

The Business English Index: Understanding the Readiness of Global Companies to Communicate Effectively in the 21st Century

The BEI is now a standard way to view the Business English skill level of companies and industries and allows comparison across industries.

GlobalEnglish, the leading provider of on-demand enterprise solutions for boosting global business performance through effective Business English communications at the world's top companies in more than 150 countries, recently launched the Business English Index (BEI) to track competency in Business English communication across industries and geographies.

In developing this index, GlobalEnglish surveyed more than 105,000 global employees in 152 countries across a wide range of industries to understand how competent global workers are using English in the workplace.



70% of today's global workforce speaks English as a **second language**, yet **only 7%** think they **speak it well** enough to do their jobs.¹

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**.

Introduction

When economic globalization rendered English the de facto language of business, there were a number of unintended consequences. Most critically, enterprises found their business performance—and their plans to expand into new markets—compromised by a workforce that had difficulty communicating and collaborating with each other. The size of the skill gap is huge: 70% of today's global workforce speaks English as a second language, yet only 7% think they speak it well enough to do their jobs.¹

A growing base of evidence demonstrates a clear relationship between effective business communication and financial performance.² However, many global businesses still don't recognize the English skill gap that exists within their workforce and the imperative of developing a workforce with sufficient skills in Business English communication.

It is more than just language skills that businesses require; it is Enterprise Fluency™, the communication, collaboration, and operational proficiency companies must have to profitably expand their global footprint. Lack of Enterprise Fluency is, in short, a huge impediment to business growth in a global economy. A significant component of Enterprise Fluency is the ability to communicate effectively in English in any business situation. The Business English Index was launched to measure competency as it relates to the goal of advancing Enterprise Fluency within global organizations. The BEI is now a standard way to view the Business English skill level of companies and industries and allows comparison across industries. This 2011 BEI report is the first in a series of annual reports on these measures.

The BEI Defined

Workers are not learning English for its own sake; they are developing Business English communication skills as a way to succeed in business, and, in turn, enhance the global performance of the companies they work for. Accordingly, over the last 14 years, GlobalEnglish has partnered with hundreds of companies and tens of thousands of global employees across all industries in more than 150 countries, and in so doing, has been able to understand how companies, departments, and individual employees best apply English skills in the context of their work. Through this experience and the company's affiliation with leading scholars, authors, practitioners, and innovators in the fields of applied linguistics and second language acquisition, GlobalEnglish was able to define specific levels to address a range of Business English competencies.

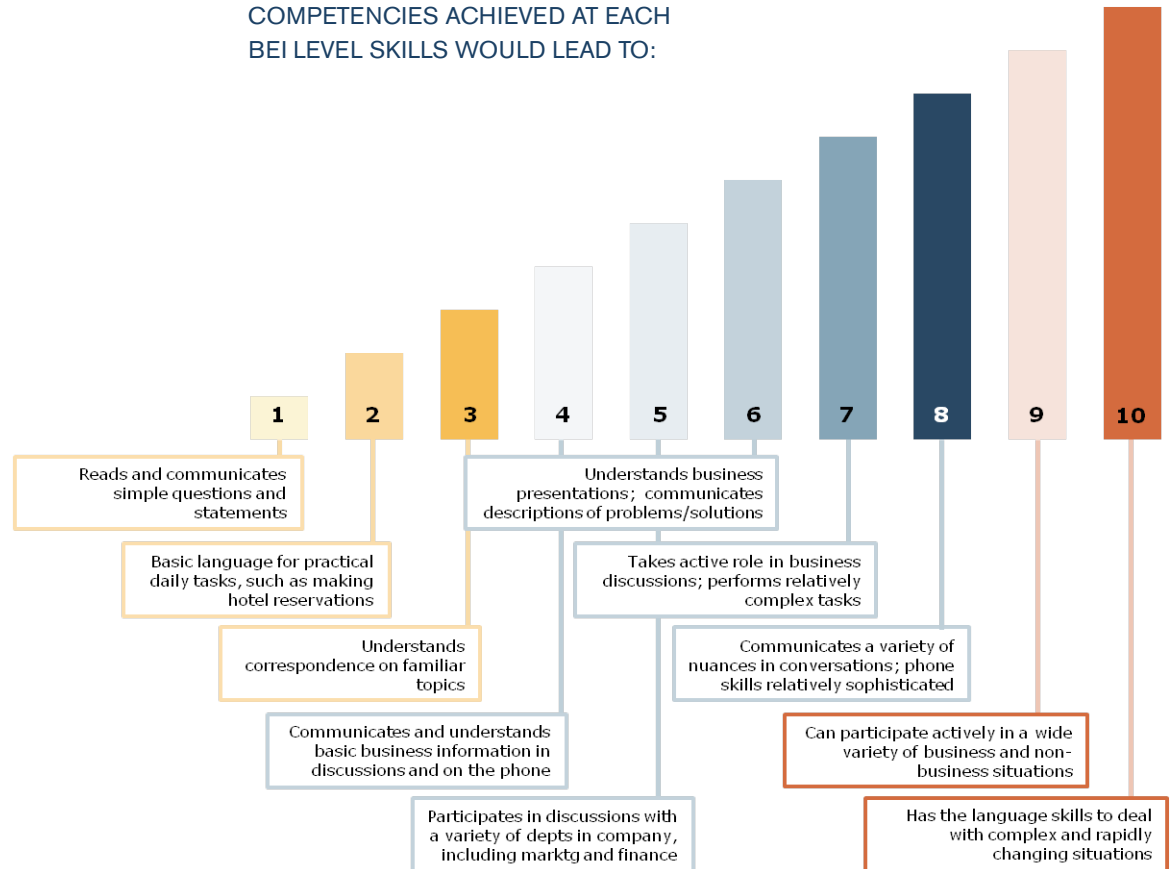
Based on an overall scale of 1-10, the 2011 Business English Index is 4.46, confirming that current Business English skills are insufficient to meet the demands of global business in the 21st century. Although certain companies demonstrated proficiency across a large section of their employee base, they were in the minority. Businesses in every industry are behind where they need to be—most scored below 5.0.

¹ The Globalization of English Report, GlobalEnglish, March 2011.

² The Towers Watson 2009/10 Communication ROI Study demonstrated that companies that are highly-effective communicators had a 47% higher total return to shareholders over a 5 year period.

Each level of the BEI indicates a mastery of certain skills relevant to, and in the context of, business. The following diagram outlines a general summary of the competencies achieved at each level:

COMPETENCIES ACHIEVED AT EACH BEI LEVEL SKILLS WOULD LEAD TO:



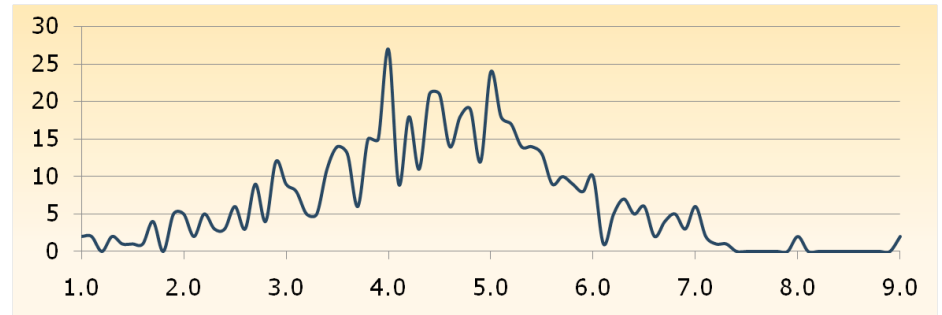
For example, an index score of 1.0 would indicate that the individual could read and communicate using only simple questions and statements but he/she would find it extremely difficult to express anything beyond that. Increases in the index score represent both a greater breadth in the ability to communicate (i.e., through multiple means including phone, in person, email, etc.) and depth of the content of such communication (i.e. understanding and participating in more complex and/or nuanced business discussions). A score higher than 10.0 represents mastery, which is defined as the ability to communicate much like a native English speaker.



Index Distribution across Companies, Industries, and Geographies

Although the Business English Index for 2011 across all industries and geographies is 4.46, the distribution of companies falls across a fairly predictable histogram, with company index scores falling between 1.0-9.0.

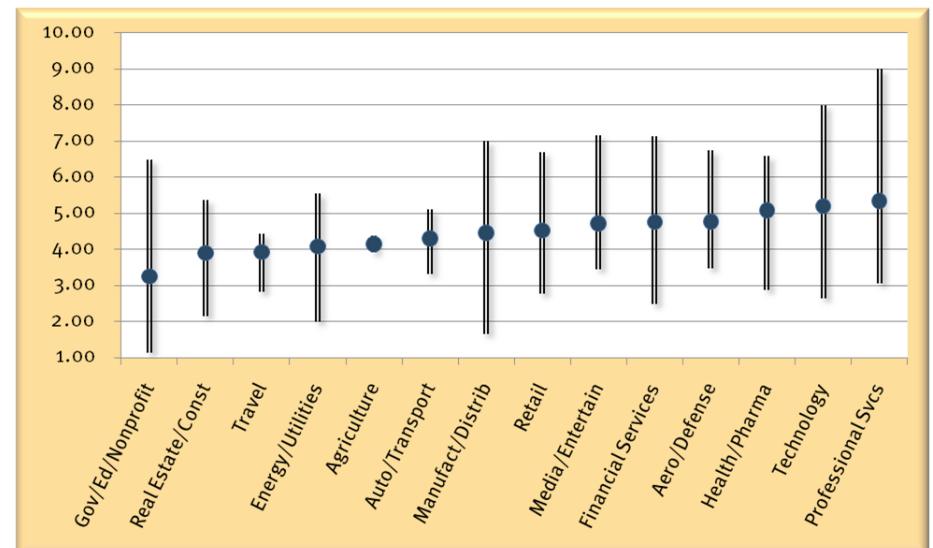
DISTRIBUTION OF BEI LEVELS ACROSS COMPANIES



Only a handful of companies had a BEI above 7.0, including Fidelity National Information Services, Pearson VUE, and Blackboard. As indicated in the chart below, more than one-third (36%) of global companies fell within the index range of 4.0-5.0, while about three-quarters (77%) fell within the index range of 3.0-6.0.

The BEI was also calculated across 14 distinct industries. The graph below illustrates both the average index within an industry as well as the range of index scores among companies in that industry. Although the range of industry averages is fairly narrow (3.26 - 5.34), the range within any given industry is generally wide.

RANGE OF BEI LEVELS ACROSS INDUSTRIES





In its business, **effective communication** across borders, cultures, and industries is a prerequisite for **profitability** and **growth**.

The professional services industry, which includes companies that do consulting, legal, HR, and other business and professional services, leads the group with a BEI of 5.34. However, within that industry, index scores range from 3.1 to 9.0. This relatively strong showing is somewhat expected as businesses in professional services, by their very nature, deal with external communications and personal interactions more often than other industries and therefore require strong communication skills. The other leading industries in the BEI were technology (5.20), health care and pharmaceuticals (5.08), as well as aerospace and defense (4.77).

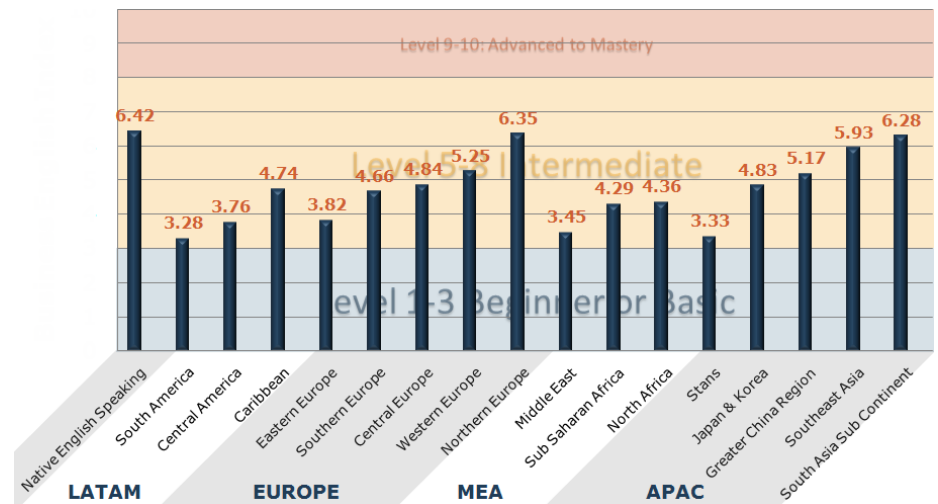
At the bottom of the scale is the government/education/nonprofit sector, with a BEI of 3.26. Such a score translates to an ability to understand correspondence only on familiar topics. As many of these organizations historically have been more locally focused, it is conceivable that they have not put as much emphasis on developing the Business English communication skills of their workforce as companies in technology or health care have.

A leading global professional services company with a BEI of 6.99 is a good example of a global organization whose very success is based on building relationships and value for its clients. In its business, effective communication across borders, cultures, and industries is a prerequisite for profitability and growth. The company ranked as one of the highest-scoring large global organizations in the BEI, which is indicative of its strategic focus on providing its employees with tools to develop the Business English communication skills required for success.

In a borderless business environment, the focus on service and interaction will be key—for a company selling financial products, in agriculture, or even in the nonprofit sector. The ability to stay “local” is becoming more and more difficult as technology, including the rise of social media, is bringing the farthest areas of the globe together and effectively commoditizing many products. This requires companies to differentiate themselves in areas such as services and customization, and invest in the development of their workers, which is, in a sense, requiring every organization to act like today’s professional services businesses.

There is also a wide range in BEI scores across geographies. The index ranged from 3.28 for users in South America to 6.35 for users in Northern Europe.

DISTRIBUTION OF BEI LEVELS ACROSS REGIONS





Regions with high BEI (such as Southeast Asia) may be attributable to either having English as one of their official state languages or a strong history of early English education. There is then a significant gap before the next set of regions, which largely fall in the 4.0–5.0 BEI range. The regions with the most progress still to be made include South and Central America, the Central Asia ‘Stans, the Middle East, Africa, and Eastern Europe. These latter nations are clearly more recent entrants in the global economy and would be expected to lag behind other regions in Business English skill levels.

The Gaps in Enterprise Business English Communication Competence

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 contribute materially in discussions related to business problems, analyses, and solutions.

The inaugural 2011 BEI indicates that most companies have not made progress in all of these dimensions, and the Globalization of English 2010 report supports this conclusion. In that study, only 7% of workers strongly agreed with the statement that their current English skills are sufficient to enable them to do their job, yet 92% say that English is required or important for their job! Clearly, some workers have foundational Business English communication skills, but they cannot use these skills across all of the dimensions outlined above, particularly in dealing with context, multiple media, nuance, and complexity of topic.

In this same study, 70% of respondents said they need to improve their English skills this year, and 92% said they need to improve within two years. Global workers and companies are at a critical juncture; they must recognize the gap that exists within their workforce and institute tools to bridge that gap. The BEI will help companies evaluate skill levels across their organizations and benchmark against their peers.

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Conclusion

In an environment where business is increasingly **global** and work teams, customers, and suppliers are dispersed around the world, there is no more important **talent management** investment than that which enables them to **communicate successfully**.

Given the undeniable connection between company success and effective global communication, the Business English Index was launched as a proxy for companies and industries to evaluate the state of their capabilities on what is arguably the most important business attribute of the 21st century. Global workers need to understand and use Business English not for its own sake, but as a way to communicate in the context of their work. Accordingly, the BEI was developed not to measure English language skills but rather to measure Business English communication competence (in the context of real-life business situations and business communication vehicles), the foundational component of advancing Enterprise Fluency. Companies that have made it a strategic priority to train their global workforce in Business English are clearly reaping results, as there is a direct connection between their employee's skills in Business English and the company's bottom line. Skilled Business English communicators both save time accomplishing their daily tasks and are more effective overall in getting their job done.

But despite this recognized need, there is a formidable skill gap. While the 2011 BEI varies widely across companies and industries, the overall score (4.46) demonstrates this gap between necessary skills and current capabilities. Greater progress has been made in industries such as professional services and technology, but even within those industries there is an extremely wide gap between the highest- and lowest-performing companies. These findings indicate that this gap may narrow over time, as even laggards understand the criticality of global communications in an environment known by many as the service economy.

The Business English Index is, by its nature, a "summative" assessment—that is, one that summarizes the development of a group of learners at any point in time. It does not, in and of itself, give specific direction on how to improve their performance. Therefore, it is imperative that companies and workers use "formative" assessments—those that give immediate feedback on individual performance and suggest ways to progress—as part of strategic initiatives to improve the Business English skills of their enterprise workforce.

In an environment where business is increasingly global and work teams, customers, and suppliers are dispersed around the world, there is no more important talent management investment than that which enables them to communicate successfully. The BEI should serve as a call to action for companies to make this investment and build a productive and effective workforce striving to achieve Enterprise Fluency.