

## THE ROLE OF ENGLISH IN INTERNATIONAL BUSINESS

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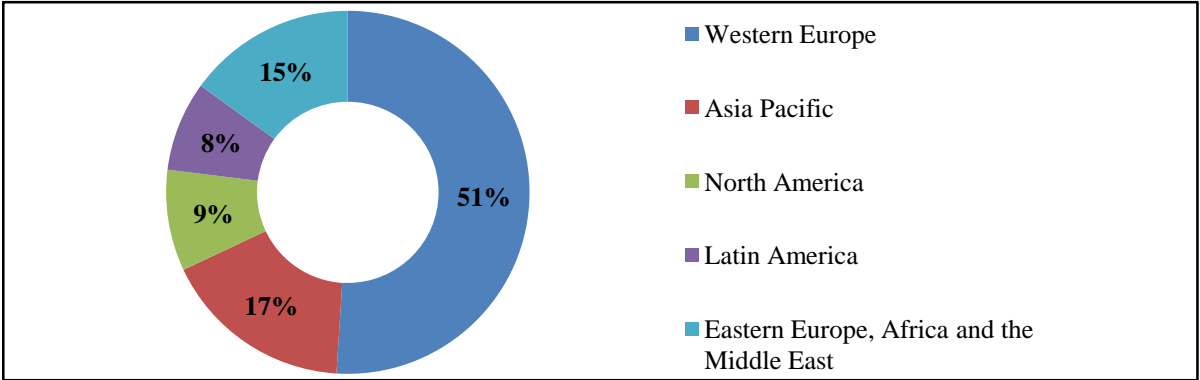
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Modern society lives in the era of rapid economic, political and cultural changes. Humanity is going through the stage in the history of development, when the economies of different countries are becoming increasingly interdependent, and the rapid development of techniques and technologies gives an opportunity to erase territorial boundaries. The rapid destruction of most of these ethnic boundaries and barriers in the past decade, gradually leads the world to the fact that there was a need for a lingua franca, which English has rightly become. English nowadays – the main language of science, academic conferences, diplomacy, books, magazines, sports, advertising and the Internet. And this is not a complete list of the spheres where it is used. Now the English language has become the fundamental element of the international business. After all, success in business is directly linked to such a word as “communication”, and most of it in the business environment is taking place in English. To achieve the significant results in a career in the home country, it is necessary to have a maximum range of professional and personal qualities, but when business goes beyond one country and transferred to the international level – the knowledge of the language is a prerequisite. To work successfully in an international company, it is also important to understand the trends and culture markets. Another key factor in successful business – organized system of communication with colleagues and partners. All this made a huge prerequisite for the becoming of the English language, as the language of business communications. Therefore, as future economists we must know the requirements for the English language knowledge in the labor market, because international economics demands professionals with language proficiency, especially in English. This causes the topicality of the research. The aim of the research is to define the role of the English language in international business and how it influences on recruitment strategies.

Emphasizing the special role that English plays in the international business communication, it should be mentioned that English is declared the official language of international and multinational corporations. About 50% of companies in Europe communicate with each other in English [1] A striking example is *Philips* – Dutch international company where the official language of communication is English (not Dutch), because the company employs relatively few Dutchmen. The similar situation exists in the French company *Bosch*, where French was supplanted by English, despite the fact that the company has a lot of French and that French itself is the language of global communication. A great number of other cases in which non-English speaking country multinationals choose the English language as the official corporate language is known. An example can be Japanese company *Rakuten* the founder of which issued a decree in 2010 stating that all meetings, sessions and even the menu in the cafeteria must be in English. Thus, a businessman tried to fight the exclusion of Japanese culture (in 2013 only 9 % of the Japanese noted the fact that their work involved dealing with people from other countries)[2] and the lack of knowledge of English in Japanese. The company continues looking for the best specialists from around the world. Half of Rakuten’s Japanese employees can communicate with each other in English easily now, and 25% communicate in English with partners and coworkers in foreign subsidiaries constantly. In 2013, *Honda CEO Takanobu Ito* chose English as the main language explaining such a decision by the significant share of sales attributable to North America. It is also noteworthy that, for example, in the UK it is

becoming more popular to deal with companies that work with native speakers in order to increase the efficiency of business contacts. And this so-called “Use of English” trend tends to spread to other companies. According to the study (Chart1) conducted by Economist Intelligence Unit for the report “Competing across business” (2012) in which 572 executives took part - one-half of respondents (47%) was C-level (high-ranking executive titles within an organization) and over one-half (53%) was from companies with annual income more than US \$500 m.

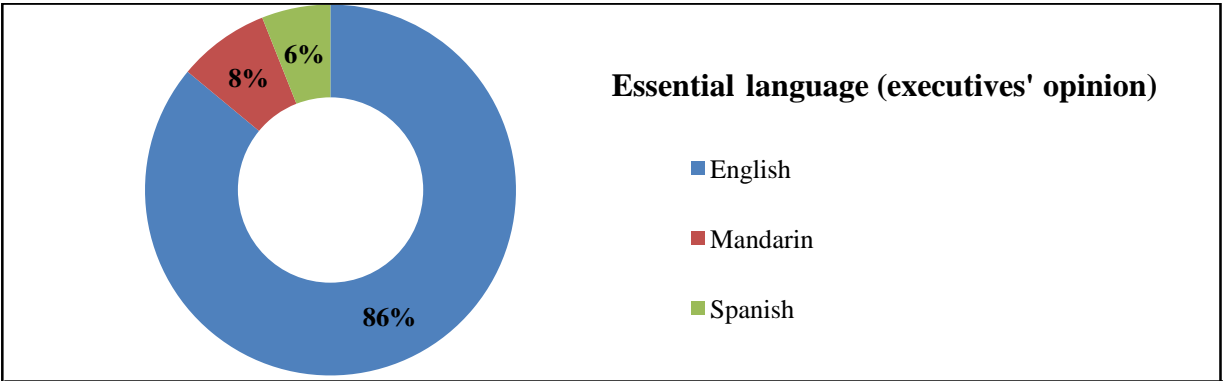
Chart 1



All these companies have an international strategy and focus on foreign markets. More than two-third (77%) companies, participated in survey, say that their company will have more economic international connections in presence, and 78% companies consider that in the next three year they will have an international team with employees from different countries. On the one hand two-thirds of participants think that international cooperation in the past three year has led to successful economic results, but on the other hand, the same part of respondents admits, that they face to difficulties of international communication and negotiations at least sometimes, this can be costly. However, most respondents (90%) believe, that improvement in international collaboration causes the improvement in profit, revenue and market share.

The study (Chart 2) shows that English is the only language, which companies expect their recruits have to know in order to succeed in international business.

Chart 2



One quarter of all companies claimed, that at least half of their employees has to speak foreign language, when dealing with clients during the working day. Even in home-market, almost one-half of companies expects, that recruits will be fluent in a foreign language, and 13% say, that multilingual ability is the main selection criterion. Despite awareness of

required proficiency of English, almost half (47%) of the respondents says, that they don't organize language training courses. One of the regions, which requires multilingual skills, includes Nordic region, where employees show excellent knowledge of the English language, and, what is more important, say that it is the key factor for developing an international connection. Nearly two-thirds (64%) of companies in this region consider the knowledge of the foreign language necessary. As a consequence, Nordic companies believe, that they can have strong connections with companies from other countries and communicate without cultural and language barriers. Multilingual skills are encouraged by education, which includes compulsory study of some foreign languages, in particular, English at first. However, the situation is completely different in China; only 9% of Chinese respondents claim that 50% employees use English for business aims at work, but 86% considers that 50% of their workers will need to know English, if a company succeeds on an international level. *Fosun International*, Chinese conglomerate, specialized on the Hong Kong stock exchange, invests in corporations all over the world, so the knowledge of English is the essential condition for the investment professionals. Lan Kang, general manager of human resources at Fosun says that "Western multinationals" would hire those English-speakers who are more qualified in the professional sphere than those who are brilliant at languages. But they need to find ways to enlarge the pool, for example by offering language training."

We have carried out the research of job-offers on *LinkedIn Corporation* (a business-oriented social networking service), where we've studied the demanding level of the English language in management, marketing and accountancy (March, 2014), of the following companies:

- 6 companies from Russia (*Rolls Royce, Accenture bank, Stryker, Moody's corporation, Apple, Microsoft*);
- 6 companies from Germany (*Super Dry, Agilent Technologies, Cisco, Audi, Volkswagen*);
- 6 companies from France (*Peugeot Citroën, L'Oréal, SG Paribas, LVMH, Gemini Consulting, Groupe Danone*);
- 6 companies from UK (*News UK, EDF Energy, Velde Group UK, Tudor Williams Consulting, Guerlain, PMO Project*).

The results of the study are shown in Table 1.

<b>Russia</b>	<b>German</b>		<b>France</b>		<b>England</b>
6/6	5/6	1/6	4/6	2/6	1/6
- advanced level of the Russian and English language for marketing managers ; - knowledge of business English terminology; - perfect oral and writing skills.	- fluency in German and English for managers; - knowledge of general business vocabulary.	- English skills aren't mentioned.	- advanced level of French and English for manager positions.	- intermediate level of English for accounting positions.	- fluency in the French language.

Therefore, the demanding level of English varies according to the segmentation in economics and location of the company. Spheres, which are based on the communication and social activity, need advanced level of English. In marketing and management it is extremely

important, because employees have a lot of communication with clients and try to cooperate with new trades fast. In accounting knowledge of English is not a priority condition, because audit firms focus on the national market, and intermediate level will be enough. Of course, the highest level of English is required in England in all spheres of economics.

Naturally, the expected level of English depends on the recruiting position and the status of a company.

Despite the triumph of the English language in a business world, it also has a negative side. A lot of native speakers feel no need to learn foreign language that can cause a problem, because in today's international world, it is necessary to understand and respect other cultures for successful economic cooperation, and this can be achieved only through learning foreign languages. Nancy Adler of McGill University in Canada thinks that they have a natural advantage over their western counterparts, particularly the United States: "Historically, the US has had a huge domestic economy, so many US companies have not felt compelled to gain the understanding of other cultures that is now necessary to conduct business in the 21st century's global economy, or even to establish successful business ventures abroad. Also, because so much of world business is conducted in English, many native English speakers, including many Americans, tend to assume that non-native English speakers from other parts of the world want to be like them." Also, companies shouldn't concentrate only on perfect English skills of recruits, because they hire professionals in economic sphere, not linguists. So it is very important for the company to have an additional training course of English, in order not to miss talented employees and give them an opportunity to improve their language skills.

Thus our research has revealed, that cross-borders politics, directed on attracting foreign trades can't be possible without professionals with fluency in foreign languages, especially in English. Recruits, who want to have an international career in English-speaking countries, have to develop oral and writing language skills in English; however it is an extremely competitive market. In non-English speaking countries, it is obvious, that employees should have a perfect knowledge of language of the country and fluency in English. Nevertheless, the demanding level of English strongly depends on the location of the country and sphere of economics. With the fast-changing picture in the world of international business, some experts believe that with the developing of Chinese economics, Chinese will be the second language necessary in business and may share with English its victory. Other experts, conversely, consider that English maintains the dominant position and expands its influence. All in all, no one can predict the future of the language, because of the interdependence of cultural, economic, political backgrounds. So the question is open: what is the next business lingua franca?

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