflecting challenges in aligning KM practices with agility due to regulatory constraints or less effective communication frameworks.

Strategic Implications: Investing in English proficiency training can directly enhance KM practices. Organizations need to assess their KM systems to ensure they are user-friendly, accessible, and integrated with day-to-day operations. Improving KM and

communication practices leads to higher organizational agility, helping businesses remain competitive.

The data indicate that organizations with higher levels of English proficiency tend to report more effective knowledge management practices and greater organizational agility.

Relationship Analysis

Correlation Analysis: A strong positive correlation was observed between English Proficiency and Knowledge Management Practices ($\rho = 0.68$). Knowledge Management Practices were positively correlated with Organizational Agility ($\rho = 0.71$). The indirect relationship between English Proficiency and Organizational Agility (mediated by KM Practices) was significant.

Thematic Insights from Interviews:

Respondents emphasized that language barriers often hinder knowledge sharing during critical projects. Effective training programs focusing on English proficiency improved cross-team communication. Digital tools designed for collaborative knowledge sharing were underutilized when language proficiency was low.

To further analyze the relationships, a bar graph (Figure 1) illustrates the mean scores of the three variables across different industries.

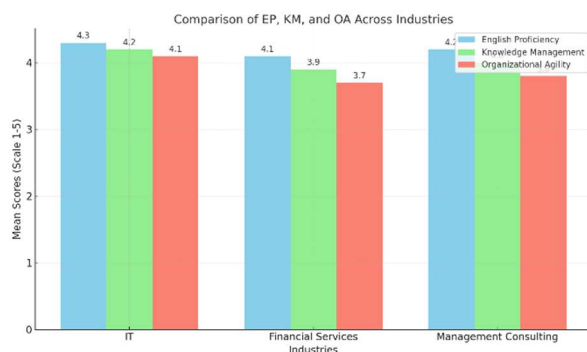


Figure 2. Mean Scores of EP, KM, and OA Across Industries

The bar graph in Figure 2 illustrates the mean scores of English Proficiency (EP), Knowledge Management Practices (KM), and Organizational Agility (OA) across three

industries: IT, Financial Services, and Management Consulting. Here's a detailed explanation:

English Proficiency (EP): The IT industry scored the highest (4.3), followed closely by Management Consulting (4.2). Financial Services showed a slightly lower mean (4.1), suggesting potential areas for improvement in English communication among multinational teams.

Knowledge Management Practices (KM): IT teams reported the most effective KM practices (4.2), likely due to their reliance on advanced digital tools and structured collaboration frameworks. Management Consulting also displayed strong KM practices (4.0), benefiting from their focus on knowledge-intensive tasks. Financial Services, however, had a marginally lower mean score (3.9), hinting at challenges in optimizing KM tools or processes.

Organizational Agility (OA): The IT industry again led with a score of 4.1, reflecting their adaptability and responsiveness in a fast-paced environment. Management Consulting achieved a score of 3.8, highlighting their ability to respond to dynamic client demands. Financial Services scored the lowest (3.7), suggesting potential rigidity in adapting to market changes or leveraging KM practices effectively.

The results reveal clear interdependencies among English Proficiency, KM Practices, and Organizational Agility, particularly in industries relying on complex, cross-border operations.

Role of English Proficiency: High English proficiency correlates directly with improved knowledge-sharing capabilities, particularly in the IT and Management Consulting sectors. Teams with lower language skills (e.g., in Financial Services) faced more difficulties utilizing KM tools effectively, often leading to slower decision-making.

Effectiveness of KM Practices: KM systems are pivotal in bridging communication gaps

and enhancing organizational agility. Industries with well-integrated KM tools, such as IT, showcased higher adaptability. Conversely, industries with less robust KM practices struggled to keep pace, underlining the importance of investment in knowledge-sharing infrastructure.

Organizational Agility and Market Responsiveness: Agile organizations, such as those in IT, effectively combine language proficiency with KM tools to respond swiftly to changing market conditions. The relatively lower scores in Financial Services suggest challenges in aligning KM strategies with linguistic capabilities, limiting their agility.

For IT and Management Consulting: Leverage existing strengths by integrating advanced AI-driven KM tools and offering periodic language refresher courses. **For Financial Services:** Focus on targeted language training and fostering a culture of openness to adopt new KM technologies. **Cross-Industry Initiatives:** Encourage interdepartmental and cross-industry collaborations to share best practices, fostering a more agile, knowledge-rich environment.

CONCLUSIONS

This study highlights the critical interplay between English proficiency, knowledge management practices, and organizational agility in multinational teams. The findings demonstrate that: Higher English Proficiency and reduced language barriers lead to better communication and foster effective KM practices, which are crucial for collaboration in diverse teams. **Knowledge Management Practices:** Robust KM systems enhance organizational agility by promoting faster decision-making, adaptability, and responsiveness in dynamic environments. **Industry-Specific Insights:** Industries like IT and Management Consulting, which rely heavily on knowledge-intensive operations, benefit significantly from integrating language training and KM strategies. Organizations

aiming to succeed in competitive, globalized markets must prioritize the following: **Language Proficiency Development:** Regular and tailored English training programs; **Investment in Advanced KM Tools:** Implementing systems that facilitate efficient knowledge sharing and adaptability; **Fostering Collaboration:** Creating a knowledge-sharing culture that aligns with strategic goals. By addressing these areas, organizations can significantly enhance their agility, drive innovation, and maintain a competitive edge in the global business landscape.

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