

# INTERCULTURAL COMMUNICATION IN MODERN GLOBAL ECONOMY: PROBLEMS AND SOLUTIONS

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**Abstract:** *The article deals with intercultural communication in global economy. The authors clarify the concept "intercultural communication", taking into consideration national culture, traditions, religion of partners in global economic relations; identify problems that arise in the process of intercultural business communication and suggest their solutions. Particular attention is paid to improving the level of intercultural competence, which means mastering knowledge and skills of communication with business partners who represent different cultures. The authors suggest measures that would enhance effectiveness of intercultural communication in today's globalization.*

**Keywords:** *global economy, intercultural business communication, intercultural competence*

## INTRODUCTION

Globalization is a characteristic feature of the present stage of human development, especially in terms of human economic activity. The global financial system has formed. Business activities of transnational corporations have covered the whole world. But people, directly involved in the global economy, have different habits and outlooks, come from different countries with different languages, religions, cultures and traditions. These contradictions often cause problems in their joint economic activities or even reduce it to zero. Therefore, the problem of intercultural communication in the modern global economy is important, and its research is of great scientific and practical importance.

## MATERIALS AND METHODS

Development of globalization and its impact on economic processes was studied by R. Robertson, F. Fukuyama, E. Giddens, Y.G. Kozak, T.V. Kalchenko, S. Radziyevska and other scientists. But the problem of intercultural communication in the global economy has not attracted enough attention of modern scholars.

The purpose of our article is to analyze the peculiarities of intercultural communication in modern global economy, using historical and logical methods; identify the main problems of intercultural business communication process and suggest ways to solve them.

## RESULTS

In general, modern globalization promotes closer cooperation of the subjects of the world economy and intensifies their activities. Business communication is an important component of this process. International business communication includes all levels of foreign trade activities: economic relations between individual countries and groups of countries, between companies and their associations, between those who are involved, one way or another, in international economic relations (representatives of big business, top managers of leading companies of the world economy, scientific researchers working in innovative business and others). The global business partners are representatives of different nations and cultures, so their business communication is intercultural (Kal'chenko, 2006, Radzievskaja, 2014).

The concept "intercultural communication", as the interaction of individuals, groups or organizations belonging to different cultures, came into scientific discourse in 1954 in the work of E. Hall and J. Traher "Culture as communication: model and analysis" (Dneprovs'ka, 2012). At the same time, this concept quite clearly indicates the typical for globalization increase of contacts between representatives of different nations and emergence of so-called multicultural environment, in which all kinds of modern humanity activities are carried out, including economic activity. It is necessary to be aware of the fact that every business partner represents the culture of his nation, some kind of a national cultural stereotype.

The main factors that cause problems in intercultural business communication are: 1) lack of communication participants' awareness of their partners' national and cultural differences; 2) communication participants are aware of these differences, but ignore them; 3) some people can excessively increase prestige and authority of their state and humiliate representatives of other countries and peoples; 4) insufficient level of foreign languages knowledge. But even if business partners have enough information about the essential aspects of national and cultural differences, they often are inattentive to such minor (in their opinion) details of communication as the rate of speech; usage of certain phrases, including foul language; topics of conversation that can be acceptable or prohibited; usage of metaphors and comparisons, generally accepted in a certain cultural environment; elements of non-verbal communication (gestures, facial expressions); spatial organization of communication (i.e. what distance should keep the people who communicate with each other) and many others (Danyshenko, 2013). So, practice shows that intercultural communication requires relevant knowledge and skills. In this regard, in the early 1970s Western scientists coined the concept of "intercultural competence" (E. Rogers, T. Steynfaff) or "intercultural communicative competence" (D. Matsumoto). In general, intercultural competence is defined as a combination of knowledge, skills and abilities; using them, a man can successfully communicate with business partners of other cultures both at everyday and at professional level. The more a person uses this knowledge, the better his/her intercultural competence is estimated (Danyshenko, 2014, Danyshenko, 2012). The structure of intercultural competence includes three major components: linguistic, communicative and cultural ones (Danyshenko, 2014).

Language competence of a businessman is a collection of his language skills (especially foreign language skills), ability to use language adequately and appropriately in specific situations. Communicative competence is the ability to establish and maintain necessary contacts with other people, a body of knowledge and skills that ensure effective communication. This experience is acquired only through direct interaction, and indirectly, through literature, theater and cinema: a person receives information about the nature of communicative situations, peculiarities of personal interaction. However, the main component of intercultural competence is cultural competence, which involves understanding culture, traditions, customs and religions of different nations; understanding attitudes, psychological and social identity, specific to certain people.

Taking into account the importance of international business communications for the development of all subjects of the global economy, formation of intercultural competence requires special attention and holistic approach.

Governments should organize basic research of theory and practice of intercultural business communication at research institutes and universities. The results of this research should be implemented in public courses of intercultural competence for civil servants, businessmen, company managers and all those who are involved in international business. International companies, especially multinationals, with their multicultural production teams, actively engaged in economic activities, should develop programs and carry out measures to improve intercultural competence of their employees. The measures, aimed at improvement of intercultural competence at courses and international companies, should include meetings and discussions with specialists, experienced in international economy; exchange of experience of businessmen and business managers who are actively involved in organizing international trade fairs, business conferences and economic symposia; role plays and trainings.

The experience of international economic relations shows, that behavior of people belonging to different cultures can be studied and forecasted, but intercultural communication requires special training. Today there are many methods of such training. The most common are the methods that involve gathering information about the history and traditions of people, their cultural values, eyewitness or members of different cultural groups. An important source of information for effective cross-cultural communication is books, for example R. Lewis's "Clash of Cultures: A Guide for all those who do business abroad", which contains a thorough description of the national and cultural stereotypes of different peoples, considering its use in international business communication (Lewis, 2013). However, the most effective methods of improving intercultural competence are active methods: discussions, talks, different games and workshops, allowing participants to immerse themselves in an active and controlled communication and live for a while in specific situations of intercultural communication (Danyshenko, 2014). Training is considered to be the most effective way to improve intercultural competence. Training in intercultural competence is a rather complicated method; its effectiveness depends on usage of certain methods and techniques; estimation of how well they match the theme and objectives of the training; evaluation of training and its results (Danyshenko, 2014).

Training in intercultural competence is divided into four main stages (Danyshenko, 2014). The first stage is introductory; it provides the participants' readiness to future changes in communicative behavior. At this stage the participants are acquainted with the rules of the training. At the same time the atmosphere of trust, openness and friendliness is formed. At this stage, both general group problems and individual problems are solved; they are aimed at enhancing internal potential of the participants.

The second stage of training in intercultural competence is aimed at stimulation and development of communication awareness. The main outcome of this stage should be a change in communication mindsets, awareness and appreciation of the fact that openness, trust, honesty and respect of the interlocutor are essential in achieving business goals. Another important result of this stage of the training is to develop motivation to learn, emergence of active awareness of desire to learn to communicate effectively.

Skills of effective communication are formed at the third stage of the training of intercultural competence. Each specific skill is trained according to traditional behavioral pattern: demonstration of a skill, training of a skill, implementation of experience in the communicative situation, fixing practices based on feedback from the trainer or own evaluation of the behavior results.

The basic communication skills that need to be acquired at the third stage of training are: 1) technique of establishing and support of emotional contact with interlocutor; 2) basic techniques of listening (passive, active, empathic); 3) types of feedback and clarification of communication partner's standpoint; 4) technique of confident behavior; 5) technique of reasoning; 6) rules of communication ending.

The fourth stage of the training is intended to include the developed communication systems and skills in the context of actual behavior. The real result of communication depends not only on the subject, but the situation in general. Particular attention at this stage is paid to training of flexibility and adequacy of usage of certain techniques, development of tolerance to the actions of communication partner.

## **DISCUSSION AND CONCLUSION**

The study of intercultural communication leads to the conclusion of its significant role in the global economy. But lack of individual businessmen's awareness of culture, traditions and customs of their foreign partners, reluctance to raise their level of intercultural competence cause some serious problems. For their solution we can suggest certain measures. At the state level: 1) to establish research institutes and laboratories, which would study national and cultural stereotypes of other nations and especially their impact on intercultural business communication and organization of international economic activity; 2) to establish courses of

intercultural competence for representatives of all economic agents. These courses should provide exchange of experience and training in intercultural business communication under the guidance of experienced professionals.

At the level of a foreign trade company to develop a program to improve intercultural competence of its employees that would provide for:

- sharing experiences of intercultural business communication by various employees of the company;

- Constantly replenished databank of national and cultural stereotypes of the peoples of the company's partner countries;

- Regular trainings in intercultural communication.

At the personal level, everyone who is involved in international business should:

- To increase constantly the amount of their knowledge about cultures of different countries and peoples, through the relevant literature, movies and experience of other people;

- To increase the level of intercultural business communication, mastering the specifics of business negotiations, correspondence, telephone conversations etc. with representatives of other cultures;

- To pay special attention to the culture, traditions and customs of their business partners' countries;

- To maintain personal relationships with their business partners (correspondence, congratulations on their birthdays and holidays, invitations to visit, etc).

Integrated application of these measures should contribute to more effective intercultural communication of the subjects of modern global economy, and make their business more profitable.

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