The Communication Challenges of Offshoring to India

Why the current approach to offshore training is failing to maximise your customer experience

Culture & Communication Skills Consultancy
Introduction

Recent years have seen explosive growth in the offshoring and outsourcing of services to locations as diverse as India, the Philippines, South Africa and Eastern Europe. Whether it be customer service, technical support, sales or back office support, organisations across all industries are actively exploring how offshoring can benefit them and their customers.

Although cost savings and easy access to large pools of skilled workers remain the key drivers, these same offshore locations also promote the promise of improved customer service as an equally important motivator for moving offshore. However, while the growth in the outsourcing and offshoring of customer support services has delivered significant financial savings, the promised improved levels of customer service have yet to be realised. Instead, it has generated a number of unique communication challenges for which the industry has yet to find all the answers.

This white paper aims to describe what the main communication challenges are for the industry with a specific focus on offshoring in India and how, by developing the communication skills of your offshore personnel, you can deliver a world-class service and maximise your customer experience.

Where Are We Now?

Early on, companies such as General Electric and IBM recognised the value of investing in India. With over a billion inhabitants, stable economic and political environments and, perhaps most importantly, a highly skilled and educated English-speaking population, India offered GE and IBM a wealth of opportunities. Since then, the influx of almost every major US and UK corporation combined with home-grown multinationals such as Tata and Wipro has seen competition for graduate recruits increase to unprecedented levels in India.

India currently employs more than 348,000 people in the BPO industry. It is predicted that by 2009 more than 1 million people in India will be working in the offshoring and outsourcing sector. Numbers like these combined with the socio-economic factors outlined above offer a clear indication as to why 60% of offshored business from western companies goes to India.\(^1\)

Initially, training carried out to develop Indians’ interactions with US or UK customers often focused on acquiring an American or British accent and adopting a US or UK name. Many of you will probably have been in contact with a “Chuck” or “Peter” with a noticeable Indian accent who refused to give his location or, worse still, claimed to be based in Florida or Newcastle. Fortunately, in the majority of cases, this no longer happens and Indian agents are encouraged to use their real names and state where they are based.

However, the current panorama is not what it seems. Although initial demographic research by the Indian government predicted a renewable and plentiful source of English-speaking Indian graduates, the reality is much different. As more contact and support centres open, the pool of qualified English speakers in these locations is shrinking rapidly, placing increasing pressure on internal HR departments to find suitable recruits to undergo training. This stress point has often led to compromises that have resulted in recruits undergoing training that they are neither experienced nor qualified to receive.

In addition to base language difficulties, higher level communication skills are not being developed properly by current training regimens. Only recently, an industry survey\(^3\) concluded that 56% of UK consumers believe they receive inferior service from offshore call centres and 51% of UK consumers were “appalled” by call centres outside the UK. The same survey revealed the call centre operatives’ lack of cultural understanding as the main inhibiting factor in communication between offshore call centres and UK-based consumers.

Given these statistics, one would think that BPOs and companies with outsourced operations are taking strong corrective action. Yet, there is a disconnect between the industry’s view of the situation and the customers’ view. A survey recently conducted in the US found that outsourcers claim that 65% of their customers are highly satisfied with the service they receive. However, that same survey concluded that only 22% of customers were found to be highly satisfied with the service they receive. A similar survey of UK consumers\(^5\) concluded that 31% would either refuse to give business or switch from companies that utilised offshore call centres.

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1. Nasscom, August 2005
2. South Asia Analysis Group, December 2005
3. The Observer, 17 September 2006
4. CMP Media, 7 September 2006
5. Harris Interactive, July 2005
Unsurprisingly therefore, the trend of negative reporting on the industry, evident in higher numbers of customer complaints, reduced customer retention and backlash to offshoring, has persisted. If companies are going to continue to offshore their call centre services, strong and proactive measures must be taken in order to reverse this trend of disapproving public opinion.

It is clear from the presented studies and surveys that communication and developing communication skills remain core issues for companies seeking long-term success in offshoring and outsourcing. More importantly, remaining stationary in our approach to offshore training is not an option. As the industry matures, it is essential that we continue to evolve our understanding of the factors that influence the outcomes of customer interactions in a contact centre context. Only by understanding the communication challenges facing offshore call centres will the promised higher levels of customer service, improved rates of customer retention and, ultimately, the expected cost savings be realised.

Communication Challenges in Offshore Call Centres

What are the communication challenges that customer service representatives face in offshore contact and technical support centres? A recent survey completed by Blue Prism LTD found that 60% of UK respondents experienced problems with offshore call centre representatives not being able to understand their reason for calling, their accent and their native UK cultural affinities.

This survey highlights several challenges which can be separated into two basic categories:

- base language skills such as grammar, vocabulary, pronunciation/accent and comprehension
- high level communication proficiency in soft skills areas such as empathising with customers, building rapport, active listening, and cross-cultural management skills

This second area is the more challenging – the 1% that makes all the difference - and often the more important of the two areas. However, conversely it is the most difficult to train effectively for as current approaches to training have proven to be ineffective and worse, counterproductive.

Cultural Communication Skills

At the heart of the problem is culture. US and UK companies tend to implement training programmes in offshore locations that ignore the cultural variables and differences in that offshore location. This is often a disastrous choice which leads to failed training programmes, alienation of the offshore staff and, ultimately, poor performance results.

Many current training programmes fail to take culture into account on two levels. First, training methodology and delivery often does not take into account local learning behaviour. Many training programmes in the US and UK tend to be collaborative efforts between trainees and trainer, whereas in many of the cultures where contact centres tend to be offshored, the trainer-trainee relationship is typically more hierarchical and therefore requires frequent high-pressure assessments in order to maintain motivation and participation.

The second failure in offshore training programmes is found in the actual content of the training materials. Too often, training materials are simply transferred from the US/UK location to the offshore location which leads to a disconnect and confusion. Companies need to recognise that they are hiring and training a vastly different workforce in offshore locations, with very distinct needs and skill set requirements. For example, call centre representatives in the US generally have no more than a high school education and training materials reflect this. However, in most offshore locations, such as in India and the Philippines, call centre employees are required to have university-level education. Thus there is a gulf between the needs of the trainees and the materials and processes provided.

A final, yet extremely important point, is the matter of training for managers and executives in the offshore location and for managers and executives in the North American or UK “home” offices. Significant miscommunication, lack of trust and missed opportunities occur due to a lack of effective cross-cultural communication. For instance, directness for northern European/Anglo-Saxon cultures is a sign of honesty, trust and respect. In many other cultures that directness is taken for rudeness and disrespect, and of course the same is true in the reverse for cultures that tend to be indirect with cultures that appreciate directness. This type of misunderstanding causes needless conflict, seemingly endless discussions and high levels of distrust and friction between head offices and offshore management which can be avoided with an increased understanding of how people from other cultures communicate.
A Cultural Approach to Training

Accepting that culture lies at the heart of offshore success; not only in enriching the customer experience but also to improving communication between offshore and ‘home’ operations, the challenge now is to identify the change that needs to be implemented. A new approach to offshore training and collaboration must be implemented that takes into account both the cultural differences and cultural needs in the offshore location.

First, companies must conduct a “cultural audit” in the offshore location in order to best understand business practices and cultural values. This will not only provide insight into how to best approach offshore personnel, but it will also reveal the cultural “gaps” which front-line offshore customer service representatives demonstrate.

A cultural approach to training will address a host of issues facing offshore contact and technical support centres, not least of which is overall customer satisfaction. By training customer service representatives to step into the customers’ “shoes” through focusing on Empathy and Rapport building skills, for example, companies will see dramatic improvement across the board.

Empathy and Rapport

What is Empathy & Rapport?

Empathy is the “ability to identify with and understand another’s situation, feelings and motives” while Rapport is often defined as “the development of a relationship of mutual trust.”

Its importance in customer satisfaction ratings cannot be underestimated. A recent study by Communicaid of some of the largest US and UK companies with offshore call centres revealed that more than 63% of companies rated Customer Service or Agent-Customer Rapport as one of their top three challenges.

The challenge for offshore and outsourced businesses is that both Empathy and Rapport can be demonstrated quite differently in different cultures. To expect offshore customer service representatives to understand this simply because they have watched Hollywood movies and episodes of “Friends” or “The Office” is foolhardy. Yet, when companies do attempt to relay some cultural information about their customers, it is usually from sources like these. While these sources may demonstrate some aspects of surface culture, they do not delve into the cultural variables of customer values and motivations. Focusing on why the customers act the way they do and expect service in the way they do will add to the customer service representatives’ skills set and lead to higher customer satisfaction.

Base Language Challenges

While a lack of cultural awareness and intercultural skills is a major impediment to successful communication between customers and customer service representatives, the quality of base language skills of the representatives is deteriorating at a rapid pace. As the pool of recruits is widened to deal with the ever-growing demand placed on offshore contact centres, the quality of the language skills of those recruits is dropping dramatically. According to analyst Gartner, the problem lies in the shortage of recruits with sufficient English skills.7 Dan Sandhu, Chief Executive of Vertex India concurred, saying that only a small percentage of English-speaking university graduates in India have the necessary language skills to be successful in customer interaction.8

With fluent and experienced English speakers on the decline in offshore locations, contact centre training departments have been forced to deal with a new set of problems and skill gaps, which they are often unprepared to face. Trainers and training departments must adapt to this situation by augmenting their training regime, time frame and expectations with improved training materials, delivery and methodology.

Accent and Clarity

Most offshore call centres conduct some sort of “accent reduction” or “accent neutralisation” programme. These training programmes focus on reducing aspects of the speakers’ First Language Influence (FLI) on their spoken English. Training includes practice in creating certain sounds of English that are difficult for the trainees or do not exist in their native language (usually sounds like “aw” or “ch” or “v/w”). Trainers conduct drilling exercises, choral practice and repetition to inculcate trainees with the form of these sounds and patterns of speech reflected in intonation and word stress.
While moderately successful at the beginning of the offshore call centre boom several years ago, because of the decreasing English skills of recruits, these techniques are no longer enough to ensure that trainees come out of training onto the production floor with adequate and understandable speech. Moreover, practice and application of these “new” sounds and speech patterns tend to stop at the end of training. The result is that trainees are able to reduce their accents during training, but because of the lack of follow-up training and support during process training and on the production floor, much of the improvement in speech clarity is lost even before it is used.

Grammar and Vocabulary

Many offshore locations are attractive to companies precisely because they have a seemingly endless supply of competent English speakers, particularly in India, the Philippines and South Africa. However, as stated before, the number of highly fluent English speakers is decreasing and companies are being forced to widen their search to include people with lower English speaking abilities. Trainers are now facing an ever increasing number of trainees who demonstrate an incomplete knowledge of the basics of English grammar.

Trainers and training departments are now scrambling for resources and training for themselves even while HR departments are being forced to recruit lower skilled personnel and are at the same time pressured by Operations teams to certify trainees who do not have the requisite language ability to succeed on a call. Training departments really are stuck in the middle, caught between a personnel crunch and operational requirements.

Training Solutions

How can training departments deal with this situation? First, trainers must augment their current skill set with specific training on how to assess and teach language. A deeper understanding of English language characteristics combined with basic linguistics training will greatly improve the trainers’ understanding of the needs of their trainees and how best to address those needs.

Second, the training programme itself must be audited for effectiveness and be upgraded as needed in terms of content, length of training and ultimate training and performance objectives. Key to this is ensuring that all training material is contextualized for the industry in which the trainees will be working.

Ongoing Coaching and Support

Another major aspect of training is the continued support that trainees and representatives receive. Language and communication training is a long process, involving the adaptation and adoption of new skills and new ways of thinking and speaking that take time to become a natural part of a person’s communication. Training departments and offshore centres cannot have the mindset that once initial training is over, the skills learned will remain.

Without constant monitoring, coaching, feedback and revision, call centre representatives will not retain their new communication skills. Ongoing coaching sessions and regular mandatory assessments will engage employees and reinforce positive behaviours while at the same time it will help prevent agents from slipping back into undesirable habits.

Trainer and Coach Training

A final major weakness in offshore contact centre training is with the trainers and coaches themselves. There is too little uniformity and consistency in training and coaching, especially in assessment and evaluation. Trainers often do not have a clear picture of the performance objectives that they are training employees to reach. This muddies the waters when it comes to assessing both the success and failure of individual trainees, and the success and failure of representatives on the floor taking calls. Clearly written, properly communicated, objective and reasonable performance objectives must be at the forefront of every trainer’s mind.

At the same time, the training department must provide trainers with the proper background and skills in order to be successful. Very often, this training consists of generic text on “adult learning theory” or vague “steps to success” in the training classroom. Trainers must be given better tools than this; basis in training methodology, lesson development and delivery, techniques specific to subject material (cultural awareness, soft skills, English language proficiency, etc) are a few of the many tools which should be provided. Finally, trainers and coaches must be constantly trained and calibrated on proper assessment techniques.
Conclusion

There has been some improvement in offshore training programmes over the past five or six years as companies realise the value of increased focus on communication training in offshore centres. However, as the pool of potential recruits widens, communication training programmes and trainers must adapt to incoming trainees with much lower English abilities than seen before.

Training materials and techniques developed five years ago are no longer 100% valid for today’s training needs. In addition to updating materials, the communication trainers themselves must enhance their skills set with training in basic linguistic theory and a deeper understanding of the characteristics of English grammar & pronunciation. Companies must not stop there. The current cursory approach to training cultural issues is failing, and that missing 1% which ensures maximum customer experience has proven difficult to obtain.

Most companies are still unable to deliver an offshore service which recreates the levels of empathy and rapport which can be found in centres located in North America or the United Kingdom. In order to do that, companies must remember the importance of not imposing North American or UK cultural values on local business culture or training. All training, both in materials and methodology, must reflect local cultural sensitivities and be customised per location and cultural need. A cultural approach to training must be taken in order to ensure that customer service representatives are empowered to reach their full potential.

The offshore contact centre industry is continuing to grow with few signs of slowing down. At the same time, “horror” stories about offshore contact centre experiences are increasing and spreading. Companies must take the lead and shift ever more attention to culture and communication training in order to abate the negativity surrounding offshoring and to realise the ultimate benefits of offshored contact centres: increased customer satisfaction combined with highly skilled staff and significant cost savings.

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William joined Communicaid in 2003. An American national, William is an experienced Instructional Designer with experience of developing and delivering Communication Skills training in India, the Philippines, US, UK and China. William also has extensive experience in developing and delivering coach and operations calibration sessions and training. In addition, William serves as the project manager for Communicaid’s offshore development efforts.

About Communicaid

Communicaid is a Culture and Communication Skills Consultancy. We construct cultural bridges that enhance understanding and build trust, enabling our clients to create long-lasting, profitable international relationships.

Over the last five years, Communicaid has been at the forefront of assisting organisations to maximise the customer experience of their offshore contact, sales and support centres. Our range of solutions focus on improving the customer service skills and interaction of offshore agents.