Heightened Urgency for Business English in an Increasingly Global Workforce

A look at the 2013 Business English Index & Globalization of English Report
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EXECUTIVE SUMMARY

The global economy grows more interdependent and interconnected by the day, and recent research by GlobalEnglish, the leading provider of on-demand Business English communication software to the world’s top companies, affirms the trend. Two recent groundbreaking studies—the 2013 Business English Index (BEI) and the Globalization of English (GOE) report—confirm the primacy of Business English as the de facto language of business.

With a growing number of companies operating in as many as 20 countries with different native tongues, the majority of the world’s business conversations now take place between non-native English speakers—in English. This standardization of English as the de facto language of business has opened up incredible opportunities, but most businesses face a huge skills gap.

The BEI allows corporate leaders to benchmark their workforce’s skills against peers and competitors, and it can help multinational companies understand Business English competency across geographies and sectors. The 2013 BEI, GlobalEnglish’s third annual release of the index, is the result of a December 2012 analysis of the Business English proficiency levels of more than 212,000 GlobalEnglish subscribers from around the world.

In the 2013 index, the average global BEI score is only 4.75 out of 10.

This score translates into a workforce that can understand business presentations and communicate descriptions of problems and solutions …

… but can take only a minimal role in business discussions and the execution of complex tasks.

This figure, while underscoring a continued need for improvements in Business English proficiency, represents a 14 percent increase since 2012.
Countries with sample sizes smaller than 50 non-native English speakers were excluded from the total, resulting in an index based on 137,000 global respondents. As the only index focused on measuring Business English proficiency,

**the BEI is designed to quantify global workers’ competence using English in the workplace.**

The GlobalEnglish GOE report qualifies the situation: Based on a survey of 24,000 global knowledge workers from more than 90 countries,

**it provides a measure of attitudes about English proficiency and its perceived importance in the global workforce.**

The GOE and BEI together give us a complete picture of the trends, achievements and challenges in business communication and the importance of Business English in the workplace. There continues to be nearly universal belief among the global workforce that Business English proficiency is crucial for job performance and career advancement, yet a significant majority believe their skills are not sufficient to meet the current or future demands of their career. Even though the overall 2013 BEI increased to 4.75 from 4.15 the prior year on a scale of 1 to 10, and there was overall improvement in most countries and industries, there remains a significant variation in Business English proficiency among countries and regions, and certain industries continue to lag behind. Our most recent survey found that much of the overall BEI improvement is attributable to the fact that HR personnel and learning professionals are now extending Business English development and support programs to a wider array of employees—including more senior employees who may have already had some foundation in English.

We are potentially reaching a point of global divergence: one set of businesses, countries and industries that have embraced the need for Business English proficiency as requisite to function efficiently and compete in the global economy, and another set of businesses, countries and industries destined to be left behind and lag for decades to come. The urgency to ensure membership in the leading group has never been greater.
THE BEI SCALE

For more than 15 years, GlobalEnglish has worked with hundreds of companies and millions of global employees across all industries in more than 150 countries. In so doing, it has been able to uniquely assess how companies, departments and individual employees utilize Business English in the context of their work. In partnership with leading scholars, authors and innovators in the fields of applied linguistics and organizational performance, GlobalEnglish has established the BEI to measure the Business English proficiency levels of individuals, companies, industries and countries.

The BEI demonstrates the level of competency across multiple dimensions, including:

- Knowledge of the English language itself—grammar, etc.
- The application of the language (i.e., communication) across different forms and media, including email, telephone, in-person, etc.
- Using these communication skills in different contexts, including a presentation, business discussion, conference, sales meeting, etc.
- The understanding and use of nuance and complexity in business situations and the ability to materially contribute to discussions related to business problems, analyses and solutions.

Each level of the index indicates a mastery of certain skills relevant for, and in the context of, business. The following diagram outlines a general summary of the competencies achieved at each level:
As outlined in the Predictions for 2013 report (January 2013) by Bersin by Deloitte, technology has created a virtually borderless workplace that upends the traditional corporate hierarchy. In its place is a growing importance given to the role of peer networks, as employees work in cross-cultural teams with flatter organizational structures. But with work teams, customers and suppliers dispersed around the world, there is a heightened emphasis on worker productivity.

As written in the CEB (Corporate Executive Board) 2012 study on Breakthrough Performance in the New Work Environment, "To achieve these (productivity) gains, organizations need to understand the dramatic shifts underway in the work environment and refocus on enabling higher levels of workforce performance." With so many companies operating in dozens of countries around the world, and needing to boost employee performance by 20% without adding head count, the criticality of Business English fluency is clearly greater than ever.

The Rise of the Borderless Workplace
BUSINESS ENGLISH ADOPTION

The market is clearly responding to these trends; GlobalEnglish research shows that more and more enterprises around the world have embraced the inevitability of Business English as the “lingua franca” of business. Though the 2012 BEI had actually decreased from the prior year, the 2013 BEI reports a 14% increase in the index from 2012, to 4.75. There are two likely drivers of this increase.

First, there is an increased realization of the real return on investment (ROI) from the adoption of a comprehensive Business English program within an organization. The average time reported as saved among all employees in the GOE study was two hours or more per week as a result of improved English skills, and calculations based on employee costs show that each hour saved is equivalent to an average bottom-line increase of $750,000 per 1,000 employees. Second, the higher score likely indicates that companies are casting a wider net and offering English training to more diverse groups of employees—not just specialists or low scorers, but more senior employees who may have already had some foundation in English.

In addition to the overall increase in the BEI, there were some positive signs within many countries and industries. Most countries, as well as 11 out of 15 industry sectors, improved their BEI over the prior year. Even the countries with the five bottom scores in 2012 improved, pointing toward improvements, albeit subtle, among the most struggling nations.

The Philippines (7.95) earned the top BEI score for the second consecutive year. Norway (7.06) improved significantly, while the Netherlands also scored above 7.0, marking the first time that three countries attained this level of intermediate proficiency.

The Philippines, Norway and the Netherlands lead the BEI rankings

Three nations achieved the 7.0 intermediate ranking for the first time in BEI history.
While there was some consistency in regional scores from 2012, there was significant variation among the BRIC nations. Russia (3.95) and Brazil (3.27) reported a low Business English proficiency, while China (5.03) fell just short of the U.S. (5.23). Overall, India (6.32) led the pack, with a score close to the highest performers.

Latin American countries continue to report low BEI scores, with an average of 3.38. Chile has remained in the bottom five of all countries for four consecutive years, while Honduras and Colombia have been in the bottom five for three of the past four years. The Asia Pacific region (5.73), bolstered by high scores from the Pacific region (6.57) as well as India, continues to report the highest BEI scores among all regions.

Among industry sectors, the Aerospace sector (6.63) continues to lead and grew significantly (up from 5.29 in 2012). Professional Services (6.22), Technology (5.72) and Financial Services (4.93) round out the top-performing industries. Although all four of these sectors improved their scores over last year, Financial Services saw the largest increase.

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4 In the U.S., the majority of test takers were foreign-born engineers and scientists. One in five global workers employed in the U.S. across the science, technology, engineering and math (STEM) fields is foreign born, according to a U.S. Department of Commerce Report published in 2012.
Services increased the least and slipped to fourth position behind the Technology sector, which clearly has a renewed emphasis on Business English proficiency, as it claimed the third spot after failing to crack the top five in the prior year.

A discouraging trend emerged among the bottom-performing industry sectors, which posted lower BEI scores than the previous year. The Real Estate/Construction sector (2.82) and the Media/Communications/Entertainment sector (3.20) both saw reduced scores, with a fairly dramatic drop for the latter, as its BEI fell from a top-five position last year (4.64) to the bottom three this year. Although it had a small increase, the Government/Education/Non-Profit sector (3.18) rounds out the bottom three of all industries. Another significant decrease was the Auto/Transportation sector, which dropped from 4.35 to 3.99.

**THE CHALLENGES AHEAD**

Despite the gains seen in the BEI, there is still a challenging road ahead. The average BEI of 4.75 still represents a workforce whose current Business English skills are not sufficient to meet the performance demands of today’s global economy. This translates into a workforce that can understand basic information on the telephone or in person, but cannot understand most business presentations, take a leadership role in business discussions or perform relatively complex tasks. And although the number of employees ranked as beginners decreased from last year, only 30% of workers are at the intermediate level or higher, with only 7% at the advanced level.

It is this singular measurement—Business English proficiency—which is likely to predict the future upperclass and underclass of global business. Poorly performing workers across the world continue to struggle, and the gap between the high and low scores suggests a dramatic divide that will likely get worse and drive workers in these areas deeper into isolation from the global working world. In today’s highly competitive talent market (in part due to the removal of many former global barriers), employee
retention, engagement, employment branding and passive-candidate recruiting are more important than ever. Companies need to work harder than ever before to provide engaging learning programs that drive the competencies employees need to do their jobs well—and clearly English is one of the most essential and foundational competencies required by any global worker. Because employees realize that their good English skills are an advantage, they have the flexibility to go to industries and organizations where they can command a premium for their skills. This “flight of talent” exists across industries, and companies are exhibiting a willingness to bring in people without industry skills as long as they have good English skills.

The good news is that there is a heightened sense of urgency for improving English skills quickly. According to the GOE study, global workers see an increasing connection between Business English proficiency and career progression and advancement. There is nearly unanimous sentiment—94%—among global workers that English is important, or even required, to get a promotion. And their bosses feel similarly: Ninety-three percent of managers report that they would like their employees to improve their English skills, and about two-thirds of them actually monitor their employees’ progress. This need is driven by workers’ day-to-day activities within their organizations: Fifty-seven percent of employees communicate in English with co-workers (up from 54% last year), and 39% of workers use English with customers (up from 35% last year), showing that English continues to pervade the halls and boardrooms of corporations around the world.

Ninety-one percent of workers report that English is required or important for their job, and 81% of them indicated at least a weekly need for using English. This juxtaposition of obvious need against lack of current skills only heightens the anxiety and urgency to become more proficient in Business English. Nearly one-third (31%) of global workers feel pressure to improve their English skills within the next six months and 71% within the next year.
THE NEW CLASS DIVIDE?

Business English proficiency is a highly valued asset in today’s global workforce. However, the widening gap between industries with the highest BEI scores and those with the lowest continues to increase, and the decreasing BEI among the lowest performers signals reduced workforce efficiency. This creates additional barriers for career progression and over time will place certain industries at risk of isolation from the global marketplace. We have reached a point where we risk creating a permanent underclass of companies, industries and countries that don’t have the basic communication skills needed to compete in the modern global workplace.

Fortunately, global workers are demanding Business English training as proficiency becomes a critical element of career progression and their day-to-day work life, and many managers are also putting pressure on these workers to improve their Business English skills. But a gap often exists between that individual worker’s needs and his/her organization’s commitment to such training. It is only those companies that have committed to comprehensive Business English proficiency within their organizations that have seen healthy gains in skills, efficiency and bottom-line company performance. Those that have not made such commitments risk losing highly skilled employees as well as their overall strategic edge in the global marketplace.

Today’s “flat” world has not only eliminated barriers among people, it has exploded the volume of information that we all absorb, analyze and even create. The CEB report noted that 76% of workers report an increase in the time spent finding and reviewing data and information over the past three years. Also, according to CEB, global executives believe that only 29% of their workforce is functioning at peak performance and they will need a performance increase of 20% this year to meet their business objectives. And in today’s global environment, the surest way to accomplish this objective is to gain proficiency in Business English.

FURTHER READING:

For an infographic and slide deck that summarizes this study, please visit: bei.globalenglish.com.

You may also be interested in seeing how companies at the highest level of global communications maturity are 113 times more likely than those at the lowest level to be efficient, flexible and profitable. Learn more about this research from Bersin & Associates: www.globalenglish.com/enterprise_fluency_maturity_model.

Are you ready to address your company’s Business English proficiency gap or want to see how your company compares to the BEI of others?

Contact GlobalEnglish today at bei@globalenglish.com or +1-650-246-6000 for a free consultation.
RESEARCH METHODOLOGY

The BEI allows corporate leaders to benchmark their workforce’s skills against peers and competitors and can help multinational companies understand Business English competency across geographies and sectors. The 2013 BEI, GlobalEnglish’s third annual release of the index, is the result of a December 2012 analysis of the Business English proficiency levels of more than 212,000 individuals from around the world. Countries with sample sizes smaller than 50 non-native English speakers were excluded from the total, resulting in an index based on 137,000 global respondents.

Employees’ proficiency level is based on two tests: the adaptive GlobalEnglish Business English placement test in grammar, reading and listening, and GlobalEnglish STEP™. The tests assess English skills in the context of business situations, and the scores are validated based upon GlobalEnglish proficiency levels, which correspond to the CEFR. Employees are not incentivized to participate, and employees surveyed in countries for which the official language is English (such as the United Kingdom, the United States and Australia) are non-native English speakers. As the only index focused on measuring Business English proficiency, the BEI is designed to quantify global workers’ competence in using English in the workplace.
ABOUT GLOBALENGISH

GlobalEnglish offers Business English solutions designed to improve the communication and collaboration that drive high performance in a global economy. Without Business English proficiency, global teams are unable to operate successfully across borders, and efficiency and profitability suffer.

GlobalEnglish offers an on-demand suite of Business English solutions specifically designed to produce immediate productivity and performance gains. In blending the latest technology innovations with research on how adults effectively acquire language, GlobalEnglish provides the market’s only comprehensive solution: formal and informal Business English learning, instant on-the-job support for business tasks in English, enterprise collaboration, mobile productivity, adaptive Business English assessments, and the ability to measure usage and proficiency improvements across the company. GlobalEnglish experts located throughout the world help companies maximize the value of their investment through custom analysis and recommendations, coordinated program deployment, and ongoing support in 15 languages. Headquartered in Brisbane, California, GlobalEnglish partners with more than 500 of the world’s leading corporations and enterprises on a global scale, including BNP Paribas, Capgemini, Deloitte, GlaxoSmithKline, Hilton, John Deere, Procter & Gamble and Unisys. Learn more at www.GlobalEnglish.com.

GlobalEnglish is owned by Pearson, the world’s leading learning company. www.Pearson.com.
## APPENDIX

### Business English Index for Top 30 Countries by Size of Labor Force

<table>
<thead>
<tr>
<th>Country</th>
<th>BEI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. China</td>
<td>5.03</td>
</tr>
<tr>
<td>2. India</td>
<td>6.32</td>
</tr>
<tr>
<td>3. United States</td>
<td>5.23</td>
</tr>
<tr>
<td>4. Indonesia</td>
<td>5.57</td>
</tr>
<tr>
<td>5. Brazil</td>
<td>3.27</td>
</tr>
<tr>
<td>6. Bangladesh</td>
<td>*</td>
</tr>
<tr>
<td>7. Russia</td>
<td>3.95</td>
</tr>
<tr>
<td>8. Japan</td>
<td>4.29</td>
</tr>
<tr>
<td>9. Pakistan</td>
<td>*</td>
</tr>
<tr>
<td>10. Nigeria</td>
<td>*</td>
</tr>
<tr>
<td>11. Mexico</td>
<td>3.14</td>
</tr>
<tr>
<td>12. Vietnam</td>
<td>4.61</td>
</tr>
<tr>
<td>13. Germany</td>
<td>5.12</td>
</tr>
<tr>
<td>14. Philippines</td>
<td>7.95</td>
</tr>
<tr>
<td>15. Thailand</td>
<td>4.62</td>
</tr>
<tr>
<td>16. Ethiopia</td>
<td>*</td>
</tr>
<tr>
<td>17. Congo</td>
<td>3.96</td>
</tr>
<tr>
<td>18. Burma</td>
<td>*</td>
</tr>
<tr>
<td>19. UK</td>
<td>6.81</td>
</tr>
<tr>
<td>20. France</td>
<td>5.18</td>
</tr>
<tr>
<td>21. Egypt</td>
<td>4.74</td>
</tr>
<tr>
<td>22. Turkey</td>
<td>3.30</td>
</tr>
<tr>
<td>23. Iran</td>
<td>4.65</td>
</tr>
<tr>
<td>24. South Korea</td>
<td>5.28</td>
</tr>
<tr>
<td>25. Italy</td>
<td>5.10</td>
</tr>
<tr>
<td>26. Tanzania</td>
<td>*</td>
</tr>
<tr>
<td>27. Spain</td>
<td>4.43</td>
</tr>
<tr>
<td>28. Ukraine</td>
<td>4.00</td>
</tr>
<tr>
<td>29. Colombia</td>
<td>3.05</td>
</tr>
<tr>
<td>30. Canada</td>
<td>5.71</td>
</tr>
</tbody>
</table>

Country averages ranged from 2.92 (Honduras) to 7.95 (Philippines).
As a whole, the BEI level of subscribers increased significantly in 2012. Government, education and non-profit sectors continue to have the lowest BEI score. 11 out of 15 industry sectors improved. Most countries improved.

<table>
<thead>
<tr>
<th>Year</th>
<th>Highest BEI</th>
<th>Lowest BEI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>7.54</td>
<td>5.25</td>
</tr>
<tr>
<td>2012</td>
<td>7.61</td>
<td>5.77</td>
</tr>
<tr>
<td>2013</td>
<td>7.93</td>
<td>6.15</td>
</tr>
</tbody>
</table>

The top 20 companies’ scores keep getting higher.

Statistics by: Global English

Of workers were ranked as beginners, down from 38% in 2011. Of workers were at an intermediate level or higher. Only 7% at advanced level.

**BEGINNER**
Able to read and communicate using only simple questions and statements, but can’t communicate and understand basic business information during phone calls.

**INTERMEDIATE**
Can take an active role in business discussions and perform relatively complex tasks.

**ADVANCED**
Able to communicate and collaborate much like a native English speaker.

**BASIC**
Able to understand business presentations and communicate descriptions of problems and solutions, but can’t take an active role in business discussions or perform relatively complex tasks.

**GLOBAL AVERAGE BEI SCORE**
4.75

**Consistent Low Performers**
Honduras 2.92
Columbia 3.05
Saudi Arabia 3.14
Mexico 3.14
El Salvador & Chile 3.24

**Consistent High Performers**
Philippines 7.05
Norway 7.06
Netherlands 7.03
United Kingdom 6.81
Australia 6.78

**Consistent High Performers**
United Arab Emirates 4.29
New Zealand 3.96
Canada 3.88
South Africa 3.91
United States 3.80

**Consistent Low Performers**
Honduras 2.92
Columbia 3.05
Saudi Arabia 3.14
Mexico 3.14
El Salvador & Chile 3.24