



ORIGINAL RESEARCH PAPER

Management

IMPACT OF ENGLISH LANGUAGE IN INTERCONNECTED WORLD-A STUDY OF LINGUA FRANCA IN GLOBAL BUSINESS

KEY WORDS: Cross-cultural communication, corporate language, inter nationalization language .

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ABSTRACT

This research is about English as a nonnative language. So many number of countries now involving in the global business. They are interconnecting with each other being nonnative English countries. The objective of this research is about to understand the use of English increasing in global business. Using qualitative research method, the empirical part of the study is comprised of a two-step research including three interviews and a questionnaire. Participants were selected from four Japanese-based multinational corporations. English has an undeniable role as the lingua franca of global business. Using English is no more a choice but inevitable for companies trying to compete in international markets. Yet, the effects of English in business communication have not been studied much until recent years. The aim of this research is to examine the effects of using English in Japanese-based multinational corporations.

I. INTRODUCTION

1.1 Basic Concepts

Communication is a process or action in which people interactively convey messages by creating and interpreting meanings .It also defines communication as sharing meanings through exchanging information. The process is affected by how senders and receivers understand the information, as well as by their cultural backgrounds, communication protocols and the context of the action.

Cross-cultural can be defined as “involving or bridging the differences between cultures”. **Cross-cultural communication** refers to communication between people from different cultures.

Multinational Corporation (MNC) is a company that is “registered and operates in more than one country at a time”

Internationalisation means the process of extending economic activities into new countries.

Globalisation can be described as growing worldwide interconnections. Because of globalisation, boundaries between and within organisations and nations are diminishing.

1.2 Background

Introducing English as a corporate language is a current topic in Japan. A few Japanese companies such as Rakuten and Fast Retailing have already launched English as corporate language and discussions are taking place in other companies . Yet, it seems that introducing English as a corporate language is not an easy task, since using English brings both advantages and disadvantages for companies. English enables cross-cultural communication and makes it possible to expand businesses globally.

Language is said to be at the core of international business . The role of English cannot be neglected since “English is now the global language of business”. When using English in international business, there are both positive and negative effects involved. On the other hand, communication flows can be distorted, filtered or blocked because of using English .

Until recent years, It is argued that there is a “growing need to know more about cultural and linguistic internationalization and standardization” and how to make cross-cultural communication effective. As international communication plays a significant role in the multicultural business environment, there is a definite need to examine the role of English language on business communication. This study focuses on how using English affects business communication in Japanese companies.

1.3. Research Questions and Objectives

Focusing on Japanese companies, this study aims at examining the effects of communicating in English at workplace. To examine the effects of English in Japanese-based multinational corporations,

the main research question is: *What kinds of effects does it bring to use English in business communication in Japanese-based multinational corporations in their departments located in Japan?*

The first sub-question is:

1. *What is the role of language skills in cross-cultural business communication?*
2. *How do English language skills affect individuals' job performance in Japanese based multinational corporations?*
3. *How can the company strategy contribute to effective use of English in Japanese based multinational corporations?*

II. JAPAN IN THE GLOBAL BUSINESS WORLD

2.1. Internationalisation of Japanese companies

It is argued that since the 1990s, internationalisation has been a key issue for Japanese companies. Internationalization is no longer a choice but it has become inevitable (ibid.). To understand the current situation in Japan, it is worth examining, what kind of a pattern the internationalisation process of Japanese economy has followed. Japan's situation in the global markets can be considered somewhat unique. Japan is strongly dependent on international trade, as it has almost no natural resources and has to import a wide variety of goods. Therefore, foreign trade has always played a central role for the Japanese economy However, Japan started to open up to international markets only at the end of the 19th century. After World War II, the economic growth in Japan was exceptionally rapid and many Japanese companies grew into successful multinational enterprises. It can be stated that global management of Japanese MNCs has relied on Japanese management from parent companies located in Japan. Japanese companies have moved from export-oriented internationalisation to establishing manufacturing and research & development units abroad. Japanese MNCs have been forced to find new ways of doing business internationally. Shrinking domestic markets in addition to aging population and workforce have accelerated internationalization of Japanese companies. Therefore, Japanese companies are now trying to catch up in order to be competitive in the global business environment This includes changing their human resources (HR) policies, including hiring more non-Japanese people and global oriented.

2.2. Japan and English

Even though English is becoming increasingly important in Japan, it is still argued that the country is far behind other industrialized nations. Most Japanese people have learnt English at least for six years by the time they finish high school but the proficiency of English is still limited. Despite the fact that millions of Japanese students study for and take English language tests every year, Japanese students do not rank high in international English tests. According to the Test of English as a Foreign Language (TOEFL) in 20 2011, the level of English is significantly lower than in other industrialised countries (TOEFL 2012). Japan had an average score of 69/100 compared to the average of all countries 81–82/100 in 2011. In 2011, Japan's average score was among the lowest of all

the countries involved in the test (TOEFL 2012). English is taught in Japanese schools starting from the fifth grade, although the Japanese Ministry of Education, Culture, Sports, Science and Technology has now introduced plans to start English lessons from the third grade. The ministry argues that starting learning English earlier will make Japanese students better prepared for the international environment in the future. Until now, no overseas studies have been required to become an English teacher in a public school in Japan. These changes are scheduled to take place by 2020.

2.3. Japanese Culture and Business Communication

There is a tight connection between language and culture, and it is argued that they both play a major role in cross-cultural negotiation. Hall (1976:57) goes even further with the connection between language and culture presenting the idea that culture is communication. Even if people are able to communicate in a foreign language, they tend to interpret meanings depending on their own culture and language. Charles (2007) argues that most non-native speakers of English face difficulties when communicating in a foreign language.

III. ENGLISH IN CROSS-CULTURAL BUSINESS COMMUNICATION

3.1. Cross-cultural communication

In business context, understanding the effects of cultural differences is particularly important. In international business, people use different languages, different negotiation styles and different business etiquettes. In addition, ways of perceiving the world and to express feelings, motivations and interests vary. Zhao (1996) argues that cross-cultural communication skills need to be learned by experience. Knowledge of different cultures is essential for intercultural communication. Then again, it is argued that when communicating with people from different cultures, it is important to be careful not to make stereotypes because this can lead to miscommunication. Finally, it has to be taken into account that people are individuals and might act contrary to expectations. Not everybody in some culture has a similar communication style. When speaking about cultural differences, it is impossible to take into account all individuals. Therefore, cultural studies give some idea of cultural traits that many people from one culture share but it cannot be expected that they would apply for everyone in the culture. It is argued that as language is part of culture, it is hard to distinguish the effects of language from the effects of cultural factors. Both language and culture play major roles in cross-cultural negotiation. However, to understand the role of language, Welch et al. argue that it is necessary to study language as its own factor.

3.2. Role of language in intercultural communication

According to Charles "only language can enable individuals and companies to communicate". Charles argues that in MNCs, language issues concern everyone in the organisation. Language can be seen as the core of international management (Piekkari & Zander 2005). Language skills are individual skills, but they have an impact on international business on a wider scale (ibid.). In international business, language skills not only affect the performance of individuals but also the performance of an organization as a whole, Marschan- Piekkari. On company level, Welch, Welch and Peccary argue that language impacts international management in several ways including international communication and negotiations, knowledge transfer and knowledge management as well as relationships between headquarters and subsidiaries. In addition, there are other things such control, coordination and integration inside multinational corporations that are affected by language issues.

In summary, language can facilitate or hinder communication in a large scale between company units but it can also have various effects on individual level, either offering or limiting opportunities. To get a more detailed picture of the effects of language on individuals, it is examined how language skills affect career development.

6.1. Conclusions

This paper aims at answering the main research question *What kinds of effects does it bring to use English in business communication in Japanese-based multinational corporations in their departments located in Japan?*. To answer the research question, the main findings of the study are presented next, using the three subquestions of this research. The first sub-question of the study is *What is the role of language skills in crosscultural business communication?*. After building a theoretical framework and conducting empirical research, it can be argued that language skills play an important role in intercultural business communication. According to the findings of this study, cross-cultural business communication skills are based on four concurrent factors including (1) language skills, (2) cultural understanding, (3) conversational skills and (4) business-related skills. The findings of the empirical research highlight the importance of understanding differences in communication styles and having business-related language skills. Language has various impacts on intercultural communication, including making communication possible, creating a barrier or distorting communication. The data findings indicate that the point of international communication in Japanese corporations is to effectively co-operate with people from different backgrounds in the multicultural business environment. English can be the tool for effective crossborder communication and it is needed in today's global business world. The second sub-question is *How do English language skills affect individuals' job performance in Japanese-based multinational corporations?*. The findings indicate that English language skills offer benefits and bring challenges that affect job performance. Language skills impact how well people perform their tasks in practice, and, indirectly, how people feel they perform their work tasks.

The third sub-question, *How can the company strategy contribute to effective use of English in Japanese-based multinational corporations?*, aims at examining the situation at company level. Finally, the main research question was related to the effects of using English in business communication in Japanese companies. It seems necessary to use English in Japanese companies in order to compete in global markets. It can be stated that using English brings effects on various levels including individual level and company level.. English is an important tool for communication in Japanese-based multinational corporations.