

Intercultural aspects of global competition

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ABSTRACT

Culture is perhaps the most determining feature of both individuals and the society. The respect of intercultural aspects is the key factor of global competition. Culture, especially the Western one, colours the process of globalization. International communication, globalization and culture have a significant impact on contemporary movements (events). The modern world is defined by cultural pluralism. Cultures define every social community and epitomize the production of sense in every society, thus essentially determining social relations. The strong impact of culture irrefutably exists in all spheres of society. It is difficult to define the nature of culture. At the same time, it allows for the definition to be broad enough. We must not observe culture only as a form. It is the spirit that often breaks the form and simultaneously provides its growth and amelioration. Religion, as the main part of culture, represents the foundation for different beliefs, ideas, behaviours, motivation for work, thus becoming one of the most important elements of understanding human society. It is this kind of cultural diversity that creates the need for intercultural communication. The assumption that humans are a universal category does not implicit our mutual understanding, i.e. that we understand others correctly and that others understand us. Therefore there is an increasing demand for intercultural communication which develops, facilitates and enriches human communication. This is of special importance in the era of globalization, when we live in multicultural environments and societies.

KEY WORDS: culture, intercultural communication, globalization, religions

POVZETEK

Na ravni posameznika in tudi družbe nas morda najbolj določa kultura. Globalna tekma tako ni mogoča brez upoštevanja interkulturnih vidikov. Kultura zaznamuje proces globalizacije, še posebej zahodna kultura. Interkulturno komuniciranje, globalizacija in kultura/religija pomembno vplivajo na sodobna dogajanja. Sodobni svet je zaznamovan s kulturnim pluralizmom. Kulture zaznamujejo vsako družbeno skupnost, predstavljajo produkcijo smisla za vsako družbo in pomembno določajo družbene odnose. Zaradi tega kultura močno vpliva na vse dele družbe. Kultura je kompleksen pojem, kar otežuje njeno definicijo, hkrati pa to omogoča, da se definira bolj široko. Kulturo ne smemo opazovati samo kot eno od oblik oziroma form. Predstavlja obenem tudi duh, ki pogosto ruši formo in istočasno omogoča njen razvoj in nadgradnjo. Religija kot sestavni del kulture predstavlja temelje za različna verovanja, ideje, vzorce obnašanja, motivacijo za delo in spada med najpomembnejše elemente za razumevanje družbe. Prav različnost kul-

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tur in kulturnega razumevanja ustvarja potrebo po interkulturnem komuniciranju. Predpostavka, da so ljudje univerzalna bitja ne pomeni, da eni druge dovolj dobro razumejo oziroma da na pravi način razumemo druge in drugi nas. Zaradi tega narašča potreba po interkulturnem komuniciranju, ki razvija, olajšuje in bogati medsebojno komunikacijo. To je še posebej pomembno v dobi globalizacije in delovanja v (multi)kulturnih okoljih in družbah.

KLJUČNE BESEDE: kultura, interkulturno komuniciranje, globalizacija, globalna tekma, religije

INTRODUCTION

Studying the intercultural aspects of global competition represents a challenge for every scholar who is fully aware of the complexity of dealing with this subject. That is why the author of this article has no ambition to analyse all the intercultural aspects of global competition, nor to give answers to all the questions that may occur during the study. The aim is to represent some aspects and to offer a modest scientific contribution.

Existence of different cultural groups includes different elements. Križan (2008, pp.15-16) notes the existence of a disagreement between scholars as to which elements should be included in the definition of culture, based upon common feeling of unity, i.e. the “identity” of some cultural groups. One group could base its identity on its language, the second could add religion to language, the third group might underline its „national customs“, the fourth would accentuate its solidarity based on a centuries-old co-existence on the same territory, and so on.

The consequence of possibilities of including various elements in the definition of culture is the existence of subcultures within larger cultural groups. Cultural diversity is the reality of modern world and also of modern business for which companies have to have a corresponding strategy. Cultural diversity has a huge influence on the development and efficiency of companies’ management. It is the reason why it should be important to analyse homogenous and nonhomogeneous groups and their influence on management efficiency.

Diversity of different cultures and cultural understanding awakens the need for intercultural communication. The assumption that humans are a universal category does not necessarily mean that we understand one another properly. Due to that, there is an increasing demand for intercultural communication that would develop, facilitate and enrich mutual communication. That is very significant in the era of globalization when we live in (multi)cultural environments.

The question is whether it is enough to know one’s own culture in order to understand the culture of others or it only helps us in dealing with different individuals and cultures? Culture produces or significantly impacts production of the cultural and mental background. Every kind of communication between different cultures contributes

to mutual understanding and getting to know the specifics of other cultures.

Of course, it does not always lead to abandoning the negative ideas about „others“, nor does it contribute to eliminating the existing intolerance and xenophobia: being acquainted with the differences of others (customs, religion, clothing, behaviour...) does not implement the idea of accepting it. The question is will the intercultural communication be recognized and used like in „business“, for acquiring more information about cultures whose members communicate and, if that is the case, will it have any influence on reducing or perhaps even eradicating aversion to each other.

Religion is an important segment of culture. Being a social factor, religion has an impact on economy because it represents a highly valuable dimension of our being, considerably affects our lives, shapes and directs the courses of human existence. Hence, religion both connects and separates people. A fact is that businesses often make decisions in stressful conditions and in uncertainty and that such decisions are (i)rational to a certain extent and very often determined by cultural surroundings and the system of values in the particular society. An individual taking business decisions cannot be observed one-dimensionally, but in full complexity, with certain philosophical dignity, taking into account one's inclusion into certain (intercultural) milieu. Various institutions (formal and informal) have an influence on the society, among which religion and religious institutions play an important role.

There are few success stories - a brief world tour has shown us a world replete with failures. The problems of the developing world cannot be solved by the rest of the world. They will have to do that on their own. But we can at least create a more level playing field. It would be even better if we tilted it to favour the developing countries. There is a compelling moral case for doing this. I think there is also a compelling case that it is in our self-interest. Their growth will enhance our growth. Greater stability and security in the developing world will contribute to stability and security in the developed world (Stiglitz, 2007, p.59).

Culture is also directly connected with globalization which produces and generates multiculturalism and an endless process of intertwining of different cultures. The larger part of literature on globalization connects it with the values of liberal capitalism.

There are three factors of globalization: technological development, the level of maturity of political relations and the level of theoretical knowledge and practical economic skills.

Most companies correspond to globalization with the following business activities: direct new investments, taking over, merging and strategic alliance.

Globalization occurs in differing cultural environments, often representing a conglomerate of different cultures and traditions. The increasingly present globalization has led to other processes, such as deglobalization and glocalization. Globalization produces conflicts between politicians and management. Politicians strive for deploying protectionism in order to protect the economy of their respective countries; whilst internationally operating companies change classic business practices on domestic markets and work globally, finding every sort of protectionism as a barrier.

Clusters or geographically concentrated, mutually connected companies represent an important phenomenon that figuratively, on a virtual basis, carry the features of each nation, religion, state, and even metropolis. Their strong presence reveals important insights into the microeconomy of competition and the role of location in the competitive advantage.

INTERCULTURAL COMMUNICATION

The main condition of successful communication is understanding the messages sent and exchanged between numerous interlocutors. If people do not understand each other properly, there is no agreement. Lack of understanding leads to prejudice. Cultural differences in communication and their acknowledgement represent a prerequisite for international communication. Communication plays the main role in the history of mankind. We could say that the history of mankind is actually the history of communication, especially in modern societies. Communication is something that accompanies us from birth, through life, and until death. Communicational process is based on the transfer of information. (Bećirović, 2014, p.145). Culture and communication are not separable, because different forms of communication are the leading features of every culture; on the other hand, culture can be transferred and developed only through communication and

communicating. An intercultural dialogue is every dialogue between members of different cultures. In a broader sense, it represents every dialogue between individuals belonging to different cultures. In a narrow sense, intercultural dialogue is a dialogue between members of different cultures, cultural differences being the subject of that dialogue (Križan, 2008, p.92).

TABLE 1: Hofsted’s model (Adler, N., International Dimensions of Organizational Behavior, 2008, pp.44-62)

Individualism	Collectivism
Freedom for personal goals	Strong attachment to a group and its goal
Control of the source of guilt (internal)	Control comes from shame (external)
Accentuated individualism (self-respect)	Harmony and cohabitation within group
Avoiding uncertainty (low)	Avoiding uncertainty (high)
Openness to change	Valuing safety
Openness for new ideas	Faith in rigid, firmly shaped systems, rules and processes
Difference in strength (low)	Difference in strength (high)
Smaller distance between individuals on a hierarchical scale	Higher distance between individuals on a hierarchical scale
Valuing equal rights	Inequality is acceptable
Manhood (carrier)	Femininity (quality of life)
Assertiveness	Accentuated mutual relationships
Materialistically directed	Care for others
Inequality between man and woman	Equality between man and woman
Long-termism (intellect directed toward future)	Short-termism
Respect for persistence, hard work, honour,	Short-term direction (past, present)
Being economical	Valuing reciprocity, tradition

Hofsted developed this model that was later used by organizations as guidance for measuring cultural differences. He identified the main and most common differences between cultures based on an international research that covered 116.000 persons from 50 countries. He developed five dimensions that lead to all social problems (Roy, 2008).

Table 1 shows clearly the difference between both poles of each dimension. Individualism and collectivism define culture and individuals integrated within groups, thus representing a degree up to which

people behave as individuals or members of a group. We find typical individualists in the USA, while in Latin America the importance of groups is more accentuated. The second dimension (avoiding uncertainty) measures tolerance for uncertainty and ambiguity. For example, American citizens are quite relaxed when dealing with non-transparent and questionable problems, but in Latin America and West Africa people feel strong about them and tend to avoid them.

Models of culture are efficient for describing elements of culture. However, for a more precise comparison between cultures and their understanding, we have to divide cultures into dimensions. Zagoršek and Štambergar (2005, p.63) say that a common feature of all models is „breaking“ culture into a few basic categories (dimensions) reflecting rudimentary social problems all societies are challenged with when regulating human activities. Roy (2008) divided organizational culture into three dimensions, while Hofstede (1980) primarily divided them into four dimensions, and later into five.

The difference in strength relates to the degree to which people feel readiness to accept inequality in society. Countries with a high degree of inequality preserve the differences among people, while in countries with a low degree of inequality like Australia they try to reduce them. Dimension of manhood versus femininity describes the distribution of typically masculine values, orientation toward business success, heroic behaviour, and material success. The feminine orientated countries, on the contrary, emphasize good relationships, family, and quality of life. The first four dimensions are mainly used in marketing, advertising, management of human resources in multicultural environment and intercultural communication (Tayeb, 2005). The fifth and the last dimension by Hofsted (short-term and long-term orientation) (Adler, 2008) was added subsequently after the end of the research, and it measures the degree of people's acceptance to give up on short-term benefits and break up with long-term goals. This can be helpful for companies when establishing a new system of motivation.

How to reduce uncertainty in intercultural communication, that is, how to develop tolerance between cultures? Avoiding uncertainty refers to the degree of endangerment felt by members of a particular culture in unclear and unknown situations. It is also related to the level of stress in the society and to the need for predictability, and written or unwritten rules. Actually, it is a lack of tolerance that causes the

sense of fear, insecurity, and thus the need for avoiding uncertainty and uncertain situations. That can be achieved by establishing as many formal rules and procedures as possible, rejecting unacceptable ideas and behaviour, accepting the absolute truth and scientific opinions given by theorists. This cultural dimension influences many norms and behaviours in a society, family, educational system, organizations and generally in all social institutions. (Bahtijarević Šiber et al., 2008, p.416)

In negotiations, non-verbal communication sets in, often depicting a situation better than words. Correct usage of non-verbal communication at the time of sending and taking messages represents a competitive advantage. If a businessman successfully uses non-verbal communication to create a good impression, it increases his/her self-confidence and credibility.

It is necessary to understand the signs of non-verbal communication along with verbal communication, but attention has to be paid when those two ways of communication do not comply; it can unveil false statements made by interlocutors. Non-verbal communication basically uses many channels (face expression, eye contact and body position). If we want it to be more efficient, it has to intertwine with verbal communication. Again, researches show that when these two are not balanced, the listener tends to rely on the non-verbal communication.

Every cultural dimension brings competitive advantage to a certain country in a specific way. In other words, different cultures have different foundations and resources of competitive advantage in international competition. Actually, both nations and individuals develop specific competence and working skills according to their values and the surroundings (Bahtijarević Šiber et al., 2008, p.416).

Intercultural communicating is becoming increasingly important. A substantial part of intercultural communication goes to negotiation processes. An increasing number of intercultural contacts boost the need for intercultural negotiation. We are gradually exposed to ever higher levels of cultural diversity. The cultural influence on intercultural negotiation is becoming larger and more important every day. The domain of intercultural communication is subject to criticism for not producing more studies focusing on real practice in communication, especially intercultural encounters. Of special interest were cul-

tural analyses of social interactions as well as the analyses of intercultural dynamics included in these interactions (Carbaugh, 2007, p.168).

A large number of people have a wrong conception of universality, being convinced that all people have similar features and thus are able to overcome any obstacle in mutual communication. That assumption is perhaps the most convincing one and the most difficult to overcome in intercommunication relations. Communication becomes intercultural when persons communicating belong to different cultures and when their cultural differences have a significant impact on mutual communication. It is possible to talk about intercultural communication when persons communicating do not share similar experiences from the past, when they cannot rely on mutual beliefs, views, meanings etc. as a basis for understanding; i.e. when the field of their semi-otic unity is very limited.

Nevertheless, even in that case, it would be possible to assume that such a field exists, among other due to the existence of one unifying "human nature". So far, current cognitions and experience suggest that such assumption of a unifying field of "human nature" can be justified even when it is very narrow and scientifically hard to describe. This perspective leads to another assumption, namely that the differences between cultures cannot be so large as to completely prevent any kind of intercultural communication (Križan, 2008, p.87).

Besides the astonishing technological development the modern age is marked by culture without which it would be hard to attribute sense to ideas as such. Cultures produce sense. They conceptualize lives of all people around the world. Without sense, man has no orientation. So, in the 21st century, the idea of orientation comes to prominence, although it had been introduced before the production revolution in the 19th century and before the development of organizations in the 20th century. The production, organizational work, the principle of production, the struggle for power and the principle of organization – all of them have no sense without orientation. (Hribar, 2006, p.4) It is orientation that represents a specific challenge in the modern world and business. Intercultural communicating is connected to the degree of openness and closeness of social systems in competitive positions; bringing the differences into a system causes tensions, which can be a stimulus for one's own creativity, while, at the same time, it can jeopardize the system's cultural identity.

The social interaction of a system, from the point of view of systemic theory, is a form of material, energetic and information transfer of systems; intercultural communication is above all a form of verbal or non-verbal, mutual, group or mass communication. In modern societies the public media increasingly play the role of mediators in intercultural communicating between nations and social systems. Intercultural communicating within one country is typical for multinational societies, federations and confederations. As a rule, intercultural conflict can appear anywhere (Vreg, 1990, p.278). Intercultural communication is a special challenge for multi-ethnic and multicultural societies.

A special problem in intercultural communicating emerges in states with ethnic minorities, where the dominant nation misuses communication in order to accomplish its own cultural domination over ethnic minorities. Such interactional conflicts are a cultural and historical fact in many parts of Europe.

Dominant ethnic groups have the freedom of action, powered by their hierarchically dominant position. They are privileged: the social structure of their members shows a higher social status in terms of the class and social stratification scale. Due to that, intercultural communication usually encompasses the dominant “super culture” versus the subordinated culture.

Intercultural communication is a form of interaction between nations in states with different cultures. This kind of communication is dominant nowadays; it allows contact between nations with different cultures in the international community (Vreg, 1990, pp.279-280).

Language plays the decisive role in intercultural communicating. Language diversity is the biggest obstacle for successful communicating. Language reflects the reality of a certain culture and has an influence on defining the experience of members of that culture. It is used as a tool of communication that would provoke answers (reactions) from communicational recipients coming from other cultures. As a result, language differences can produce conflicts and tensions between members of different cultures. If it is used among people of one particular cultural group, it can strengthen the cohesion of the group.

There are many obstacles in intercultural communication. They can be caused by the language, non-verbal communication, the presence

of stereotypes, falling into a trap of observing another culture on the basis of its own culture which is often "superior" or "inferior" in relation to the other culture.

Communication occurs in different areas, especially in the cultural, scientific, technological, information and tourist areas. The modern public media, especially the satellites, offer the maximum of intercultural announcements. Communicating in diplomacy and political relations between states is defined as international communication (Vreg, 1990, p.280).

GLOBALIZATION

The concept of globalization is understood as a plethora of intensifying world social processes that mutually connect the furthest places on Earth. That means that events on one side of the world influence, in the fastest way possible, events on the other side of the world (Guibernau, 1996, p.128).

From the economic point of view globalization is divided into three elements:

- a) globalization of exchange and market,
- b) globalization of production,
- c) financial globalization.

Globalization enables everything that has always been latently valuable in capitalism; nevertheless, in the phase of its social-state-democratic restraint it remained hidden. Companies have immense power, especially those working globally: they play the key role in creating not only the economy, but the society in general, as they retain a country's material resources (capital, taxes, jobs). Globally operating companies undermine the foundations of national economy and national states. That triggers the process of sub-politisation with completely new dimensions and unpredictable consequences (Beck, 2003, p.14).

Even some most powerful states in the world do not have a unified opinion on globalization, because everyone experiences and understands it in one's own way.

Economic globalization has been determined by OECD (2005) as a

growing internationalization of market and services, the financial system, companies, industries, technologies and competitiveness.

Four other reasons can be traced causing globalization shock in central Europe, France, Austria, Switzerland, Italy and notably in Germany. Firstly, the countries and societies with primary economic self-confidence (e.g. "deutschmark nationalism", "the exporting nation"- were especially affected and endangered by the globalization of world market that supposedly came from the outside. Secondly, social states like France and Germany, unlike the USA and Great Britain, lose with globalization. They found themselves in a crevice of social politics at the time of economic globalization: economic growth has escaped the surveillance by a national state, while globalization takes its toll in terms of social consequences: unemployment, migrations and poverty.

Thirdly, globalization has shaken the picture of itself fundamentally, a picture of a homogenous, closed, national-governmental space called the Federal Republic of Germany. On the other hand, Great Britain, once the superior world empire, now represents a nice memory of it. The fact is that Germany has become a global space long before, teeming with various cultures and contradictories from all parts of the world.

But by now the reality has overshadowed the picture of a mostly homogenous nation. During the debate over globalization, it has exited from that shadow. Globalization, as we explained so far, is a process of denationalization – the erosion of a national state, and the possibility of its transformation into a transnational state. The globalization shock as well as the shock of denationalization put under question the key categories of post-war identity of Germans and the corporative "German model" with its specific social system.

The fourth reason relates to the question of integration of two Germanies. That dramatic event (which is in many ways similar to a marriage) compelled Germans to turn to themselves, to self-reflection, to question themselves what was left from the "German nation" during the half-a-century old separation and what was valuable enough to be identified with.

It was in that phase of self-reflection and analysis that the news of globalization came. The national state already retreated from its jurisdic-

tions in view of the common European market and its lost sovereignty and substance in every aspect: financial resources, political and economic power, information and cultural policy, everyday identification of citizens.

The question on how to create transnational countries as a response to globalization and the meaning of economic, military and culture will be discussed below.

Thus globalization points to one of the most crucial contradictions of modern times. Namely, national states operate on the basis of "social contracts", but processes and movements in the international arena are left to "natural conditions". That is why it is necessary to hear the voices of theorists and political activists who think the time has come to establish a kind of *modus vivendi* between the principle of "nationalized" democracy on one side and "globalized" democracy on the other side. It is hard to predict what means and what sort of deliberative democratic pattern will be discovered, even though theorists have already developed some ideas. That brings us to the question of the need for global regulation.

Globalization, with its expansion over territoriality, even stimulates people's needs for identification with something domestic and generally closer to their emotional state. Data on the increase in the number of new national states throughout the world support that theory: their number did not reduce during globalization processes. Predictions show that among almost 800 active and ethnonationalistic movements in the world there is a significant number of those that are potentially ready to create a new state. Many scholars studying globalization warn of its paradox: on one side, globalization limits the relative power of states, while on other side, it increases their number in the world. It should be noted that in communication with others during globalization many nations strengthened their own mechanisms for preserving their identity.

In many cases, globalization even has opposite effects, because global capital awakens fears of losing one's own economy, of global production of food causing illnesses, of global communication jeopardizing national cultures, of global regulation preventing the right to self-determination. Surely it is not possible to justify all the criticisms of globalization. One such example includes the blocking of satellite signals

for the citizens in China, North Korea, Malaysia, Saudi Arabia and Iran.

It is quite understandable that active participation in globalization processes brings more possibilities, especially for small countries and nations, to prevent or at least mitigate its negative consequences. Having an active role in globalization processes is the only way to resist cultural homogenization, which eventually leads to the melting of weak ethnic groups which thus become the “tourist folklore”.

Friedman (2000) says the following about globalization: it is not only a phenomenon and a current trend. In his opinion, it is the most important ubiquitous international system influencing domestic policy and international relations between states. And it has to be understood as such. Globalization is led by liberal market capitalism. It is the system that replaced the cold war and encompasses six dimensions: political, cultural, technological, financial (and commercial), national security, and ecological. Obstacles and boundaries between these dimensions disappear gradually during the globalization process.

Some authors use other expressions instead of globalization, like the term mondialization. It represents the process of establishing the criteria, conditions and codes of conduct in productional, financial, foreign trade, banking, political and all other spheres of life by the most developed Western countries and their universal competition, through international economic and political organizations, including the formal (World Trade Organization-WTO, EU, UN, European Council) and informal or invisible ones (G-8, Trilateral Commission, etc.). Of course, the goals of this process are based on the economic interests of most developed countries by using their comparative advantages and establishing various modes for exploiting the undeveloped countries (cheap workforce, conquering large markets, brain drain).

The term mondialization comes from the French word “le monde” meaning “the world” and is commonly used in Francophone countries (Prvulović, 2010, p.43).

Regardless of the fact that it brings many positive changes, it is clear that the liberal market economy principles that have dominated for the last decades have brought a lot of benefits to the powerful transnational companies and the rich elite, while the people in undeveloped countries are increasingly unsatisfied with the current globalization.

Nowadays capitalism is on the cross-roads and has to respond to the challenges of the economic crisis primarily with a more equal redistribution of globalization effects.

Prvulović (2010, pp.43-44) considers globalization as a synonym of the above term which emphasizes inevitable expansion of this process throughout the globe based on its universal meaning and deployment and maximum benefit for the richest countries (i.e. creators of globalization).

The term globalization comes from the English word *the globe* and is used in Anglophone as well as other countries. Are these two terms synonyms or not? Turčinović, Vrcelj (2010, p.36) do not equate the terms globalization and mondialization and do not regard them as synonyms. Globalization represents a complex process, i.e. a specific level of integration of different subjects. They become one, but still exist separately as special segments of that process. That is a significant intensification of deliberate effort taken by the progressive part of mankind aiming for the unification on the basis of noble intentions and wisdom, while not having to lose the right to difference and power. Unimaginable development of technology and general prosperity enable the sense of both participation in some events and having a true notion about it.

Mondialization rests on a somewhat broader concept. Bearing in mind that it is very hard to give a detailed definition without writing a poor description, this paper will remain at the level of a dynamic dimension of this complex process.

First, we should note a series of phenomena, above all in the economic field, that along with their national features take on the international character. The latter are basically orientated towards the spirit of integration and achieving control. The difference between internationalization and mondialization rests in the fact that in case of the former, geographic diffusion can be displayed as simple allocation of activity, while in case of the latter, the economic phenomena are regarded as phenomena allocated in different countries. They are identified in the processes of global strategy, global management and global branch structures. Their acceleration in the broadest geographic international sense is the essence of mondialization. The core of mondialization is a very complex enterprise and encompasses financial integration,

market opening, boosting exchange, exchange of knowledge, opening the space for investments abroad, and the affirmation of multinational approach in dealing with world economic problems.

In the long term globalization is expected to increase human welfare and prosperity, while often forgetting it actually causes more social segregation: the rich become even richer and the poor become even poorer. Although globalization relates mainly to the economy, we should not neglect its broader social aspects and effects. Some widespread opinions on globalization go in favour of it, claiming that globalization creates new cultures thus overcoming numerous divisions and segregations, while the opponents of globalization claim that it destroys old cultures due to the enormous growth of consumption.

Globalization goes far back into the history of mankind according to Turčinović and Vrcelj (2010) and has been a subject interest for at least the last five centuries. An example are Jews who have functioned globally for thousands of years.

Despite its long history it is clear that globalization has not developed equally and gradually but rather gained sudden accelerations due to certain events taking place within some short intervals, when our planet became “smaller” thanks to numerous discoveries. English historian MacGillivray (2006, p.19) states the following key decades: 1490-1500 (the time of Hispano-Portuguese division of the world), 1880-1890 (the rise of the British empire with division of Africa, determining of Greenwich as the central meridian, introduction of the gold standard, increase in the number of corporations following the steamer and telegraph discoveries, construction of the Suez Canal), 1955-1965 (competition between world powers, satellites, reactive aircrafts) and 1995-2005 (the fall of the Berlin wall, the Internet, establishment of WTO, a period of global supply chain, the world is becoming intertwined with optical fibres and mobile service antennas) (Glavič, 2009, p.6).

Globalization connects and bring closer, while on the other hand it creates and deepens existing conflicts. Globalization spreads, deepens and accelerates the processes of global integration. But we must not be misled by the veil of solidarity, association and unification.

Some economists advocate at least five dimensions of globalization: economic and political globalization, joint ecological commitment,

cultural values and globalization of communication. The idea of globalization does not represent a united global society, because all individuals do not necessarily feel connection in the same way and to the same extent. According to that, we should differentiate between globalization and unification which is based on homogenization or harmony. Unlike the increasing unification, globalization is a strong source of conflicts (Dicken, 1998, p. 20).

Globalization is not unambiguous – it has at least two faces. It brings unequal development to the world. Some countries were involved faster in the globalization process, like Eastern Asia, while South American and African countries had more closed politics, higher inflation, poverty and economic stagnation. The states whose economies were based on one major product (monoculture²) were especially hit by globalization.

The opponents of globalization claim that it leads to greater differences between states. In the long-term, globalization should increase total welfare, although not to the same degree in all countries. Globalization is considered to offer greater possibilities and enable better success than it would have been achieved without it. The advocates of globalization believe it will reduce differences between the rich and the poor. On the other hand, antiglobalists claim the opposite and are convinced that it increases differences. They cite the UN report, according to which the number of people earning less than a dollar per day has not reduced while the number of people earning less than two dollars per day has increased from 2.5 to 2.8 billion. Social stratification between one fifth of the richest and one fifth of the poorest countries has increased from 30:1 to 82:1 (Bošković, 2006, p.17).

Globalization offers challenges and looks for the answers to numerous questions. What could be the answer to modern Western culture which has dominated in the economy, politics and culture for the last few centuries?

It is not possible neither to return to past nor to completely and uncritically assimilate with the Western culture. The only acceptable path for cultural development of societies under the influence of Western modernity lies in grappling with the hard task of creative reinterpretation of their own cultural traditions in the light of that modernity, but also

2 For example a state that exports oil, natural rubber, bananas, coffee or coconut.

vice versa, with the task of the reinterpretation of Western modernity in the light of traditions and careful inclusion of suitable elements of modernity into those cultures. Thus, it is not only the creation of new mixtures and the synthesis of elements of those cultural traditions and Western modernity, but it is a stimulus for cultural creativity with new potentials for cultural development (Križan, 2008, p.434).

On the long run, the globalization process leads to strong individualization, creating strong competitive individuals.

INTERCULTURAL ASPECTS OF GLOBAL COMPETITION

Global competition is very strongly related to intercultural aspects. Culture, especially the Western one, marks the globalization process. Globalization offers many possibilities for development and enlargement of business, while at the same time producing new and more complex challenges. Some of the most critical ones are getting to know, understand and respect cultural values, behaviour, approaches and practices in different societies and cultures. In order to succeed in global business, managers have to be flexible, reacting positively and appropriately to practices and values that may be completely different from what they are used to. Like some authors emphasize, being global is not only connected to the location (place) of business, but also to the way the business operates (Bahtijarević, Šiber et al., 2008, p. 397).

Culture determines many processes including globalization. Somewhere it reduces differences while elsewhere it deepens them. Cultural difference is not necessarily the same as ethnical and religious difference. Significant and problematic cultural differences can be found within one religious, ethnic and language group. Similarly, strong contacts may exist between different religious, ethnic and language groups in major spheres of life, where such differences are not experienced as problematic (Eriksen, 2002, p. 101). The understanding of culture is often differently experienced and reinterpreted.

Cultural aspects often become crucial for business success. Culture generally defines the way how managers perceive and interpret the business world and how they approach business. Due to different cultures the same situations can be seen differently – for example as an opportunity for some people and as a threat for others.

However, it is more and more obvious that the culture of society, if well-managed, can become a source of competitive advantage thanks to cultural synergy. Differences are more and more perceived as an advantage, and the successful management of diversity has become the biggest challenge for contemporary managers (Bahtijarević Šiber et.al, 2008, p. 398).

States have mostly been oriented towards preserving national culture and identity. That is why they try to govern the flow of people, information and ideas which increasingly travel across borders and change the circumstances in which the countries have to follow their national interests. Developed countries that participate in global economic and political networks are aware of the advantages of globalization but still have fears of cultural colonialism. Technological innovations are the foundation for cultural globalization, making it possible for advertising and the electronic entertainment industry controlled by a few transnational companies to flourish worldwide.

Markets want to cross borders. There are overwhelming arguments for letting them do so. Unfortunately, bad jurisdictions, of which the world has far too many, create difficulties not just for international transaction, but for almost all productive transaction. Success always begins at home. It can, however, be supported by international agreements that are wisely designed and focused. Such agreements often appear to constrain sovereignty and democracy, but also contribute to the valuable goals of credibility, predictability and comity among countries (Wolf, 2004, p. 92).

Globalization of culture is mostly affected by Americanization. American film, music and other entertainment industries are very successful in conquering other markets and well-accepted there. Expansion of specific cultural elements follows the process of economic globalization. The values of individualism are accentuated and gaining ground. Individuals are assessed by results, not by social status. We are witnessing Americanization in all segments of society as well as in global economy. The USA is the leading and economically most developed country in the world and as such a role model for others who try to emulate it in establishing their own institutions.

Drašković (2007, p. 259) considers globalization as “a historical, real, contradictory, unequal, unstoppable and irreversible process“; which

through its manifestation changes international economic and many other relations towards closer and closer integration. With the fall of socialism, especially at the end of the 20th century, and the development of capitalism in post-socialist countries based on denationalization and liberalization, globalization process started to develop; according to some authors this represents an overture of the New World Order.

Growth of technological progress, especially in communication, information science and transport, leads to further development of the concept of “private ownership” and entrepreneurship which are based on the principle of interest. To a certain degree globalization even stimulates diversity because information technologies enable free expression of culture and different views. Communicating becomes more complicated when it takes place in a heterogeneous cultural environment. That is when intercultural communication starts, with more possibilities for cultural conflicts. Intercultural misunderstandings may occur when the existence of different communicational styles based on higher or lower communicational context is not taken into account. Intercultural conflicts arise due to a conflict of goals resulting from irreconcilable differences and incompatible interests of different social and cultural systems. That is why we experience them as a threat to our own cultural identity. Such conflicts demonstrate different levels of intensity; they appear in situations that cause worries and fears and point to the incapability to resolve them through complex interactional patterns. The conflict will deepen if the parties see no solution and when they start to realize its consequences (Vreg, 1990, p. 284).

Overall, multilateralism is a key factor in globalization, in which the United Nations play the central role. The UN organization was established to prevent wars between states, to replace bombs and bullets with cooperation and compromise. It was born out of burning hope of the whole mankind and as a result of the idea for a better world (Kerim, 2015, pp.20-21).

For these cultural reasons, therefore, Americans uniquely find it difficult to see why free trade in cinema, television, GM products, and so on is considered by others to pose a threat to their culture and well-being. In consequence, Americans see the ugly hand of protectionism behind agitations and policy actions, such as the exclusion of hormone

fed beef from other markets even though the exclusion is based on fear rather than greed. And it only reinforces the efforts of lobbyist for cultural industries such as Hollywood to exploit and misuse the case for free trade to advance their own agendas (Bhagwati, 2007, p.121).

Dražković (2007, p. 259) emphasizes that economic globalization is, among other, based mostly on:

- development that follows the rules and logic of capitalism;
- duality that is reflected in the integration of states and expansion of transnational companies (TNC) and leads to diminishing state sovereignty;
- deficient ancillary mechanisms: military and political hegemony, blackmailing, violence, pressures and duress. These are the basic non-economic tools for the realization of economic pressures, unequal exchange, dependence and domination;
- institutionalization of the process: concentration of production and centralization of capital imposed by powerful and institutionalized global monopolistic structures that dominate and prevent free competition and access to the global market ;
- domination of market, transnational and supranational regulation over state;
- a change of subjects participating on the global market, which are becoming larger and stronger thus changing the organizational and management structure in order to expand business in many countries;
- the emergence of new subjects in international economic cooperation, like international organizations, financial centres, institutional investors, non-governmental organizations as well as many religious, diaspora, terrorist and other interest-based networks (Bogešić, 2010, p. 304).

To a certain extent globalization even stimulates diversity, since the information technology enables free expression of culture and promotes different views.

CONCLUSION

The world is getting smaller while global competition is increasing. Technological progress and modern communication have shortened the distances between different parts of the world and provided access to high technologies, which enables participation in the global race.

The world has become mutually dependent, which brings many advantages for companies, while the environment in which they operate is becoming increasingly complex and competitive. The overcoming of geographical, cultural, time and others differences and especially dealing with intercultural aspects represent a challenge for companies participating in global competition.

Naisbitt (1994) expressed his popular presentation of the “global paradox” with the following words: “The bigger the world economy, the more powerful its smallest players.” So, as the system grows and the complexity increases, the importance of individual parts, including individuals, increases. Consequently, this points to the end of central state authority and traditional representative political systems and the rise of decentralization and direct democracy. Even large companies, if they want to survive, have to be decentralized and restructured (Mlinar, 2012).

Global competence is directly connected with (inter)cultural competences.

Experiences of operating in different cultures, understanding and respect of different values and behaviour and optimal combination and usage of cultural differences are the main characteristics of global managers. The global manager and leader is open to others, he/she can cope with situations and people that are completely different from his environment and is ready to question his/her personal opinions and perceptions. Strong cultural competences represent the key competences of global managers and leaders (Bahtijarević, Šiber et al., 2008, p. 399).

The aim of this article was to emphasise the importance of intercultural communication, globalization and culture/religion as the key factors that contribute to successful global competition. For successful intercultural cooperation it is vital to know, understand and respect differences in cultures, lifestyles and business practices, but above all, it is important to know one’s own culture.

The modern world is marked by “cultural pluralism”, i.e. the plurality of existing cultures. They characterize every social community and epitomize the (re)production of sense in any society while significantly determining social relations. Cultures have a strong impact on all

segments of society including intercultural communication. Globalization is present in different intercultural backgrounds that often represent a conglomerate of intertwined cultures and traditions.

Managing transitions is the key factor of global competition. The process of globalization brings numerous changes to business activities and lives of people. Monocultural homogeneous societies are almost non-existent. Numerous migrations have resulted in the mixing of nations and cultures.

Political changes following the collapse of the Soviet Union and former Yugoslavia triggered changes in the operation of numerous companies. Companies that had until then operated within one state were transformed overnight into transnational companies and unwillingly continued functioning as such. That demanded huge changes in the management and organizational culture as well as adaption to laws, local markets and cultures. In the times of former Yugoslavia not much attention was paid to those issues, but today they have become the reality and the need.

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