



## THE IMPORTANCE OF LANGUAGE MANAGEMENT: IMPLICATIONS IN THE INTERNATIONAL BUSINESS ENVIRONMENT

*Original scientific paper*

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### ABSTRACT

*Starting from the concept where language in human communication is the primary means and key communication mechanism in achieving what is real, it is obvious that today it is a kind of phenomenon in all forms of business. This research aims to identify the role of language strategy in international business relations in order to better understand the importance of knowing the most pronounced and influential languages in trade in goods and services in all business segments. Despite recognizing the importance of English language skills and their role in international business relations, there is still room for further research on this issue. Of course, there are studies on the relationship between language and international business, but little has been elaborated on the impact of language on international business relations.*

*In order to assess the current situation, initial dedicated sampling was conducted with the aim of collecting and generating data. The goal, however, is to clarify and confirm explanatory analyzes that reveal the process inherent in the material area of research. Qualitative and quantitative data of analogous research in the environment and beyond were used for generating, i.e. collecting and analyzing data. For simplicity and clarity of results, the theoretical sample collected from different sources was processed by IBM SPSS Statistics. All the above indicators take as a starting point the language and competencies in this area, and therefore a clear possibility has been created for the data to be presented quantitatively on a predominantly qualitative basis. Our research shows that, since language barriers have a profound impact on international business, successfully adapting to the new language(s) yields positive results. For these reasons, we advocate more multidisciplinary studies that require in-depth research at different levels in the field, with a proposal to pay more attention to field theorizing and means of analysis.*

**Keywords:** *International business, communication, language management, language strategy, business relations*

### INTRODUCTION

Language is the primary means of communication. There are different types of communication. Throughout human historical, social, and economic evolution, members of different language communities have had a need to communicate, and due to the flow of people and information, different languages have come into contact with each other. Language is the primary means of communication. There are different types of communication. Throughout human historical, social, and economic evolution, members of different

language communities have had a need to communicate, and due to the flow of people and information, different languages have come into contact with each other. Thus, even today, due to changed communication, political and globalization events, the processes of language contact are taking place, and this is especially emphasized in business communication.

In business communication, economic, trade, political or technological prosperity and profit are the main drivers. In human communication, language is the

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primary means and key communicative mechanism in knowing what is real. Language with its words (signs) and grammar allows users many combinations with which they can exchange countless different meanings or messages (Samarzija, 2021). According to Cerepinko (2012) without language as an instrument of communication, there would be almost no man or human society as we know it.

The communicative function of language is the primary linguistic function because the use of language enabled man, as a social being, to communicate with other people, and thus facilitate his survival and progress. Language is a cultural construct. “The cultural diversity of the world and the linguistic diversity of the world are interrelated - all languages are constantly changing” (Samarzija, 2021, p. 3).

“The modification of language over time is a natural phenomenon that is inscribed in their very nature” (Hagege, 2005, p. 72). Every day in the world a part of the language disappears, but new languages are created. The future of all languages in interaction with each other lies in respecting linguistic and cultural differences and respecting them in business communication processes.

Verbal communication takes place through language and can be written or oral. Business communication through verbal communication is a vital part of the business. Due to the process of globalization, English occupies a prominent place in the modern world - as one of the “great” world languages. “In the world, human activity prevails in many fields, so it is increasingly represented in business communication and our organizations” (Samarzija, 2021, p. 3). The language is inevitably dynamic and constantly changing, which is briefly and clearly presented by Wright (2010): “New facts, ideas, and events need a new language” (Wright, 2010, p. 3).

Throughout human historical, social, or economic evolution, members of different speech communities have had a need to communicate. This is how the languages of contact (Lingua franca, pidgin) with all their characteristics were created. Even today, due to the increased flow of people and information, languages come into contact with each other, and this is where the processes of language acquisition, language borrowing, or even language loss take place. Similar processes take place in the contact of our language and English and open the possibility of using English (Anglicism). In business communication, economic, trade, political or technological prosperity and profit are its main drivers. “That’s why it’s important to use business English in our business in the last two decades is one of the most important economic, social, linguistic and media phenomena” (Samarzija, 2021, p. 3).

### **ANALYSIS OF THE INFLUENCE OF LANGUAGES ON INTERNATIONAL BUSINESS AND ECONOMIC ACTIVITIES**

Just over 30 years ago, an insight into several dozen texts on writing in English showed that at that time very few authors considered it a language, “and those who considered it very quickly got over it, not taking

in consideration its complexity” (Holden, 1987, p. 240). However, today’s international business experts treat language as a central theme (see: Brannen et al., 2014; Mughan, 2015), because language determines organizational communication and forms the basis of knowledge creation (Piekkari et al., 2005). Also, Piekkari et al. (2014) believe that language permeates every aspect of international business, especially those involved in global activities (Piekkari et al., 2014).

Scholars approach language issues in business from many different perspectives (Brannen et al., 2014). Among the various conceptualizations of the languages they use, the three most prominent are: national languages are spoken in multinational corporations (MNCs), officially compulsory corporate languages, and English as the language of global business. Many scholars focus on the national languages of company headquarters and globally dispersed subsidiaries (Angouri, 2014), and employees themselves intervene (Janssens & Steyaert, 2014), creating “language landscapes” (Steyaert et al., 2011), which are very often spoken. Others deal with the notion of a common corporate language, which is generally defined as an “administrative management tool” (Latukha et al., 2016) that acts as a mediator or barrier to internal and external communication (Piekkari et al., 2005). In addition to the frequent but simplistic understanding of top management requiring that one must always choose a particular national language (mostly English) (Berthoud et al., 2015), scholars have begun to recognize the complexity of common corporate languages, which “often reflect industrial context and national language environment in the country of origin” (Brannen et al., 2014; Brannen & Doz, 2012).

The role of the English language is the third aspect of the language that is often studied in business. Depending on their disciplinary socialization, international business experts differently conceptualize English as a hegemonic force (Tietze & Dick, 2013), re-creating postcolonial power structures (Boussebaa et al., 2014) or as a more neutral communication tool in the form of business English as BELF [English as Business Lingua Franca] (Kankaanranta & Planken, 2010). However, other scholars are investigating the interaction between national and corporate languages and English (Kuznetsov & Kuznetsova, 2014).

While economic approaches seek to make the characteristics of certain languages measurable, business studies are divided into conceptualizing languages as static and discrete entities as opposed to hybrid, fluid, and situational codes. Also, while some business studies perpetuate the notion of language as an easily accessible management instrument or tool, an increasing number of publications on multilingual business phenomena rely on translation studies, sociolinguistics, and psycholinguistics to embrace language as an ambiguous, complex, and dynamic notion. Only by integrating concepts and methods from different academic disciplines, the complexity of language influences on international business can be properly understood.

The early marginalization of language research in international business is also becoming evident in publishing houses. Until fifteen years ago, most language research appeared in fairly specialized journals, and occasionally it was published in more popular International Business journals, such as the *International Business Review*, the *Journal of World Business*, and the *Management International Review*. Most of the early research originates outside the United States. Although ten of the seventeen authors out of 14 articles published between 1987 and 1999 were from American business schools, this is due only to their large author team. Language scholars from Finnish and Norwegian institutions have become much more prominent, producing several papers per author. The United Kingdom is the most frequently studied country in these early works. This strong representation of European countries is quite atypical for otherwise very extensive international business research focused on the United States.

Harzing & Feely (2008) explain this phenomenon by the fact that “American researchers (...), due to the dominance of the English language, have a reduced perception of the importance of language” (Harzing & Feely, 2008, p. 51). Although American scholars have also grappled with this topic in recent years, the origins of the authors and the target regions for empirical language studies are even more diverse than other areas in the broader thematic area of international business. Depending on their disciplined socialization, international business professionals interested in language rely on a variety of theories from organizational behavior, economics, and strategy. Scholars on organizational behavior and intercultural management approach language with cultural theories (i.e. Harzing & Maznevski, 2002; Henderson Kassis, 2005), social identity (i.e. Groot, 2012), power relations (e.g. Neeley, 2013), emotion (i.e. Neeley et al., 2012; Tenzer & Pudelko, 2015) and a number of other phenomena. Those with economic experience apply, among other things, the gravitational trade model (i.e. Melitz & Toubal, 2014; Sauter, 2012), transaction cost economics (i.e. Selmier & Oh, 2013) or linguistic relativity (i.e. Chen, 2013)

Research strategies mainly focus on explanations based on resources for the internationalization of multinational companies and new ventures (i.e.

Fernandez-Ortiz & Lombardo, 2009; Hurmerinta et al., 2015). Despite the common goal - to explain the impact of language on international business and economic activities - this has been discussed to a very limited extent in most literature so far.

## THE IMPORTANCE OF FOREIGN LANGUAGE KNOWLEDGE IN INTERNATIONAL BUSINESS

This part of the paper will be devoted to the analysis of the advantages of knowing one or more foreign languages, such as the level of monthly income, employment/unemployment rate, and career advancement opportunities. Mann, Brassel and Bevanuin their work “The economic case for language learning and the role of employer engagement” give an overview of literature from the academic, economic and educational fields, and finally the advantages of economic nature, all related to foreign language learning, in this case in the UK and America. “Research has shown that language competencies in the British population are one of the lowest in Europe. This is shown by the fact that as many as 61% of Britons do not speak a single foreign language” (European Commission, 2012, p. 16). Perhaps one of the reasons for this is the situation that English is considered the dominant language in the world. We can say that this level of knowledge has huge consequences for both employers and employees. What is important to emphasize is the high level of dissatisfaction with the level of language competencies of high school and university graduates. This was confirmed by a 2010 survey conducted by the CBI [Confederation of British Industry]. Hundreds of employers, who employ more than one billion people, gave the opinion that the different skills of the candidates based on previous experience, including knowledge of foreign languages and cultures, are at the mentioned level. A number of employers required a high level of knowledge of a foreign language, but still, 65% of respondents required only “ability to communicate”, in order to better organize business, better communicate with customers and other participants in the business chain. Only 3% of respondents were satisfied with the level of knowledge of a foreign language, which is clearly seen in Figure 1 below.



Figure 1. Employers' satisfaction with employee skills (in percent). Source: Mann et al., 2011, p. 8.

The results shown in Figure 1 point out that the knowledge acquired in primary and secondary education, provided that it is acquired in full or at least in large part, is quite sufficient to meet the criteria of employers.

A 2017 UK Ministry of Education survey, conducted on the required skills and knowledge in the labor market involving 87,430 employers, showed very interesting results.

Deficient skills according to the statements of employers are as follows, i.e. they can be divided into two groups:

- *professional knowledge*;

- *practical skills*.

They are very important because they involve communication and organizational skills. Skills such as *hard skills* are expertise in a particular field, ability to make effective decisions and solve problems, knowledge in the field of information technology, writing reports, speed of adaptation to new equipment/materials, etc. The vacancy rate of as many as 16% of jobs is correlated with the inability to communicate in a foreign language. There is a great demand for employees who speak one or more foreign languages, which is recognized as one of the basic priorities of most employers, as shown in the survey. In addition to the skills and knowledge that can be said to be a prerequisite for employment, respondents and employers also listed those competencies that employees acquire during business training, and which are necessary for work and career advancement.

They are also grouped into two categories:

- *Professional skills and*

- *“Soft skills”*.

The importance of communication in a foreign language of as much as 11% is something that is very important to employers, which indicates the fact that the lack of language skills not only negatively affects employment opportunities, but also furthers business development and progress. It is important to mention that most of the “soft” skills mentioned by employers can be related to learning foreign languages, if we take into account the knowledge we gained in the previous section. Some of these personal skills are time management and prioritization, teamwork, business communication, improving customer relationships, etc.

Some research has shown that learning a foreign language also has a positive effect on income. “Two longitudinal studies conducted in the United States have shown that two years of language learning during high school has a positive effect on later income - school knowledge results in salary increases of up to 4%, and that graduates with basic communicative language skills in a foreign language have 2-3% higher incomes compared to those without them” (Mann et al., 2011, p. 10).

Thus, a certain level of knowledge of foreign languages will be rewarded in the American labor market - high school students learning languages and graduates who speak another language will, in later life, earn more than those with similar characteristics (quality of education, parental education, race, and sex) but do not speak another language.

Donald Williams has published his paper on “*The Economic Returns to Multiple Language Usage in Western Europe*”. In this scientific-professional paper, he analyzed the relationship between the level of income and the use of another language at work in Western European countries. Taking into account a large number of socio-economic factors, Williams came to the conclusion that the use of another language has a positive effect on earnings in as many as fourteen countries, but not in the UK where the language of business is mostly English. In several European countries, for example, Germany, the Netherlands, Belgium, Italy, Spain, and Austria, employees who use a second language earn 8-12% more than those who do not, while in Denmark, Ireland, Greece, and Portugal 15-22%, and in Luxembourg as much as 30% (Williams, 2006, p. 11).

We see that Europe itself, as a very similar market, is very different in all this. The percentage depends on several factors, including workplace, gender, level and frequency of language use. In accordance with the above, we can systematize that the business benefits of knowing foreign languages are very great for an individual. Linguistic competencies represent a significant advantage in the labor market, given that there is a great need for candidates who can communicate in a foreign language. The required level of language proficiency is not high, which further contributes to the importance of acquiring these skills during secondary education. In addition to faster employment, these competencies also affect the possibility and speed of career advancement, as well as the level of income. Knowledge of foreign languages of employees certainly has multiple benefits for the company itself, which we will discuss in the next chapter.

## **THE INFLUENCE OF FOREIGN LANGUAGES ON SUCCESSFUL BUSINESS IN THE INTERNATIONAL ENVIRONMENT**

Again, through research, we will be based on the impact of foreign languages on the economic profit of the company, which is very important to emphasize. Recently, it has become apparent that the dominance of the English language is declining, and other languages are beginning to occupy an important place in the business world. In all this, it is certainly indisputable that English is still important and dominant, but it is necessary to keep in mind the importance and prevalence of other leading world languages for business, given that many companies want to find attractive markets and new consumers for goods and services. In one of her papers, Ingela Bel Habib (2011) has analyzed the impact of employees’ language skills on the export performance of German, French, and Swedish SMEs. Namely, these countries have a similar industrial structure, but their language policy and strategy differ - for example, Sweden, where only three languages are used for business communication, while the Germans and French use as many as 12 and 8 languages for communication.

Bel Habib claims that knowledge of one or more foreign languages is the basis of successful business in an international environment. Along with some of the variables that affect companies' exports, such as exchange rate differences, macroeconomic conditions, corporate structures, size and location of companies, communication in a foreign language is certainly one of them. It is important to mention that the export successes of many German companies are related to the Asian market - as many as 43% of German SMEs export goods to Central Asia, compared to 10% of French and 8% of Swedish. "South America is one of the neglected areas for the sale of Swedish products, while foreign trade relations with Germany and France are much better (30% Germany and 13% France)" (Bel Habib, 2011, p. 3).

An extremely large number of German companies have recognized the growing markets of the BRIC countries as an opportunity to expand their business - German share in the Chinese market is 5.5%, in India 5.9%, in Brazil 10.4% and in Russia 16.8%, while these numbers are much lower for Sweden. Major socio-political and economic reforms are largely creating a new business environment and market opportunities, and in order to achieve maximum international business results, it is important to formulate and implement a strategy for learning foreign languages within the company. Bel Habib states that "63% of German SMEs do business with over 50 foreign clients, compared to 15% in France, and only 1% of them have less than 5 foreign clients" (Bel Habib 2011, p. 4). Language knowledge is a hidden resource that needs to be exploited. The reason for this is that there is a high correlation between investing in language strategies and growth in exports and productivity. A survey conducted by the European Commission and the National Center for Languages CILT in 2006 in 29 European Union countries involved 2,000 small and medium-sized enterprises engaged in exports. "As many as 11% of respondents cited a lack of knowledge of foreign languages as one of the reasons for missed business opportunities, and at least 10 companies lost contracts worth over 1 million euros" (European Commission, 2005, p. 5).

It is estimated that the consequences of these losses are huge for the economy of the European Union, between 8,100,015 and 13,500,004 euros. It is also stated that investing in the development of a language strategy for the successful placement of products on foreign markets could lead to an increase in exports by 44.5% compared to those small and medium enterprises that do not invest in it. Lack of knowledge of English for negotiation is the most common situation cited by companies as the cause of losing export contracts for EU SMEs (11%), followed by business correspondence in German (11%) and English (8%), as well as knowledge of French when negotiating (8%). Respondents cited lack of cultural awareness, translation errors, lack of self-confidence, problems with distributors, "insufficient follow-up of requests or failure to answer questions, inability to take advantage of the opportunity" (European Commission, 2005, p. 18).

Also, as many as 18% of companies confirmed that they had difficulties in communicating with clients from abroad due to cultural barriers, especially when it comes to China and the Middle East. The lower percentage of British SME exports (37%) compared to the rest of Europe (45%) is due to lower investment in the language skills business. The percentage of companies that require language skills, engage in language policy and planning, and use translators to do business in other parts of Europe is three times higher than in the UK. The reason for this is certainly the dominance of the English language in business and its use around the world. However, one should not ignore the fact that Chinese is the most represented language in the world with about 1.5 billion native speakers, while Spanish is spoken by over 400 million people in about 30 countries. The development of the BRIC market will determine that these languages are to a large extent the future of the world language space. The fact that the lack of investment in the language skills of employees in the UK is equal to an export tax of 3% to as much as 7% is worrying. When we take into account that exports represent a quarter of GDP, the consequences are very significant - which means that in 2005 they would be equal to a loss of at least 9 billion pounds, i.e. .5-1.2% of GDP. Based on these data, we can conclude that the impact of foreign language knowledge on business performance is very significant. Companies, whether small or medium, that have developed a language strategy and that employ native speakers and translators have a great advantage over those companies that do not invest in language strategy management techniques. The quality of understanding and responding to market information is key to establishing business relations.

## RESEARCH RESULTS

In the continuation of the paper, a statistical presentation of data from the previous lines is given, presented first through theoretical bases, and then comparisons from different sources by the method of synthesis. All the above indicators take as a starting point the language and competencies in this area, and accordingly, a clear possibility has been created for the data to be presented quantitatively on a predominantly qualitative basis.

First of all, independent variables are considered, such as government, then GDP, exchange rate differences, macroeconomic conditions, corporate structures, size and location of enterprises, and essentially investing in the development of language competencies as dependent variables.

The presented results are only a picture and a clear indicator through statistics, specifically inferential statistics, less descriptive statistics, the state of our society, but also the societies of other countries.

Due to the simplicity and clarity of the results obtained, the IBM SPSS Statistics program was used on this occasion. It is important to emphasize that the data had to go through the process of so-called. Finding and removing incorrect results due to irregular or atypical points, because some results may be sensitive to the stated points.

Examination of the normality of the distribution

Table 1. Descriptive indicators

Descriptive statistics		
sum_lang_business		
N	Valid	101
	Missing	0
Mean		4.6419
Std. Error of Mean		.10902
Median		6.0000
Mode		9.00
Std. Deviation		1.12473
Variance		1.329
Skewness		-.321
Std. Error of Skewness		.092
Kurtosis		.823
Std. Error of Kurtosis		.224

In Table 1. Descriptive indicators, the values of arithmetic mean, standard deviation, median, mode, and some other parameters are obtained, the most important of which are Skewness and Kurtosis, because they can be used to check the deviation of the empirical from the normal distribution. The value of Skewness  $-.321$  and a statistical error of  $.092$ , and certainly in Kurtosis  $.823$  and a statistical error of  $.224$  indicate that the distribution does not deviate from the normal curve.

Table 1 basically shows what kind of distribution we have in our case (whether the distribution is normal or not). In the above Table Descriptive Indicators, arithmetic mean values of  $4.6419$  were obtained, which is essentially a good indicator given the range of results - the standard deviation of  $1.12473$  indicates a deviation around the arithmetic mean that is not large at all, median  $6.0000$ , mod  $9.000$  and more some parameters, the most important of which are Skewness and Kurtosis, because they can be used to check the deviation of the empirical from the normal distribution. The value of Skjunis  $-.321$  and the statistical error of  $.092$ , and certainly the courtesy of  $.823$  and the statistical error of  $.224$  indicate that the distribution does not deviate from the normal curve.

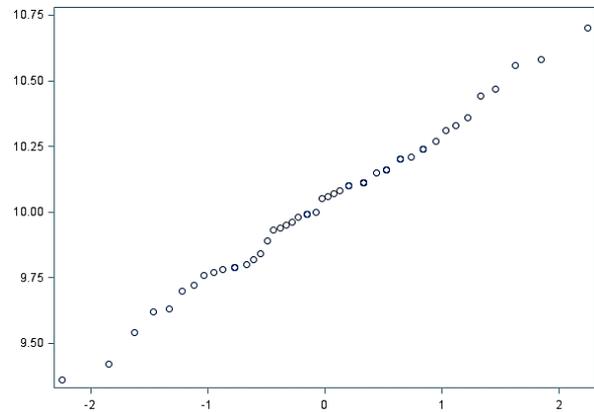
Table 2. Tests of Normality

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Stat.	df	Sig.	Stat.	df	Sig.
sum_lang	.189	121	.000	.189	121	.000

a. Lilliefors Significance Correction

The variable *sum\_lang* represents the aggregate variable of all variables on the basis of which the normality of the distribution was examined. Table 2 of the Normality Tests gives the results of the distribution normality tests invented by Kolmogorov and Smirnov. The Statistic column provides information on the extent

of the distribution deviation from normal. In our case  $0.189$ , and the column Sig. speaks of the significance of the established deviation of  $.00$ . Since Sig. in SPSS is less than  $.01$ , it can be concluded that the distribution does not deviate statistically from the normal curve at the significance level of  $0.01$ . Result 121 represents the total number of results obtained by the research, which characterizes the representativeness of the sample.



Histogram 1. Normal Q-Q Plot

The appearance of a normal probability curve, Normal Q-Q Plot, indicates that the observed values are close to a straight line, i.e. the expected values that a normal distribution would give.

*Subhypothesis 1:* Knowledge of one or more foreign languages is assumed to be the basis of successful business in an international environment.

Table 3. Correlation-Pearson Correlation

Correlation			
		for_lang	succ_bus
for_lang	Pearson Correlation	1	.904**
	Sig. (2-tailed)		.000
succ_bus	Pearson Correlation	.904**	1
	Sig. (2-tailed)	.000	

The variable *for\_lang* represents precisely the variable which, according to the sub-hypothesis, is in relation to or potentially in correlation with the variable *succ\_bus*.

Statistical processing of data in the SPSS package resulted in Table 3, which represents the correlation between the two variables. The above table represents the direction and strength of the connection. The amount of Pearson's correlation is  $r = .904$ , which is primarily a positive correlation, because the plus sign is in front of the value of the correlation coefficient. The amount of the  $.904$  correlation itself is, according to Cohen (who gave guidelines for the size of the correlation) of high value, because he classifies the value in the range of  $.50$  to  $1.0$  as large, which means that in this case there is a large correlation between these two variables. We come to the conclusion that there is a connection between knowing one or more foreign languages with a successful business in an

international environment. Significance Sig. = .000 represents the statistical significance of correlation as a test by which we examine the relationship between the two variables shown in Table 3.

Table 4. Correlation coefficient and coefficient of determination

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904 <sup>a</sup>	.610	.481	14.33056

In Table 4, the result R (correlation coefficient) and R<sup>2</sup> (coefficient of determination) are very important. This table shows that R = .904. The value of R<sup>2</sup> (R Square) is R<sup>2</sup> = .610. Therefore, a successful business environment with 61% can be explained by knowledge of one or more foreign languages. The error in estimation or Std. Error of the Estimate is 14.33056, which is a very small error, and the results of R and R<sup>2</sup> can be taken as credible, but certainly taking into account the data of Adjusted R Square which confirms the above.

Table 5. ANOVA

Model		Sum of Squares	Mean Square	F	Sig.
1	Regress.	23471.044	23251.1	29.12	.000
	Residual	12595.026	741.898		
Total		36066.070			

Table 5. ANOVA shows what the F coefficient is and its significance. Its value is F = 29.12, and it is statistically significant at the level of inference p < .01, because its value is Sig. = .000. It also says that the overall regression is significant. The Sum of Squares respectively the sum of squares together with Mean Square represent results that do not ultimately affect the conclusion whether the regression itself is significant or not. Mentioned data in Table 5. F and Sig. represent the basis for the stated conclusion.

Table 6. Beta coefficient

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Stand Coeff	t	Sig.
		B	Std. Error			
1	Const	1121.535	110.56		16.22	.000
	foreign_lang	12.484	4.095	.724	12.449	.000

The variable *foreign\_lang* is the tested variable or predictor variable in this test and confirms whether the regression itself has its meaning during the test. Table 6. Coefficients gives the variable Beta (Beta coefficient), which indicates the size of the predictor variable. The Beta coefficient value of .724 and the t value for these coefficients show statistical significance (at the level of p < .001).

The value of Std. Error in its amount of 4.095 is in this case statistically insignificant, together with the value of B which is 12.484. Therefore, the final discourse from the previous paragraph can be reaffirmed.

*Subhypothesis 2:* It is assumed that there is a large correlation between investment in language strategies and growth in exports and productivity.

Table 7. Correlation - Pearson Correlation

Correlation			
		for_lang	export_prod
for_lang	Pearson Correlation	1	.876**
	Sig. (2-tailed)		.000
export_prod	Pearson Correlation	.876**	1
	Sig. (2-tailed)	.000	

The connection between investment in language strategies and growth in exports and productivity is shown by crossing the variable *for\_lang*, which is ultimately investment in language strategies, and exports and productivity are expressed through the variable *export\_prod*. By crossing them, Table 7 was obtained, which represents the Correlation - Pearson Correlation. Statistical processing of data in the SPSS package resulted in Table 7, which represents the correlation between the two variables. The given table represents the direction and strength of the connection. The amount of Pearson's correlation is r = .876, which is primarily a positive correlation, because the plus sign is in front of the value of the correlation coefficient. The amount of the .876 correlation itself is of great value according to Cohen's interpretation, because he classifies the value in the range of .50 to 1.0 as large, which means that in this case there is a large correlation between these two variables. We conclude that there is a link between investing in language strategies and export and productivity growth.

## CONCLUSION

It is clear, as we have confirmed on the basis of the presented content, that language is the primary means and key communication mechanism in understanding what is real. The importance of knowing the language justifies the need for scientific analysis of relationships between language and international business. Although economic, trade, political or technological prosperity and profit are the drivers of business communication, language certainly determines organizational communication and forms the basis for knowledge creation. Emphasizing the importance of knowing a foreign language in the business environment, as well as the level of knowledge in this area, we can say that both components have huge consequences for both employers and employees. What is also important to point out is the high degree of dissatisfaction with the language competencies of high school and university students, which can have negative implications for the international business environment.

Observing the first sub-hypothesis, based on the amount of Pearson's correlation  $r = .904$  (which is primarily a positive correlation, because the plus sign is in front of the correlation coefficient) it is evident that there is a connection between knowledge of one or more foreign languages and successful business in an international environment. Furthermore,  $R$  (correlation coefficient) and  $R^2$  (determination coefficient) with their values  $R = .904$  and  $R^2$  (R Square)  $R^2 = .610$  indicate that a successful business environment with 61% can be explained by knowledge of one or more foreign languages.

A large correlation was also observed between investment in language strategies and growth in exports and productivity with the amount of Pearson's correlation  $r = .876$ . Pointing to all the above, it can be concluded that language competencies are at the heart of the international business and that the development of language strategies and language management have very large implications for the international business environment.

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