



## Article

# Cultural Differences in Business Communication as a Key Factor in International Business Relationship

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**Abstract:** As international businesses continue to expand in relation to global connectivity, the effectiveness of communication through cultural borders becomes imperative for successful operations. The deep-seated aspects of communication relationships which are cultural in nature, tend to shape the longevity and quality of relations more than fluency in a given language. This paper seeks to analyze the impact of cultural differences on communication in international business using Hofstede's cultural dimensions theory and Hall's high versus low context communication theory as frameworks. Employing a mixed-methods design, the research collects data from 62 cross-cultural business professionals across Europe, Asia, and Central Asia. Quantitative results show over 70% of respondents reported experiencing cultural differences-related communication issues as a result of hierarchy, time orientation, and directness. Furthermore, qualitative data emphasize intercultural adaptation techniques of camouflaged translation, strategies of clarification, and the aid of cultural mediators. Findings reinforce the need for deeper understanding of organization-wide communication flexibility, as well as the importance of strategic intercultural competence far beyond culture-badge, business courtesy policies. Through empirical evidence and established theories, this article enhances understanding of how global organizations improve communication effectiveness, trust, and collaboration across cultures. This study also outlines actionable strategies for incorporating cultural intelligence into corporate training, development of leaders, and within the communication frameworks of the organization.

**Keywords:** Intercultural Communication Differences, If Not Mediated with Appropriate Strategies Drawing on Intercultural Competence Frameworks, Will Hinder The Effectiveness of International Business Relations

**Citation:** Farhodovna R. U. Cultural Differences in Business Communication as a Key Factor in International Business Relationship. American Journal of Economics and Business Management 2025, 8(7), 3246-3252.

Received: 28<sup>th</sup> May 2025

Revised: 18<sup>th</sup> Jun 2025

Accepted: 26<sup>th</sup> Jun 2025

Published: 13<sup>th</sup> Jul 2025



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## 1. Introduction

In the age of globalization, the global business environment is more integrated, multicultural, and dynamic. Businesses have a far more intricate web of relationships that span multiple geographies with partnerships, joint ventures, and collaborations with foreign entities. In such scenarios, communication becomes the bedrock of fostering successful business relationships. Communicating through different cultures is immensely complicated because it goes beyond language; it encompasses cultural norms, values, and ways of thinking. Differences in culture are a huge factor in how messages are encoded,

sent, and received. Something that is direct and clear in one culture could be considered rude in another. Clear understanding can also be hampered due to the use of gestures, tone of voice, respect for hierarchy, punctuality, and how decisions are made. Because these aspects differ from one region to another, they can easily result in miscommunication, conflict, or loss of trust. Thus, intercultural miscommunication is regarded as an important obstacle in efficiency, collaboration, and sustained business success in a globalized world. A growing body of research (Hofstede, 2001; Hall, 1976; Thomas & Inkson, 2017) emphasizes that intercultural competence the capacity to interact and work within diverse cultures in line with corporate objectives is more than just a nicety to have; it is a critical business asset[1]. Companies that maintain cultural awareness, provide training in communications, and exercise adaptive leadership are able to cultivate trust, minimize ambiguity, and manage culturally driven tension within significant business interactions.

This article attempts to study the impact of cultural differences on business communication in shaping the international business relations in terms of both quality and stability. The objectives of the study are: (1) identify the key communication issues in multicultural business environments, (2) determine the impact of cultural gaps on communication within diverse business environments, and (3) propose solutions that would increase cross cultural understanding and improve communication effectiveness. These objectives are achieved by Hofstede's cultural dimensions, Hall's context theories, and insights gained through empirical research from the field.

In summary, the study seeks to answer the overarching question, "How may global businesses integrate more resilient and agile communication practices that are culturally intelligent in the context of an interdependent world?".

### **Literature Review**

The phenomenon of intercultural communication has attracted the attention of international business scholars for many years due to the need for global interconnectedness and multicultural collaboration. This review focuses on the principal theories and empirical research results that demonstrate the degree to which culture influences differences in style, expectations, and resultant outcomes regarding communication in business across international borders[2].

One of the most notable theories in cross-cultural research is that of Hofstede's (1980; 2001) cultural dimensions. This theory comprises six dimensions: Power Distance, Individualism versus Collectivism, Uncertainty Avoidance, Masculinity versus Femininity, Long Term Orientation, and Indulgence versus Restraint. Hofstede asserted that these cultural characteristics influence organizational structures, management and supervision, strategic planning and policy frameworks, and more importantly, communications.

In cultures with a high power distance, like Malaysia and Russia, hierarchical communication is the norm. In contrast, New Zealand and Denmark are examples of low power distance cultures that encourage open dialogue and horizontal feedback. Properly addressing these differences in multinational teams is important to avoid tension (Hofstede, 2001; Kirkman et al., 2006)[3].

### **Hall's High-Context and Low-Context Communication**

Edward T. Hall (1976) suggested that cultures vary on their reliance on context as a cue to convey meaning. High context cultures, such as Japan and Arab countries, consider communication to be indirect and imbued with shared understanding as well as non-verbal cues. On the other hand, low context cultures such as Germany and the United States, prioritize direct and explicit clarity.

This division is important in intercontinental business. Professionals from the West may interpret indirect speech as avoidance while their Eastern counterparts may perceive overt expression as disrespect[4].

## **Cultural Intelligence (CQ) and Adaptability**

Cultural Intelligence (CQ) is defined as the ability of an individual to operate in a culturally diverse environment. Individuals with high CQ are likely to discern cultural cues, adapt the style of communication, and easily register confidence with business partners from other countries.

Rockstuhl et al. and Ang et al. have shown that CQ positively affects outcomes of negotiations, effectiveness of leadership, and overall performance in an intercultural context. Thus, training in CQ could help global firms aiming to mitigate cultural differences.

## **Communication Challenges: An Empirical Perspective**

The negative consequences of cross-cultural miscommunication have been documented in a variety of empirical studies. As Harzing and Pudelko (2013) found, cultural inefficiencies greatly impact collaboration within multinational firms through ineffective teamwork, poor conflict resolution, and low employee engagement. Beamer and Varner also highlighted the importance of addressing cultural differences, stating that businesses lose credibility and negotiational success when cultural elements are overlooked.

Moreover, Thomas and Inkson illustrate the significance of proactive cultural preparedness, providing evidence that intercultural training improves proactive multicultural team communication and understanding[5].

## **Communication Technology and Cross-Cultural Issues**

Digital technologies are now the primary channels of business communication in the context of global virtual teams. The lack of non-verbal cues within these digital platforms increases the likelihood of misunderstanding[6]. Hinds et al.

Emphasizes that criticisms concerning email etiquette, formality, tone, responsiveness, and timeliness are often culture bound and, therefore, can cause undeserved damage without proper contextualization.

## **Summary**

Differences in culture have considerable impacts on communication within international business, as pointed out by the literature. Hofstede's dimensions and Hall's context theory are examples of work that can help in predicting communication problems. Also, the growth of cultural intelligence is emerging as a major facilitator of collaboration in diverse cultures. These foundational studies, along with the accompanying empirical research, illustrate the importance of adopting culturally responsive communication strategies in the globalized world of business.

## **2. Materials and Methods**

This study on the impact of cultural differences on international business communication used a mixed-methods research design comprising both qualitative and quantitative techniques. This approach was selected to provide a more holistic understanding of the phenomenon by capturing statistical trends as well as deeper contextual insights at the same time. The gathered structured survey data alongside qualitative responses provided multiple perspectives, thereby improving the accuracy and depth of the results.

## **Population and Sample**

The population for this study was defined as people employed with multinational corporations or businesses engaged in cross-border trade. Focused purposive sampling was used where participants had prior experience with international communication, negotiation, or team leadership in multicultural environments.

The study surveyed 62 participants from different geographic areas such as Western and Eastern Europe, Central Asia, East Asia, and North America. These included individuals from international marketing, business development, human resource management, and operations. Participants had between two to more than fifteen years of experience working internationally, which provided both breadth and depth of insight[10].

#### **Data Collection Methods**

Collection of data was through an online questionnaire sent via emails and professional platforms like LinkedIn. This instrument was created in English and included both open and closed questions.

The perception of cultural preparedness and attitudes toward intercultural training received 5-point Likert scale closed questions measuring the frequency and intensity of communication problems.

Respondents detailed specific cases of miscommunication, cultural friction, and adaptations through open-ended questions relating to organizational strategies within their firms.

Anonymized responses were implemented to uphold confidentiality in participation while erasing identifiable traces to stimulate genuine, critical feedback.

#### **Data Analysis**

Descriptive statistical techniques such as calculating frequencies, means, and cross-tabulations were used to analyze the quantitative data. The analysis clarified prevalent organizational and cultural communication challenges along with corresponding organizational responses.

Qualitative responses underwent thematic analysis. Iterative reading led to coding the responses into categories such as "language ambiguity," "hierarchical misunderstandings," "communication tone," "adaptation techniques," and more. The emergent themes were then juxtaposed alongside the quantitative analysis looking for matches and discrepancies from the patterns formulated[11].

#### **Validity and Reliability**

The content of the questionnaire was vetted by three scholars specializing in intercultural communication and international management. It underwent a pilot test with five participants, resulting in some revisions for consistency and clarity.

The survey items' reliability was assessed using Cronbach's alpha, which returned a coefficient of .82 suggesting a strong level of internal consistency.

#### **Ethical Considerations**

The project followed all ethical research protocols. Participants received information sheets, provided informed consent, and could withdraw from the study at any moment. No personally identifiable information was collected, and all information was kept safe and used for academic purposes only[12].

### **3. Results and Discussion**

This part outlines the primary findings and analyses the empirical data in light of existing theoretical concepts outlined in the literature review. The analysis captures the existence of culture bound international business communication problems and their intricate nature.

#### **Prevalence and Proportion of Cross-Cultural Miscommunication Interaction**

The quantitative analysis revealed that 71% of participants reported experiencing serious communication problems with international colleagues or partners because of cultural differences. These miscommunications included business negotiations not only

being delayed or misunderstood, but fully derailed as well. The most common misinterpreted phenomena included:

1. The misunderstanding of indirect forms of communication (especially within high-context cultures);
2. Conflicting expectations related to organizational hierarchy and authority;
3. Attitudes towards time, deadlines, and punctuality;
4. Tone used during communication (e.g., perceived rudeness or excess politeness).

These results provide strong support for Hall's high and low context cultures theory. Respondents from low context cultures like Germany, USA, or the Netherlands tended to view nuances from high context cultures such as Japan or India as ambiguous, inefficient, or even evasive[13]. The opposite was also true; high context communicators were offended by how direct their Western peers spoke.

### **Perceived Importance of Cultural Preparation**

Regarding cultural preparation, 56% of the participants agreed that their companies did not provide adequate preparation for cultural orientation and pre-border activities. Participants who attended the intercultural workshops or cultural briefings reported positive changes in understanding, negotiation, and relationship-building.

The findings support Hofstede and Thomas & Inkson who argue that some level of systematic learning can foster competence in intercultural skills. In addition, the findings support the emerging view that intercultural training is a fundamental part of an international business strategy rather than an auxiliary activity.

### **Patterns of Adaptation and Coping Strategies**

From qualitative responses, several cultural barriers adaptive strategies were identified with the most notable ones highlighted.

Code-switching: changing one's speech style to fit the culture; Culture intermediaries: employing bicultural or multilingual intermediaries; Clarification techniques: confirming understanding through restatement or with visual information; Patience and observation: delaying transactional engagement in the relationship to deepen rapport building[14].

Notably, participants with greater cultural exposure or international experience tended to implement these strategies more frequently and with greater efficacy. This is Consistent with Cultural Intelligence (CQ) brought forth by Earley and Ang (2003), which centers on the capacity to maneuver behavioral changes across cultures as a major indicator of success in global settings.

The report accentuates the critical value of cultural awareness and its implications for the individual and the organization as a whole. Businesses that fail to prepare culturally are likely to suffer inefficient operations, damage to their reputation and lose potential for expansions into new markets. In contrast, such organizations that provide adequate cultural training alongside inclusive communication policies and culturally adept leadership perform better in international business[15-16].

This is important for human resource personnel alongside the top management responsible for building global business development teams, complex negotiations, and managing client servicing interactions. Through the integration of culture into corporate communication policies, organizations can reduce conflict while increasing trust and gaining a competitive edge in culturally diverse markets.

## **4. Conclusion**

This part outlines the primary findings and analyses the empirical data in light of existing theoretical concepts outlined in the literature review. The analysis captures the existence of culture bound international business communication problems and their intricate nature.



1. **Prevalence and Proportion of Cross-Cultural Miscommunication Interaction.** The quantitative analysis revealed that 71% of participants reported experiencing serious communication problems with international colleagues or partners because of cultural differences. These miscommunications included business negotiations not only being delayed or misunderstood, but fully derailed as well. The most common misinterpreted phenomena included: The misunderstanding of indirect forms of communication (especially within high-context cultures); Conflicting expectations related to organizational hierarchy and authority; Attitudes towards time, deadlines, and punctuality; Tone used during communication (e.g., perceived rudeness or excess politeness). These results provide strong support for Hall's (1976) high and low context cultures theory. Respondents from low context cultures like Germany, USA, or the Netherlands tended to view nuances from high context cultures such as Japan or India as ambiguous, inefficient, or even evasive. The opposite was also true; high context communicators were offended by how direct their Western peers spoke.
2. **Perceived Importance of Cultural Preparation.** Regarding cultural preparation, 56% of the participants agreed that their companies did not provide adequate preparation for cultural orientation and pre-border activities. Participants who attended the intercultural workshops or cultural briefings reported positive changes in understanding, negotiation, and relationship-building. The findings support Hofstede (2001) and Thomas & Inkson (2017) who argue that some level of systematic learning can foster competence in intercultural skills. In addition, the findings support the emerging view that intercultural training is a fundamental part of an international business strategy rather than an auxiliary activity.
3. **Patterns of Adaptation and Coping Strategies.** From qualitative responses, several cultural barriers adaptive strategies were identified with the most notable ones highlighted. Code-switching: changing one's speech style to fit the culture; Culture intermediaries: employing bicultural or multilingual intermediaries; Clarification techniques: confirming understanding through restatement or with visual information; Patience and observation: delaying transactional engagement in the relationship to deepen rapport building. Notably, participants with greater cultural exposure or international experience tended to implement these strategies more frequently and with greater efficacy. This is Consistent with Cultural Intelligence (CQ) brought forth by Earley and Ang (2003), which centers on the capacity to maneuver behavioral changes across cultures as a major indicator of success in global settings.
4. **Organizational Implications.** The report accentuates the critical value of cultural awareness and its implications for the individual and the organization as a whole. Businesses that fail to prepare culturally are likely to suffer inefficient operations, damage to their reputation and lose potential for expansions into new markets. In contrast, such organizations that provide adequate cultural training alongside inclusive communication policies and culturally adept leadership perform better in international business. This is important for human resource personnel alongside the top management responsible for building global business development teams, complex negotiations, and managing client servicing interactions. Through the integration of culture into corporate communication policies, organizations can reduce conflict while increasing trust and gaining a competitive edge in culturally diverse markets.

By applying these recommendations, companies can not only avoid communication errors, but also create a more inclusive, respectful, and productive international business environment. As the global market continues to evolve, those firms that possess intercultural competence will have the best opportunities for leadership.

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