Final Paper

*Lingua Franca:* An Examination of English as a Global Business Language

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## Introduction

The English language has become the most widely spoken international language, and is often the choice language used in international business communications. This paper will explore the function of the English language as a modern global business lingua franca for multinational firms.

The globalization of the modern business environment has led many companies to expand beyond their local and domestic markets. Since the beginning of the 21st century, rapid developments in technology and information systems have made the transfer of information nearly instantaneous and have transformed the landscape in which firms communicate globally. Large multinational corporations (MNC’s), along with their smaller size counterparts, are expanding internationally to compete in rapidly developing industries and take advantage of cost savings through direct foreign investment (DFI) overseas. As these companies begin to develop as an international firm, the need to communicate effectively on a global scale becomes increasingly crucial.

International business can no longer be defined by large multinational firms with extensive global operations. Today’s small and medium size firms find themselves expanding internationally to take advantage of the extensive global market place and gain a competitive edge within their industry. Some of the advantages of expanding internationally include: large, inexpensive foreign labor markets; low-cost production facilities; and financial incentives through direct foreign investment.

Early on most firms are comfortable allowing their foreign subsidiaries to function independently, but as the company continues to grow there becomes a need to operate the firm on a global platform and streamline practices. This streamlining often necessitates the utilization of a common language for internal communication and to facilitate the company’s strategic direction. The English language is widely recognized as the international language for business and is most often adopted by companies to standardized communication.

## Historical Influence of English Language

Much like Greek and Latin, once dominant international languages, the English language has developed through a rich history rooted in economic and political domination. Early British colonization brought the English language to North America, and it was “imperial and industrial power that sent English around the globe between the 17th and 20th Century” (Mastin, 2011). The increased proficiency of the English language can be traced back to the “influx of American goods, services and military personnel into post WW2 Europe” (Huusko, 2008). After World War II American military bases remained present in Germany and Western Europe influencing local trade languages.

It was the economic and cultural supremacy of the United States in the twentieth century that helped propel the English language to a global presence. The use of English in early developed communication technologies such as: telephone, radio, newspaper, music, film and television influenced the use of English as an international language. As the American presence in international business continued to increase, the use of the English language gained global significance. Today, English is the dominant language used in almost all new information technology, including: emails, texting, instant messaging and the internet.

## Why English?

The English language has long been considered the lingua franca, or common language, of international business. With, according to Crystal, “nearly a quarter of the world’s population that is fluent or competent in English” (2003, p. 6) it easily transcends international borders and has become increasingly accessible to all levels within a society. English is the fastest spreading language in human history, used by nearly 1.5 billion people, with no other language to match its growth. As stated by Crystal, “even Chinese, found in eight different spoken languages, but unified by a common writing system, is known to only some 1.1 billion” (2003, p. 6).

There are a number of reasons which make English an appealing language for international use. First, its grammar is more basic and it’s relatively simpler in terms of spelling and pronunciation than most languages. It does not utilize a system of coding for social differences, common in many other languages, which can make it seem more democratic and remove social stigmas. Although English can sometimes have a tendency towards jargon, it is “generally reasonably concise compared to other languages” (Mastin, 2011). Also, English can seem more familiar, and according to Mastin, is less prone to misunderstandings due to cultural subtleties (2011).

## Global English Community

Increasingly, nations throughout the globe have started to require their students to study English in the primary grades. These countries understand the value that additional language skills can have on the success of their students. Japan, for example, made changes in 2011 requiring Japanese students in fifth and sixth grade to have weekly English lessons. These changes are in response to other Asian countries requiring English lessons in their elementary schools and Japan’s low TOEFL (Test of English as a Foreign Language) score in 2004-2005 which placed them second to last in English language skill for all of Asia. Not wanting to lag behind, Japan views the changes as a means to “increasing competitiveness of future Japanese knowledge workers internationally” (Ogawa, 2011).

The European Union (EU) routinely holds meetings and prepares written documents only in English. In keeping with these standards, students in Slovakia became the 14th in the EU required to study English Language in schools in 2011. Slovak students are required to study two foreign languages in primary school, but English is now a mandatory first choice. The Slovak language policy is, according to Terenzani-Stankova, “supportive of English as a language of communication”.

## A Common Corporate Language

As an international firm develops, coordinating the operations of the firm and communicating strategic direction to its subsidiaries becomes increasingly important. Many firms look to streamline communication by adopting a common language for international communication. More and more MNC’s are mandating English as a standard corporate language. A number of large multinational firms throughout the United States, Europe and Asia have already mandated English as the “standard language”, including: Nissan Motor, Sony, Airbus, Nokia, Renault, and Daimler-Chrysler.

The philosophy behind this corporate transformation is that having a standard corporate language will facilitate interaction and performance throughout the company, and according to Huusko, is “aimed at equalizing employees and providing a common medium of communication” (2008, p. 14). In 2010, Rakuten, a Japanese internet services company’s mandate to an English-only organization was well publicized by the media. Rakuten’s CEO, Hiroshi Mikitani, stood firm on his belief that it was the company’s only way to become a true global organization. His company went so far as to change all corporate directional signing and communication to English overnight. Mikitani later said that the English mandate “has allowed him to create a diverse and powerful organization” (Neeley, 2012), with half of the firm’s employees now able to engage in internal communication in English.

A company must plan carefully before implementing a standardization of language as a corporate language policy. The HRM strategy of the corporation is an important component to consider, especially in terms of selection, training, and assessment of the employees. Requiring an English-only policy will inherently effect the performance evaluation and compensation of the firm’s leadership team and employees. Also, this process must be supported at all levels within the organization in order to be successful.

## Language as part of an International Business Framework

According to Rivers, corporate attitudes toward language within an international business framework can be analyzed using Perlmutter’s (1969) typology of corporations identifying three types of multinational companies: ethnocentric, polycentric, and geocentric (Rivers, 2008).

Ethnocentrism, according to Rivers, “is an extreme orientation, where by companies are typically dominated by the cultural and linguistic norms of their home society and these values are then applied blanket-like across the corporation with little or no variation” (Rivers, 2008).

, a polycentric organization is aware of the differences in culture, language and race; and allows each subsidiary to develop its own communication system.

Lastly, geocentric organizations have no “predisposition to control or centralization and allow for interdependence among headquarters and all foreign subsidiaries” (Bhagat, Phatak, & Kashlak, 2009, p. 164). A geocentric company represents a truly global corporation. As a multinational company, Colgate Palmolive follows a geocentric business framework. The company has been in business for over 50 years and operates in more than 170 countries worldwide. All of the company’s executives speak at least two languages and 60% of the company’s expatriates are from countries other than the U.S. As another example, many Asian firms are considered predominantly ethnocentric, emphasizing structure, tradition and formality; however, many are now requiring the use of English as a standard of communication thus lending them toward a more geocentric orientation.

## Cultural Implications of English as Lingua Franca

**Language preservation**

There are an estimated 6,000 languages spoken throughout the world today. Half of those known languages have fewer than 10,000 speakers each. Over 1.5 billion people, or one quarter of the world’s population, speak English as a primary or secondary language making it the dominant language internationally.

Language is an important component of a society’s cultural heritage. It is how people in a society connect and express themselves, and it serves a critical role in helping future generations understand their culture. When a language is no longer used and taught to younger generations the cultural heritage of the society is at risk of being lost and not recorded. Continued globalization of business and the increased use of the English as a common language are making it difficult to preserve many unique linguistic heritages.

There is concern that as English continues to dominant global language it will begin to displace native tongues and dialects. Global Envision, a humanitarian-aid website, warns that “cultural and historical references inherent in words, particularly place names, are lost in translation to foreign tongues lacking appropriate analogs” (Global Envision, 2007). As more societies place a higher status on using English, their cultural heritage will be abandoned.

**Cultural context may be lost in communication**

There are cultural-specific cues and frames of reference that are active within each unique language. These intrinsic cues help to influence the way a person may express and understand a communication. Most linguistic scholars would agree that in order to properly learn a language a person must also learn the culture behind it.

Language cannot exist independent of culture; it is an expression of a person’s experiences. These experiences are shaped through cultural heritage and local environment. When non-English speaking individuals learn the language, most are experiencing it within a business environment; they are not exposed to the various cultural nuances that make the language unique. By only using English in business communication cultural context may be lost in translation. This may also inhibit the different thinking styles of the individuals and “organizations will lose out on broader-based ideas and perspectives” (Peiperl & Jonsen, 2011).

**English-speaking hierarchy within organization**

The standardization of English as a common corporate language in multinational corporations may produce a negative effect on the corporate cultural diversity and could potentially create a “language-based status hierarchy, with non-native English speakers feeling excluded and devalued” (Peiperl & Jonsen, 2011). This could make the non-English speaking employees feel that they are at a disadvantage in the company and people who are proficient in the English language will inevitably ascend to a position of power.

Maslow’s Hierarchy of Needs theory can be applied to the concept that standardization of English creates a language-based hierarchy, as such, human beings are motivated by five basic needs and that these needs form a hierarchical structure. The satisfaction of social needs, including self-esteem and confidence, are included within the fourth tier of Maslow’s Needs Theory; this would include a person’s need to feel important and appreciated by their peers. Non-English speaking employee’s will feel unworthy and will have the need to be included within the organization. This hierarchy can lead to a breakdown in “team dynamics and performance can suffer, and national pride can get in the way” (Neeley, 2012).

***Enable communication across cultural barriers***

The use of the English language in global business can be an effective tool for communication across cultural barriers, as such, “English can help bridge communication barriers across cultures”. (Global Envision, 2007). By neutralizing the social and economic conditions within the company employees will be more comfortable communicating across cultural borders. There are a number of cultural barriers to effective communication, including: cultural background, language, behavior and nature, and religion. Language is a key component to an individual’s culture and by standardizing the corporate language cultural barriers can be reduced.

## Conclusion

The globalization of modern business organizations has led to an explosive use of English as the common business language, or *Lingua Franca.* Today’s multinational corporations are not the massive giants that once dominated the global business community and improvements in communication have enable smaller firms to communicate effectively across the globe. Because English is the dominant global language, spoken and understood by one quarter of the world’s population, many businesses have adopted it as their common corporate language. This trend to standardize business language has raised several concerns over its cultural implications. Many linguistic scholars are concerned that English will replace many small, native languages and their cultural heritage could be lost. With that, the standardization of English as a business language may eliminate any cultural context that could be applicable to a business conversation. Despite these fallacies, there are many in the international business community that believe moving towards a standardization of language will be an effective means to influencing an efficient organization.

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