To Improve Global Competitiveness, Break the Business English Barrier

To achieve corporate financial success, effective communication is key—as is having a strategic approach to improving employee skills in the global language of commerce: Business English.
Executive Summary

Today’s global business world is teeming with new opportunities—but they could be out of your reach. That’s because more and more often they’re available only to those companies that have been able to achieve high levels of Business English proficiency across the organization. As the language of commerce, it’s what your employees need in order to work effectively with colleagues, partners and customers. Without it, the effectiveness of all your L&D initiatives is jeopardized, corporate objectives aren’t met, doors close and financial success is impossible to obtain.

Since the demand for Business English skills now exceeds the supply, companies must invest in the development of their employees, as professionals entering the workplace today lack the necessary English skills to succeed in the workplace.¹ Yet relying on general-purpose English courses doesn’t close the gap, leaving many global businesses overwhelmed by the challenge of finding and implementing a strategic Business English development and support solution that will.

Finding a Business English solution to close the English skills gap at your company doesn’t need to be a daunting task. The most effective solution is within reach, and it’s one that considers these four elements: assessment, business orientation, real-world instruction and tools that utilize the 70:20:10 method² and target job-specific needs, and scalable delivery and deployment. Find a solution that addresses them and you’ll quickly move your business toward more effective global communications, better operations and stronger financial results.

Leading in a World of Global Business Requires Effective Communication

Conducting business globally is now the norm for most major corporations: In 2010, world merchandise exports increased by 22% year over year, with exported services up 9% over 2009, according to the World Trade Organization.³ Fortune magazine’s 2011 list of the 10 largest corporations in the world included two based in Europe, three in Japan, two in China, and three in North America.⁴ But with new opportunities come new challenges.

Global success requires clear communication and mutual understanding in many settings and forms, including legal contracts, strategic planning, product research, design and engineering, operational tactics, and sales processes. Without effective communication, a company could deliver something other than what a customer ordered, products could be built to the wrong specifications, and business units could implement plans and tactics
that do not move the company toward its overall goals. And collaboration suffers, much to the company’s detriment: According to a recent IBM global survey, 63% of CEOs see collaboration as one of the three organizational attributes they’re most focused on.⁵

The implications can be staggering: Because of internal communication challenges, a once-dominant mobile phone company failed to capitalize on the groundbreaking advances made by its Asian team on a next-generation phone. Competitors were able to capture its market share. Even poor spelling on websites can cause a company to lose “millions” in online sales through undermined consumer confidence.⁶ Leaders must maintain common brand standards, performance, quality and messages—which requires a common language.

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The Growing Business English Problem

With these challenges in mind, Business English proficiency is now a necessity, not a luxury—and there’s a direct link between a company’s ability to effectively employ global communication and collaboration and the strength of its financial results.⁷

Today, non-native English-speaking workers constitute the majority of employees; in fact, we estimate that there are 175 million now working in large global corporations. They must work across borders, with both each other and customers, in the common language of English. But a GlobalEnglish survey of 26,000 global employees found that although 92% of employees at global corporations report that English is required or important in their current position, only 7% feel that their command of Business English is strong enough to do their job.⁸ And when language creates a barrier, companies face an additional obstacle: Expanding businesses tasked with developing leadership around the globe find the talent pool significantly narrowed.

The annual Business English Index (BEI) measures average skills in companies on a 1 to 10 scale, where 10 represents an ability to communicate and collaborate in the workplace much like a native English speaker and 1 corresponds to an ability to read and communicate using only simple questions and statements.⁹ The graphic below shows the 2012 BEI for various industries.
According to the United Nations World Investment Report, 70% of corporate growth will come from emerging markets, which deepens the need to unify operations and develop local talent.

As the BEI illustrates, no industry, country or region is exempt from this problem, and newer generations of workers have not improved the situation. The Organisation for Economic Cooperation and Development (OECD) suggests that by 2020, 40% of all college graduates will come from China and India. However, the McKinsey Global Institute found that only 13% of those graduates “could successfully work at a multinational company … [because they] lack the necessary language skills.” No executive wants to miss opportunities in new markets, and according to the United Nations World Investment Report, 70% of corporate growth will come from emerging markets, which deepens the need to unify operations and develop local talent.

R&D is also an increasingly international undertaking. Researchers and engineers from around the globe work with each other. Design groups in different countries collaborate to create new products. Companies have moved to globally integrated strategies, making common communication, based on Business English, an imperative, like GlobalEnglish customer, Arrow Electronics, a global provider of electronic components and computing solutions. Camilla Edberg, Arrow Electronics’ EMEA director of talent recruitment and management, says that “We have to deliver consistent and quality English training across EMEA, which can be set to the personal level and requirements of each individual. Staff are incredibly busy, and there is constant business pressure to be more efficient with both time and money. Classroom training in this context is not practical, so it made sense for us to consider an online solution—but it has to be one that delivers!”
Once global operations are established, the need for regional business units and groups to communicate grows exponentially. Companies face compliance and financial performance reporting requirements that may differ not just by country, but by region within countries. Many corporations use shared services models, where a function such as accounting must support a business all around the world. In the case of Emerson, a global technology and manufacturing company, accounting departments in each of its global locations are required to submit to HQ all financial reports, which must adhere to International Financial Reporting Standards—which are in English. This makes proficiency in the language a key factor in getting reports delivered on time and error free.

The Business English challenge is clear, and the communication crisis is real: The demand for Business English skills now exceeds the supply, and if companies cannot hire the skilled workers they need, then they must invest in the development of their current employees—at all levels of the organization. Yet relying on general-purpose English courses won’t close this gap. Employees need to obtain the business-oriented language skills required to get actual work done.

Solving the Business English Skills Problem

Companies must take a strategic approach to solving their Business English skills problem. There are four steps to making a Business English solution work and moving the business toward effective global communications.

1) Start by assessing your workforce

To develop a proper framework for improving Business English, a company must first know where it currently stands. GlobalEnglish’s Business English Index offers an initial benchmark for comparison against industries, countries and peers. The company should also conduct an internal diagnosis, using a combination of interviews of business units and regional or functional leaders, and surveys of enough representative employees to identify the company’s biggest areas of need and current proficiency levels. The diagnostic results can help establish criteria against which to evaluate various solutions.

2) Identify a solution with a strong business orientation

Whatever form of delivery the company chooses to implement, the solution should have a firm basis in Business English, rather than general English. Employees need to develop English communication skills that are applicable to business and can be put to use on the
Employees also need to be able to improve their job performance, so solutions must target job-specific needs.

The 70/20/10 Method

Studies by the likes of performance improvement expert Charles Jennings have shown that knowledge acquisition for a single individual takes three forms:

- 70% occurs through on-the-job experience with tasks and problem solving
- 20% comes from informal learning, such as collaboration, working with role models, getting feedback and observing others
- 10% is achieved through formal courses and programs

Employees also need to be able to understand a technical business discussion or effectively participate in negotiations with a partner.

For these reasons, the solution companies select must be entirely business focused. The language training should be delivered in the context of relevant business situations and should be focused on building business competencies so that employees can relate and apply what they learn to their jobs—instantly.

3) Apply today’s most relevant learning approaches

Contrary to popular belief, most skills learning, particularly for business, does not occur in formal settings such as classrooms. Studies by the likes of performance improvement expert Charles Jennings have shown that knowledge acquisition for a single individual takes three forms:

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That means 90% of learning must be facilitated outside of e-learning, a classroom or textbooks. Any effective solution must be designed in a way such that it incorporates and provides the type of training and support people need, when and where they need it—through formal, informal and on-the-job means.

4) Ensure scalable delivery and deployment

Companies must be able to deliver training and development programs to employees in ways that are compatible with a global organization’s needs and requirements. Delivery must be scalable, and the solutions should be available on demand. Oftentimes companies will want to make sure their solution is customized (the content, platform or product...
Companies should look for solutions with on-demand reporting and measurements that help them review results relating to linguistic progress, specific business competencies, and workplace performance gains at the individual and aggregate level, as well as letting them calculate companywide return on investment (ROI).

Cloud-based and SaaS platforms, which use technology for delivery, can both play a vital role in ensuring that Business English solutions are available to the widest employee population, allowing for scale and easy access. Employees need access to tools wherever their work takes them, whether they are on their desktop or their mobile device.

Finally, to gain the greatest value from the program, there should be visibility into success metrics. Specifically, companies should look for solutions with on-demand reporting and measurements that help them review results relating to linguistic progress, specific business competencies, and workplace performance gains at the individual and aggregate level, as well as letting them calculate companywide return on investment (ROI).

Summary

Business English proficiency is a critical but often underappreciated issue for global corporations. A lack of skills necessary to complete workplace responsibilities will lead to operational difficulties and strategic limitations, affecting relationships with both employees and customers.

To ensure that their non-native English-speaking employees have sufficient skills in this area, global businesses must employ a scalable solution focused on developing and supporting these employees’ specific Business English needs.

For more information on how to choose and implement an enterprise Business English program, visit GlobalEnglish’s website at www.GlobalEnglish.com.

2 http://www.slideshare.net/charlesjennings/the-702010-framework


14 http://www.globalenglish.com/whatpeoplesay/testimonials


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