



DVI TEK

business solutions

7512 Bancroft Circle, Fort Worth, TX 76120

e-mail: info@dvitek.com Phone: 817-909-8829 FAX: 817-548-9751

www.dvitek.com

THE COST OF POOR ENGLISH TO BUSINESS

The cost of poor English to businesses has long been a subject of debate. In this report DVI TEK reveals new evidence that pinpoints the tangible costs of poor English standards to businesses, and offers straightforward advice to companies that have a desire to remedy one of Asia's biggest human resource problems.

The debate over the costs of poor English continues for the simple reason that even the best management consultants find it hard to put a price on the real costs. The most intangible issue is the effect poor English has on weakening a company's brand value and image in the market. More tangible, but nonetheless hard to predict, is the amount of lost business due to poorly written proposals. All in all it adds up to losses, but these losses have always been hard to measure.

POOR ENGLISH CASUALTIES:

-  Lost Business Opportunities
-  Productivity Losses
-  Brand Weakness
-  Image Weakness

NEW FINDINGS

Three of the four casualties are hard to determine in a dollar amount. However, new research findings show that, aside from the intangible costs there is another direct cost of poor English that can be calculated right down to the last cent - labor cost.

DVI TEK conducted a research project for two of its clients. Only the results are revealed in this White Paper at the request of our clients.

The findings show the enormous labor costs if senior management staff become "editors".

Although these companies are both located in Asia and for their employees English is a foreign language; a similar problem exists right here in the United States. Poor spelling and grammar in letters and e-mail messages to clients reflects badly on the sender in particular and the company as a whole.



DVI TEK

business solutions

7512 Bancroft Circle, Fort Worth, TX 76120

e-mail: info@dvitek.com Phone: 817-909-8829 FAX: 817-548-9751

www.dvitek.com

OVERPAID EDITORS

CASE STUDY 1

The research found that Client A (a large multinational business) had no less than 58 senior staff, earning an average of HK\$59,680 per month, spending an average of 30 minutes a day editing their colleagues' work into presentable English. This equates to productivity cost of HK\$3,730 per month, per employee that is editing.

When this cost is calculated for the whole company (i.e. 58 people) the costs amount to HK\$216,340 per month or HK\$2,685,600 per year.

CLIENT A - LARGE MULTINATIONAL BUSINESS

Number of Senior staff editing colleagues' work:	58
Average time spent editing colleagues' work	30 Minutes per day
Average Salary:	HK\$59,680 per month
Monthly labor cost:	HK\$216,340
Annual Labor Cost:	HK\$2,685,600

Thirty minutes of a staff member's day equates to one-sixteenth of their time if we assume an eight-hour working day.

Expressed as a sum this equates to $HK\$59,680 \times 1/6 = HK\$3,730$ per month per staff member x 58 staff = HK\$216.340 per month,

The rate of exchange for US Dollars to Hong Kong Dollars fluctuates around 7 to 1. This equates to approximately \$30,905.00 per month.

Added to this definitive cost is the intangible cost of the senior members of staff being removed from the core role that they have been employed for. For example, if a marketing director spends half an hour a day editing colleague's grammar, that's half an hour that they are not marketing, and hence potential lost opportunities for the business.



DVI TEK

business solutions

7512 Bancroft Circle, Fort Worth, TX 76120

e-mail: info@dvitek.com Phone: 817-909-8829 FAX: 817-548-9751

www.dvitek.com

CASE STUDY 2

Client B, a leading international property management company, spent even more time than Client A ensuring that their English quality was of a respectable standard Client B's senior managers spent fully one-twelfth of their day editing colleagues' work, or a month out of every year. DVI TEK's research for Client B encompassed five regional offices as well as their Hong Kong headquarters.

CLIENT B - MEDIUM SIZED MULTINATIONAL BUSINESS

Number of senior staff editing colleagues' work:	18
Average Time spent editing colleagues' work	40 minutes per day
Average salary:	HK\$92,600 per month
Monthly Labor Costs:	HK\$138,900
Annual Labor Costs:	HK\$1,666,800

AVERAGE COMPANY COSTS

According to independent figures from HR consulting company, Watson Wyatt, the average salary for management positions in Hong Kong is as follows:

	HONG KONG DOLLARS PER MONTH	APPROXIMATE US DOLLARS PER MONTH
Top Management	HK\$125,000	\$17,857.00
Senior Management	HIC\$75,000	\$10,714.00
Middle Management	HK\$40,000	\$5,714.00
Salary for management do not reflect any increases from the original Watson Wyatt report.		

If we take the Watson Wyatt figures above and then ask how much time senior staff members in these positions spend editing colleagues work, we can begin to get a clearer picture of the labor costs across companies, and therefore across the Hong Kong and Asian economy as a whole.



DVI TEK

business solutions

7512 Bancroft Circle, Fort Worth, TX 76120

e-mail: info@dвитеk.com Phone: 817-909-8829 FAX: 817-548-9751

www.dvitek.com

IS ENGLISH REALLY A PROBLEM?

Judging from the amount of time and money Clients A and B invest each month ensuring high quality English, it is clear that there is a significant problem, not just in Hong Kong, but also in many regional jurisdictions.

There are also other facts that point to the rot setting in Hong Kong. In a 2001 survey carried out by an amalgamation of 12 chambers of commerce in Hong Kong, including the British and American Chambers of Commerce, the results showed that satisfaction with the quality of English language among corporations had fallen to an all time low of just 3%.

A REGIONAL PROBLEM

According to independent statistics from the International English Language Testing System (IELTS), students in Asia "show greater competence in their Listening and Speaking skills relative to their skills in Reading and Writing" - see Fig 1 below. This suggests that more effort needs to be spent on training staff to write better English.

In Fig 2 below we can see the consensus English competency scores of seven Asian nationalities. Taiwan is judged to have the worst English ability from the seven listed, and Malaysia is judged to have the best - but standards remain persistently low; highlighting the need for regional solutions to English communication skills.

Fig 1	
Module	Academic Candidates
Writing	5.52
Reading	5.74
Listening	5.92
Speaking	6.05

Fig 2.	
Asian Nationalities	Score
Taiwanese	5.15
South Korean	5.28
Chinese Mainland	5.46
Thai	5.5 1
Chinese (Hong Kong)	5.58
Japanese	5.69
Malaysian	6.39

Note: In Fig 1 and 2 a higher figure denotes higher competence

Source: IELTS and Revkw 2000/2001



DVI TEK

business solutions

7512 Bancroft Circle, Fort Worth, TX 76120

e-mail: info@dvitek.com Phone: 817-909-8829 FAX: 817-548-9751

www.dvitek.com

SUGGESTIONS FOR IMMEDIATE AND SUSTAINABLE IMPROVEMENT

DVI TEK has found that many second-tier and local companies do not place much value on high quality English communication, believing that the problem pervades so deeply into day-to-day business that they are 'just as bad as everybody else. However, this is where the astute corporation can win business from their more lackadaisical competitors. Companies wanting to dramatically improve the quality of English communication inside their company should take the following simple two-pronged approach:

- Establish a thorough testing system that can grade all staff that are expected to communicate internally or externally in English. Once the testing is carried out, a comprehensive training program should be embraced whereby employees can raise their level of written English to levels that are acceptable, both to the company and external clients;
- Simultaneously outsource all written English communication from staff members that do not meet the company's expectations in terms of existing written English quality, until such time that English skills are upgraded to standards expected by senior management and external clients.

COMMUNICATIONS

It is absolutely clear that the winners in any economic environment lead the field in communication, as good communication translates into increased brand value, increased productivity and increased business.

Communication starts at the basic level of communicating effectively in the preferred language choice of the customer. Companies that choose to ignore this fundamental truth do so at their peril. Companies continuing to try and bridge the problem by employing senior staff to undertake editing, never solve the root of the problem, and they continue operating at much reduced productivity levels.

Clearly, for Hong Kong, the statistics in this report speak for themselves. Improving English writing skills in the workplace has to be a priority area for investment in training, and the proactive utilization of outsourcing to high quality English editing services must be considered in order that companies do not suffer large productivity losses.

DVI TEK offers consultative studies for clients and prospective clients who would like to measure their productivity costs due to written English. All interested parties will be treated in strict confidence.

DVI TEK offers online benchmarking of staff's written English skills at a cost of HK\$100 per member of staff. The benchmarking costs are fully refundable by the Hong Kong Government if the tests are followed by recognized courses and examinations.

DVI TEK conducts comprehensive online written English training courses at Lower-intermediate, Intermediate and Advanced levels. All courses are 50% refundable by the Workplace English Training Campaign. For more information please contact info@dvitek.com