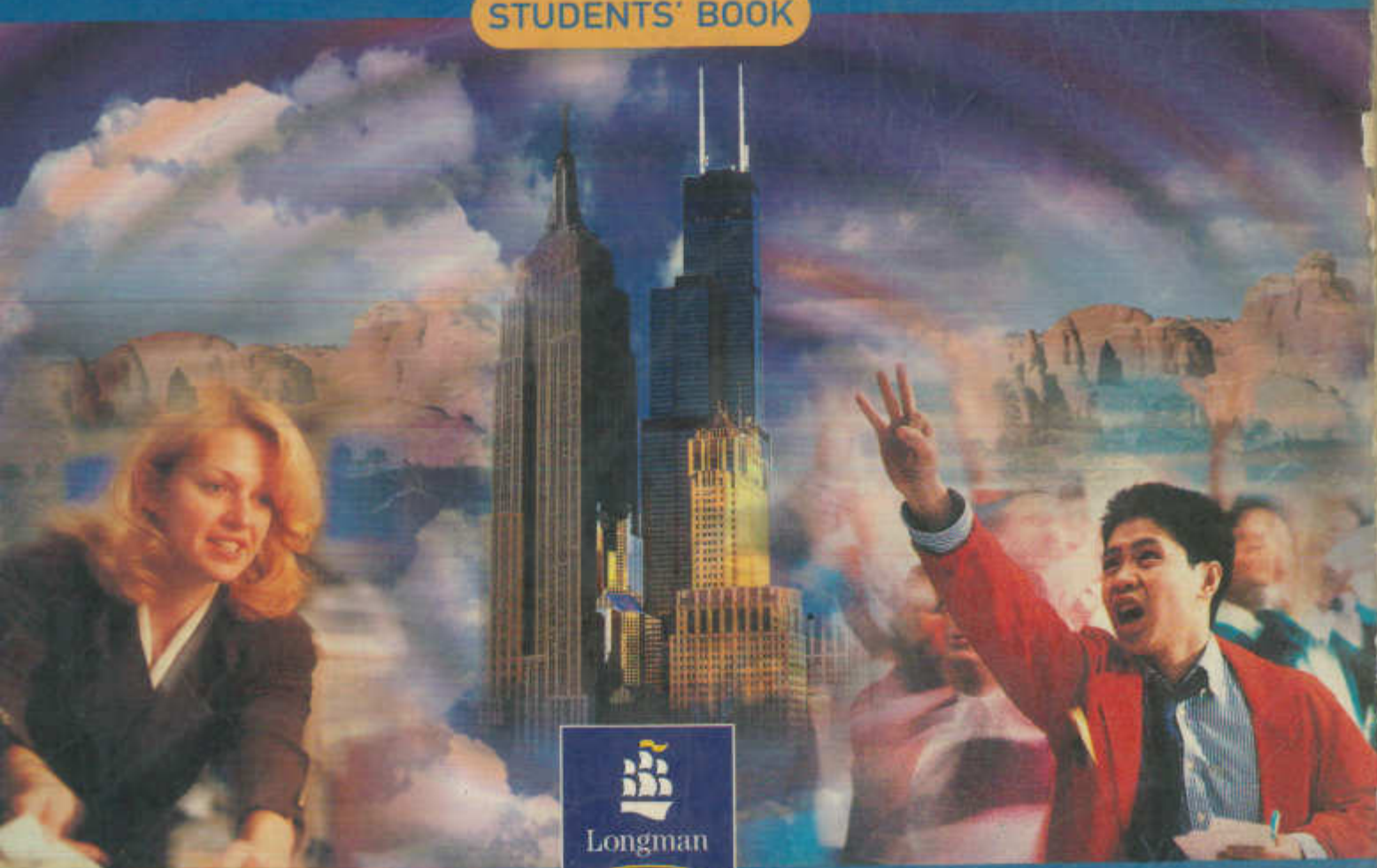


# NEW INSIGHTS — into — BUSINESS

Graham Tullis   Tonya Trappe

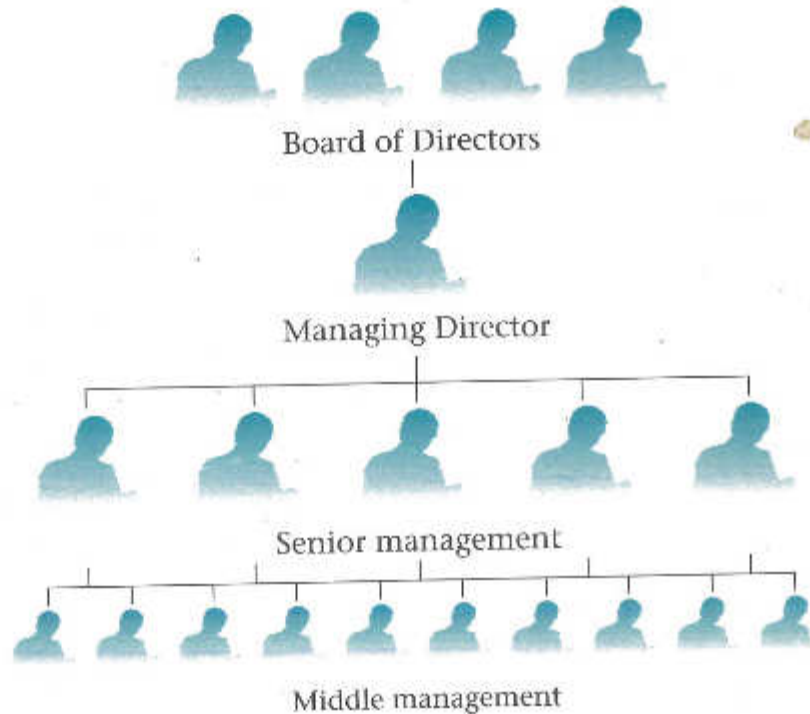
STUDENTS' BOOK



## 1

## Company Structures


**Key vocabulary** Most companies are made up of three groups of people: the **shareholders** (who provide the capital), the **management** and the **workforce**. The management structure of a typical company is shown in this **organisation chart**.



At the top of the company hierarchy is the **Board of Directors**, headed by the **Chairperson** or **President**. The Board is responsible for policy decisions and strategy. It will usually appoint a **Managing Director** or **Chief Executive Officer**, who has overall responsibility for the running of the business. **Senior managers** or **company officers** head the various departments or functions within the company, which may include the following.

- |  |   |
|--|---|
| a <b>Marketing</b>                           | e <b>Finance</b>                                    |
| b <b>Public Relations</b>                    | f <b>Production</b>                                 |
| c <b>Information Technology</b> or <b>IT</b> | g <b>Research and Development</b> or <b>R and D</b> |
| d <b>Personnel</b> or <b>Human Resources</b> |   |

**Lead-in**

**1**  Listen to seven people talking about their work and decide which department each one works for.

- 1  2  3  4  5  6  7

**2** Philips is a major multinational company which has almost 30,000 trademarks registered worldwide. In groups, study the organisation chart below.



**PHILIPS**

*Let's make things better.*



Match these products to the sectors below which they come from.

- faxes    mobile computing products    X-ray equipment    hairdryers    lamps

Sectors

**Philips Business Electronics**

Products include:

- digital video-communications systems
- 1 \_\_\_\_\_
- speech processing

**Philips Components**

Products include:

- display components
- general systems components

**Philips Consumer Electronics**

Products include:

- video: TV, VCR
- digital video DVD, internet, digital TV, digital cameras
- mobile phones
- 3 mobile computing products

**Philips Domestic Appliances and Personal Care**

Products include:

- personal care: shavers, 2 \_\_\_\_\_, suncare
- domestic appliances: vacuum cleaners, food processors, blenders, coffee makers

**Philips Lighting**

Products include:

- 4 \_\_\_\_\_
- lighting electronics and gear

**Philips Medical Systems**

Products include:

- 5 \_\_\_\_\_
- ultrasound

**Philips Semiconductors**

Products include:

- telecom terminals
- emerging business e.g. Trimedia

## Reading

1 Before reading the text below about Philips, decide whether you think these statements are true (T) or false (F).

- 1 It is the world's second biggest electronics company.
- 2 It has produced over 100 million TV sets.
- 3 Its headquarters are in Amsterdam.
- 4 It was the first company to produce compact discs.
- 5 It is active in a small number of specialised businesses.
- 6 It provides the lights for famous landmarks such as London's Tower Bridge.

Read the text and check your answers.



Back Forward Reload Home Search Netscape Images Print Security Stop
What's Related

NetSite: <http://www.news.philips.com>

### The Philips Story

1 The foundations of the world's biggest electronics company were laid in 1891 when Gerard Philips established a company in Eindhoven, the Netherlands, to manufacture light bulbs and other electrical products. In the beginning, it concentrated on making carbon-filament lamps and by the turn of the century was one of the largest producers in Europe. Developments in new lighting technologies fuelled a steady programme of expansion and, in 1914, it established a research laboratory to stimulate product innovation.

5 In the 1920s, Philips decided to protect its innovations in X-ray radiation and radio reception with patents. This marked the beginning of the diversification of its product range. Since then, Philips has continued to develop new and exciting product ideas like the compact disc, which it launched in 1983. Other interesting landmarks include the production of Philips' 100-millionth TV set in 1984 and 250 millionth Philips electric shaver in 1989.

### The Philips People

30 Royal Philips Electronics is managed by the Board of Management, which looks after the general direction and long-term strategy of the Philips group as a whole. The Supervisory Board monitors the general course of business of the Philips group as well as

35 advising the Board of Management and supervising its policies. These policies are implemented by the Group Management Committee, which consists of the members of the Board of Management, chairmen of

40 most of the product divisions and some other key officers. The Group Management Committee also serves to ensure that business issues and

45 practices are shared across the various activities in the group.

### The Philips Company

15 Philips' headquarters are still in Eindhoven. It employs 256,400 people all over the world, and has sales and service outlets in 150 countries. Research laboratories are located in six countries, staffed by some 3,000 scientists. It also has an impressive global network of some 400 designers spread over twenty-five locations. Its

20 shares are listed on sixteen stock exchanges in nine countries and it is active in about 100 businesses, including lighting, monitors, shavers and colour picture tubes; each day its factories turn out a total of 50 million integrated circuits.

The company creed is 'Let's make things better'. It is committed to making better products and systems and contributing to improving the quality of people's work and life. One recent example of this is its 'Genie' mobile phone. To dial a number you just have to say it aloud. Its Web TV internet terminal brings the excitement of cyberspace into the living room. And on travels around the world, whether passing the Eiffel Tower in Paris, walking across London's Tower Bridge, or witnessing the beauty of the ancient pyramids of Giza, you don't have to wonder any more who lit these world

50 famous landmarks, it was Philips.

6

<http://www.news.philips.com>



3 Complete the passage using words from Vocabulary 1 and 2 in the correct form.

The key to Philips' success can be described by two words. The first is <sup>1</sup> innovation; the company designers are continually developing and creating new products. The second is <sup>2</sup> \_\_\_\_\_; Philips is active in about 100 businesses varying from consumer electronics to domestic appliances and from security systems to semiconductors. With such a wide <sup>3</sup> \_\_\_\_\_ of products the company needs a complex system of management. Each product <sup>4</sup> \_\_\_\_\_ has its own chairman; most of these chairmen are members of the Group Management Committee, which <sup>5</sup> \_\_\_\_\_ all company decisions and plans. The Supervisory Board <sup>6</sup> \_\_\_\_\_ the general business of the group and it also advises and supervises the Board of Management.

Vocabulary development:  
verbs and prepositions

Some verbs are always followed by the same preposition. Look at the examples from the text on page 6.

*In the beginning, it **concentrated on** making carbon-filament lamps. (line 4)*  
(When a preposition is followed by a verb it always takes the 'ing' form)

*These policies are implemented by the Group Management Committee, which **consists of** the members of the Board of Management. (line 39)*

1 Match the prepositions with the verbs below.

from in (x3) to (x4) for of on (x2)

- |  |  |
|--|--|
| a apply <u>to</u> somebody<br><u>for</u> something | f refer _____                              |
| b benefit _____                                    | g succeed _____                            |
| c approve _____                                    | h belong _____                             |
| d result _____                                     | i depend _____                             |
| e believe _____                                    | j report _____ somebody<br>_____ something |

2 Complete the sentences using verbs and prepositions from exercise 1 in the correct form.

- In the purchasing department there is a manager, and five employees who report to her.
- In this company, we firmly \_\_\_\_\_ the value of creativity and innovation.
- The development of computer technology has \_\_\_\_\_ enormous changes in the way that people work.
- Whether or not we succeed in creating and selling new products \_\_\_\_\_ a number of factors.
- Most of our staff \_\_\_\_\_ at least one of the company's sports or leisure clubs.
- The Personnel Manager thinks that we would all \_\_\_\_\_ further training in how to use the office software.

3 Write three more sentences, using the verb and preposition combinations above.

4 What other verb and preposition combinations do you know?

## Language Focus

### Present perfect and past simple

Look at these sentences from the text on page 6.

A *In the 1920s, Philips **decided** to protect its innovations.*

B *Since then, Philips **has continued** to develop new and exciting product ideas.*

- 1 What tense is the verb in bold in A and B?
- 2 Which tense has a connection with the present?
- 3 Which tense only tells us about the past?

►► For more information on the present perfect and past simple, turn to page 164.

### Practice

Complete the company profile with either the present perfect or past simple tense of the verbs in brackets. Pay special attention to irregular verbs and the position of adverbs.



## COLGATE-PALMOLIVE COMPANY



William Colgate <sup>1</sup> founded (found) the Colgate Company in 1806 as a starch, soap and candle business in New York City. For the first hundred years, the company <sup>2</sup> \_\_\_\_\_ (do) all its business in the United States. However, in the early 1900s, the company <sup>3</sup> \_\_\_\_\_ (begin) an aggressive expansion programme that <sup>4</sup> \_\_\_\_\_ (lead) to the establishment of Colgate operations in countries throughout Europe, Latin America and the Far East. In more recent years it <sup>5</sup> \_\_\_\_\_ (set up) operations in Turkey, Pakistan, Saudi Arabia, Eastern Europe and China. Colgate-Palmolive <sup>6</sup> \_\_\_\_\_ (become) a truly global consumer products company, worth \$8.7 bn and selling in more than 200 countries.

Colgate-Palmolive's five main sectors of business are: Oral Care, Body Care, Household Surface Care, Fabric Care and Pet Nutrition and Health Care. In the area of Oral Care, Colgate-Palmolive is the world leader in toothpaste. As a result of the company's heavy investment in research and technology, it <sup>7</sup> \_\_\_\_\_ (develop) many successful toothpastes, rinses and toothbrushes. To strengthen its presence in professional products, Colgate-Palmolive

<sup>8</sup> \_\_\_\_\_ (buy) the Ora Pharm Company of Australia and the dental therapeutics business of Scherer Laboratories USA in 1990. For many years, the company <sup>9</sup> \_\_\_\_\_ (have) a strong dental education programme in schools throughout the world and <sup>10</sup> \_\_\_\_\_ (maintain) a close partnership with the international dental community. Recently it <sup>11</sup> \_\_\_\_\_ (create) a web site for dental professionals.

The company <sup>12</sup> \_\_\_\_\_ (always pay) close attention to the environment. It <sup>13</sup> \_\_\_\_\_ (already make) great progress in the use of recyclable bottles and packaging materials.

Describing changes

The following verbs can be used to describe upward ( ↗ ) and downward ( ↘ ) movements in price, quantity and amount.

Intransitive verbs (verbs which do not have an object)	Transitive verbs (verbs which have an object)
↗ increase      rise      go up ↘ decrease      fall      drop go down      decline	↗ increase      raise ↘ decrease      reduce      drop



*The population of the world is increasing.*      *The government has increased income tax.*  
*The prices of electronic goods have fallen.*      *We have reduced our prices by 10 per cent.*

These corresponding nouns can also be used.

↗ an increase	a rise	a raise (US = increase in salary)
↘ a decrease	a fall	a drop      a decline      a reduction

Practice



Complete these sentences using a noun or verb from the boxes above. Use each word only once.

- There are several competing companies entering the market and this has caused a 20% drop in prices.
- Last year was a good year for the company and our sales \_\_\_\_\_ considerably.
- The price of coffee has \_\_\_\_\_ as a result of the bad weather conditions.
- As a result of the recession, we have had to \_\_\_\_\_ the amount of money we spend on research and development.
- The \_\_\_\_\_ in profits is the result of poor management.
- The recent \_\_\_\_\_ in overseas investment has been good for the economy.
- Economists predict that interest rates will \_\_\_\_\_ if consumer spending continues to slow down.
- Because of high profits last year, the company has announced a salary \_\_\_\_\_ for all its employees.

Skills Focus

Listening

1 Complete the passage opposite about Mr Pat Guerin, Industrial Relations Manager of Guinness Ireland. Use these expressions.

- This job involved ...
- I reported directly to ...
- I was employed as ...
- I worked ...
- The next position I held was ...
- I was then promoted to ...
- In this role ...
- I've worked ...

# 2 Recruitment

## Key vocabulary

When a company needs to **recruit** or employ new people, it may decide to advertise the job or **position** in the appointments section of a newspaper. People who are interested can then **apply for** the job by sending in a **letter of application** or **covering letter** (US **cover letter**) and a **curriculum vitae** or **CV** (US **résumé**) containing details of their education and experience. A company may also ask candidates to complete a standard **application form**. The company's Human Resources department will then select the most suitable applications and prepare a **short list** of **candidates** or **applicants**, who are invited to attend an **interview**. Another way for a company to **hire** is by using the services of a **recruitment agency** (US **search firm**) who will provide them with a list of suitable candidates.

## Lead-in

**1** Read the advertisement opposite from the website of the American company Cognex, and match the information below with the corresponding red boxes in the advertisement.

- 1 Cognex provides evening entertainment for its employees.
- 2 There is a place for employees to play and unwind.
- 3 Employees are given the opportunity to travel to foreign countries.
- 4 Cognex likes to recognize and thank employees for their hard work.

**2** In pairs, discuss these questions.

- 1 What are the advantages and disadvantages of working for Cognex?
- 2 Would you like to work for a company like this? Why / Why not?
- 3 What do you think of this type of recruitment advertisement?
- 4 What kind of person is Cognex hoping to recruit?
- 5 What other ways can companies use to advertise for staff?

**3** Different methods may be used to recruit people. In groups, discuss the following.

Candidates may be asked to:

- tell a joke
- take part in a team game with employees from the company
- make a five-minute speech
- complete a probation period before being accepted

Employers may:

- offer a job to the husband or wife of a good candidate
- prefer to recruit people from the families of employees
- ask candidates to complete a personality test
- have candidates' handwriting analysed (graphology)

Which methods do you think are acceptable / unacceptable? Why?  
Would it be possible to recruit like this in your country?





**COGNEX** **Vision for Industry**

**Career Opportunities**

New Graduate Opportunities and Intern\* Programs

**President's Awards** given yearly to top performers, with bonuses up to \$10,000

**Hours required:** whatever it takes to meet customers' needs

**Plane tickets** to visit customers around the world

**'Cognold'** (a.k.a. Cognex employees)

**Tokens** for pinball games in company game room

**Frisbee** for daily Ultimate Frisbee match at lunchtime

**Everything you need** to do your best work

**Patent** for developing unique technology

**Movie tickets** for monthly company "movie nights"

*(Click on the red boxes to go to more information on that topic)*

Cognex offers a wealth of exciting career opportunities for new graduates in all fields. We also offer current college students the ability to acquire some excellent professional experience through internships and co-op programs. We conduct on-campus interviews and participate in career expos, and we'd love to meet you the next time we're at your school.

Back Forward Reload Home Search Netscape Images Print Security Stop

NetSite: www.cognex.com What's Related

About Our Company Press Releases Products Vision Technology Career Opportunities Investor Relations Customer Satisfaction

\* an intern (US): someone who works for a short time to gain experience

# Fit For Hiring? It's Mind Over Matter

By Judith H. Dobrzynski

NEW YORK – Members of America's professional and managerial classes have always left college confident of at least one thing: they had taken their last test. From here on, they could rely on charm, cunning\* and/or a record of accomplishment to propel them up the corporate ladder.

But that's not necessarily true any longer. A growing number of companies, from General Motors Corp to American Express Co., are no longer satisfied with traditional job interviews. Instead, they are requiring applicants for many white-collar jobs – from top executives down – to submit to a series of paper-and-pencil tests, role-playing exercises, simulated decision-making exercises and brainteasers\*. Others put candidates through a long series of interviews by psychologists or trained interviewers.

The tests are not about mathematics or grammar, nor about any of the basic technical skills for which many production, sales and clerical workers have long been tested. Rather, employers want to evaluate candidates on intangible\* qualities: Is she creative and entrepreneurial? Can he lead and coach? Is he flexible and capable of learning? Does she have passion and a sense of urgency? How will he function under pressure? Most important, will the potential recruit fit the corporate culture?

These tests, which can take from an hour to two days, are all part of a broader trend. 'Companies are getting much more careful about hiring,' said Paul R. Ray Jr., chairman of the Association of Executive Search Consultants.

Ten years ago, candidates could win a top job with the right look and the right answers to questions such as 'Why do you want this job?'. Now, many are having to face questions and exercises intended to learn how they get things done.

They may, for example, have to describe in great detail not one career accomplishment but many – so that patterns of behavior emerge. They may face questions such as 'Who is the best manager you ever worked for and why?' or 'What is your best friend like?'. The answers, psychologists say, reveal much about a candidate's management style and about himself or herself.

The reason for the interrogations is clear: many hires\* work out badly. About 35 percent of recently hired senior executives are judged failures, according to the Center for Creative Leadership in Greensboro, North Carolina, which surveyed nearly 500 chief executives.

The cost of bringing the wrong person on board is sometimes huge. Searching and training can cost from \$5000 for a lower-level manager to \$250,000 for a top executive. Years of corporate downsizing, a trend that has slashed\* layers of management, has also increased the potential damage that one bad executive can do. With the pace of change accelerating in markets and technology,



companies want to know how an executive will perform, not just how he or she has performed.

'Years ago, employers looked for experience – has a candidate done this before?' said Harold P. Weinstein, executive vice-president of Caliper, a personnel testing and consulting firm in Princeton, New Jersey. 'But having experience in a job does not guarantee that you can do it in a different environment.'

At this point, most companies have not shifted to this practice. Some do not see the need or remain unconvinced that such testing is worth the cost. But human-resource specialists say anecdotal\* evidence suggests that white-collar testing is growing in popularity. What has brought so many employers around to testing is a sense of the limitations in the usual job interview. With so little information on which to base a decision, 'most people hire people they like, rather than the most competent person,' said Orv Owens, a psychologist in Snohomish, Washington, who sizes up executive candidates. Research has shown, he said, that 'most decision makers make their hiring decisions in the first five minutes of an interview and spend the rest of the time rationalizing their choice.'

Besides, with advice on how to land a better job/about as common as a ten-dollar bill, many people are learning to play the interview game.

Even companies that have not started extensive testing have toughened their hiring practices. Many now do background checks, for example, looking for signs of drug use, violence or sexual harassment. But the more comprehensive testing aims to measure skills in communications, analysis and organization, attention to detail and management style; personality traits\* and motivations that behavioral scientists say predict performance.

New York Times

\*cunning: the ability to deceive people

\*a brainteaser: a problem which is fun to solve

\*intangible: s.th. that cannot be felt or described

\*a hire (US); a recruit (GB): someone who starts to work for a company

\*to slash: to cut

\*anecdotal: based on personal experience

\*to bring around: to persuade s.b. to agree with s.th.

\*a trait: a quality in someone's character

## Reading

Read the text opposite, and decide if the following statements are true (T) or false (F).

- 1 Traditionally, candidates for executive positions have been evaluated on their technical skills.
- 2 The principal aim of testing is to find out how candidates have performed in the past.
- 3 Today, choosing the wrong person for a position can have more serious consequences than ten years ago.
- 4 Most interviewers select candidates for their professional abilities.
- 5 Candidates are now better prepared for interviews than they were in the past.

## Dictionary skills



Using an English dictionary to find the meaning of a word that you do not understand is a simple way to improve your vocabulary. When you look up a word in the dictionary, you can find information about:

- its pronunciation(s)
- its grammatical category i.e. noun (*n*), adjective (*adj*), verb (*vb*), adverb (*adv*), preposition (*prep*), phrasal verb (*phr v*) etc.
- its meaning(s)
- the way it can be used
- its suffixed forms
- its compound forms (when the word is used with another word)
- other ways it can be spelt

Look at the sample entry for the word *survey* (line 44) and then complete the checklist below.

**survey**<sup>1</sup> /sə'veɪ/ səɪ-/ *n* [C] 1 a set of questions given to a group of people to find out about their opinions or behaviour: *People are becoming more pessimistic about the economy, according to the latest consumer survey.* +of: *A mild economic recovery starts this spring, according to a survey of 42 economists by the Wall Street Journal.*

**survey**<sup>2</sup> /sə'veɪ/ səɪ-/ *v* [T] 1 to ask a group of people a set of questions to find out about their opinions or behaviour: *The agency surveys executives in about 300 companies around the country. | Only 15% of respondents surveyed would admit to leaving the workplace early.*

## Dictionary checklist

- 1 Are all forms of the word pronounced in the same way?
- 2 Does the word have one or more grammatical categories?
- 3 How many different meanings are given? <sup>1</sup>
- 4 Can it be spelt in any other ways?
- 5 Does it have any suffixed or compound forms?
- 6 Which form of the word is the one that is used in the text?

## Vocabulary

1 Before using a dictionary, it is always a good idea to see if you can work out the meaning from the text. Find the following words in the article and see how many of the questions in the dictionary checklist you can answer:

*skill* (line 16), *employer* (line 18), *behavior* (line 35), *competent* (line 68), *rationalize* (line 73).

2 Now see if you can answer any more questions in the dictionary checklist, using the entries below from the *New Longman Business English Dictionary*.

**behaviour** BrE **behavior** AmE /br'heivjə-ər/ n 1 [U] the way that someone or something acts in different situations: *They have changed their buying behavior and are postponing major purchases.* | *The market's crash forced money managers to rethink basic assumptions about market behaviour.*

**competent** /kəm'pɪtənt/ [kəm-/] adj 1 having enough skill, knowledge, or ability to do something to a satisfactory standard: *The farm would have to be run by a competent manager.* | *You need someone who is both competent at finance and honest.*

**employer** /ɪm'plɔɪə-ər/ n [C] a person or company that pays people to work for them: *Every employer should spend money on training.* | *Who is your current employer?* | *Potential employers feel they can tell a lot about a person by looking at their handwriting.*

**rationalize** /ræʃə'nəlaɪz/ also **-ise** BrE v [I,T] to make a business or organization more effective by getting rid of unnecessary staff, equipment, etc, or reorganizing its structure: *The company has been taking steps to rationalize its printing operations.*

**skill** /skɪl/ n [C,U] an ability to do something well, especially because you have learned and practised it: *You need computing skills for that job.* | *The successful applicant should be able to use their own initiative and have good communication skills.* | *There are still excellent jobs available for those with the right specialist skills and knowledge.* | *Unfortunately, listening may be the least practised management skill in today's workplace.* +**at/in**: *The Federal Reserve Chairman has demonstrated skill in adjusting interest rates.*

3 Complete the following passage about the role of search firms in recruiting, using words from Vocabulary 1 and from the Key Vocabulary section. Change the form of the words where necessary.

Headhunters or executive search firms specialise in finding the right person for the right job. When a company wishes to <sup>1</sup> recruit a new person for an important <sup>2</sup> \_\_\_\_\_ it may use the services of such a firm. The advantages for the <sup>3</sup> \_\_\_\_\_ are that it does not have to organise the costly and time-consuming process of advertising, selecting and interviewing suitable <sup>4</sup> \_\_\_\_\_. In some cases, the search firm may already have a list of people with the appropriate <sup>5</sup> \_\_\_\_\_ for the job. If this is not the case, then it may act as a consultant, advising on or even organising testing and simulations to evaluate the candidates' <sup>6</sup> \_\_\_\_\_ in order to select the most <sup>7</sup> \_\_\_\_\_ person for the job.

Now select three words from the text that you do not know and look them up in a dictionary.

## Vocabulary development: compound nouns

Compound nouns can be formed in different ways. *Decision maker* (line 71) is formed by combining two nouns and refers to 'someone who makes decisions'. The nouns in the two boxes below can be combined in the same way.

1 Match one noun from each box to form a compound noun.

1 risk taker	5 wage	a earner	e programmer
2 computer	6 wine	b winner	f solver
3 problem	7 law	c breaker	g importer
4 award	8 trouble	d shooter	h taker

2 Check your answers in a dictionary and note if the expression is written as two words, with a hyphen (-) or as one word.

3 Can you think of four more expressions like this?

## Discussion

On page 156 you will find four examples of questions from a personality test of the type mentioned in the text.

- 1 Follow the instructions and answer each question.
- 2 In pairs, discuss your answers to the questions. What do you think the answers would tell an employer about your personality?
- 3 What do you think of this type of testing?

## Language Focus

Which sentence below refers to

- 1 a temporary situation? Ⓕ
  - 2 an action that is happening at this moment?
  - 3 a permanent state or situation?
  - 4 a future arrangement?
  - 5 a regular or habitual action?
  - 6 a changing and developing situation?
  - 7 a future event based on a timetable?
- a Candidates know what questions to expect.  
 b Companies are getting much more careful about hiring.  
 c Who is she talking to?  
 d I'm meeting the production manager this afternoon.  
 e The flight leaves at 18.00.  
 f James is working at home until the new office is ready.  
 g I get up at 7.00 most mornings.

Which tense is used in each case?

►► For more information on the present simple and present continuous, and for examples of verbs not normally used in the continuous, turn to page 164.

## Present simple and present continuous

# 5 International Business Styles

**Key vocabulary**  The characteristics of management often vary according to **national culture**, which can determine how managers are trained, how they lead people and how they approach their jobs.

The amount of responsibility of any individual in a company depends on the position that he or she occupies in its **hierarchy**. Managers, for example, are responsible for leading the people directly under them, who are called **subordinates**. To do this successfully, they must use their **authority**, which is the right to take decisions and give orders. Managers often **delegate** authority. This means that employees at lower levels in the company hierarchy can use their **initiative**, that is make decisions without asking their manager.

**Lead-in** **1** Read the portraits of managers in five different countries and decide which country each one corresponds to.

- Germany
- Poland
- Sweden
- The United Kingdom
- The United States

## 1 Managers from this country

- consider professional and technical skills to be very important.
- have a strong sense of authority.
- respect the different positions in the hierarchy of their companies.
- clearly define how jobs should be done.
- are very loyal to their companies and expect their subordinates to obey them.
- are often older than in other countries.

## 2 Managers from this country

- receive a general education.
- delegate authority.
- take a practical approach to management.
- have relatively formal relationships at work.
- encourage their employees to work individually.
- believe it is important to continue education and training at work.

3  
**Managers from this country**

- consider social qualities to be as important as education.
- encourage their employees to take an interest in their work.
- pay close attention to the quality of working life.
- do not use as much authority as in other countries.
- appreciate low-level decision-making.
- are often women.

4  
**Managers from this country**

- generally attend business schools.
- communicate easily and informally at work.
- admire the qualities of a leader.
- expect everyone to work hard. Individual performance is measured and initiative is rewarded.
- have competitive and aggressive attitudes to work.
- often accept innovation and change.

5  
**Managers from this country**

- have either gained their experience in state-owned enterprises or are competitive self-starters.
- older managers hold technical degrees rather than business qualifications.
- work very long hours and expect their subordinates to do so.
- are extremely innovative, optimistic and determined.
- are quick to invest in the development of new products, market techniques and methods of production and distribution.

**2** In groups, discuss the advantages and disadvantages of each approach to management, and say which one you would find the most attractive. Do any of these profiles correspond to management practices in your country?





# Learning to cope with corporate culture clashes



<sup>1</sup> The dos and don'ts of travelling abroad are a potential minefield for the unprepared traveller. If you spit in some countries, you could end up in prison. In others, spitting is a competitive sport.

<sup>2</sup> *The Centre for International Briefing has spent 40 years preparing the wary traveller for such pitfalls.* Though it may sound like a covert operation for aspiring secret agents, what the Centre does is prepare travellers for encounters with new social and business customs worldwide. To date, over 50,000 people have passed through its headquarters at Farnham Castle in Surrey. 'There are two broad tracks to our training programme,' explains Jeff Toms, Marketing Director. 'One covers business needs, the other social etiquette\*'. For example, business travellers need to know how decision-making works.'

<sup>3</sup> \_\_\_\_\_ In China, it may be necessary to have government involved in any decisions taken. And in India, people are sometimes late for a scheduled appointment.

<sup>4</sup> \_\_\_\_\_ While we are familiar with the short firm handshake in this part of the world, in the Middle East the hand is held in a loose grip for a longer time. In Islamic cultures, showing the soles of your feet is a sign of disrespect and the reason crossing your legs is seen as offensive.

<sup>5</sup> \_\_\_\_\_ Jeff Toms tells the story of a British employee asked to post a letter by her Indonesian employer. 'She knew the letter was too late for the six o'clock post, so she decided to hold it until the eight o'clock one. Her boss saw the letter on her desk and sacked her for not posting it immediately. In Western cultures, we believe in empowering people and rewarding them for using initiative, but other cultures operate on the basis of obeying direct orders.'

<sup>6</sup> \_\_\_\_\_ 'For them, the most senior person at the meeting will say very little, and the person doing most of the talking is not very important.' Decherty has spent 12 of his 16 years with the IDA working abroad in the USA, Germany, South-East Asia and Japan.

<sup>7</sup> \_\_\_\_\_ 'With a population of 125 million condensed into a narrow strip of land, private space for the Japanese is virtually non-existent. You can't worry about your personal space in a packed train when people are standing on your feet.'

## Tiptoeing through the minefield

<sup>8</sup> **Do**

- Show an interest in, and at least an elementary knowledge of the country you are visiting;
- Learn a few words of the language – it will be seen as a compliment;
- Be sensitive to countries who have bigger and better-known neighbours, and try not to confuse Canadians with Americans, New Zealanders with Australians, Belgians with French;
- Familiarise yourself with the basics of business and social etiquette. As a starting point, learning how to greet people is very important.

**Don't**

- Assume you won't meet any communication problems because you speak English. You may think you are paying somebody a compliment by telling them their business is going a bomb\*, Americans will infer you think it is failing.
- Appear too reserved. As Americans are generally more exuberant\* than their European colleagues, they may equate reserve with lack of enthusiasm.

*The Irish Independent*

\*to empower: to give s.b. more control  
\*to go a bomb (GB): to be successful

\*to bomb (US): to go badly  
\*exuberant: happy, cheerful, full of energy

## Reading

**1** Read the text opposite about The Centre for International Briefing, which runs training courses for business people travelling to other countries, and complete the paragraphs using the sentences below.

- a 'In a country like Japan, the notion of personal space which we value so much simply has no meaning,' he says.
- b In Asian cultures most of it takes place behind the scenes.
- c The difference between understanding a culture and ignoring its conventions can be the measure of success or failure abroad.
- d The Centre for International Briefing has spent 40 years preparing the wary traveller for such pitfalls.
- e John Doherty, International Marketing Director with the Irish Industrial Development Authority, explains how you can easily talk yourself into trouble at a business meeting in Japan:
- f Greetings, gestures and terms of address are all potential hazards abroad.

**2** In pairs, discuss these questions.

- a What social etiquette is important for business travellers to your country?
- b In your experience, what can be difficult about dealing with British or Americans?

## Vocabulary

**1** Match the words from the text with their corresponding definitions.

- |                            |  |
|----------------------------|--|
| 1 abroad (para 1)          | a something done in a society because of tradition |
| 2 a minefield (para 1)     | b able to understand others' feelings              |
| 3 a pitfall (para 2)       | c in or to a foreign country                       |
| 4 a custom (para 2)        | d something that expresses admiration              |
| 5 etiquette (para 2)       | e to show or represent                             |
| 6 scheduled (para 3)       | f rude or insulting                                |
| 7 to be a sign of (para 4) | g a situation with hidden dangers                  |
| 8 offensive (para 4)       | h formal rules for polite behaviour in society     |
| 9 a compliment (para 8)    | i a likely problem                                 |
| 10 sensitive (para 8)      | j arranged for a certain time                      |

2 Complete the passage using words from Vocabulary 1 in the correct form.

Gift giving in the international business context

In Great Britain and the United States corporate gift giving is not a very popular <sup>1</sup> custom; people can spend their entire working lives without ever receiving a corporate gift. However, gift giving is sometimes an integral part of the negotiation process when doing business <sup>2</sup> \_\_\_\_\_. It is important to learn about the <sup>3</sup> \_\_\_\_\_ of gift giving before sending or taking a gift to an international client or business partner, or you may find that your gesture appears <sup>4</sup> \_\_\_\_\_. For example, in China a desk clock <sup>5</sup> \_\_\_\_\_ bad luck or death. It is also interesting to note that the receiver never opens a gift in front of the giver as that would signify that the content was more important than the act of giving. Waiting for the person to open your gift would show that you were not <sup>6</sup> \_\_\_\_\_ to Chinese culture. In France, don't give something with your company logo, as they find items like this impersonal and in bad taste. Giving knives in Italy, Russia or Argentina could lead to problems in establishing a deal as this signifies cutting off the relationship! Giving flowers is another possible <sup>7</sup> \_\_\_\_\_. In England, Australia and Canada, some people see white lilies as a symbol of death while in Germany, yellow and white chrysanthemums could be seen this way.



Vocabulary development: prefixes

In the text on page 46, the word *non-existent* (para 7) consists of the prefix *non-* and the main word *existent*. The prefix gives the word the opposite meaning.

1 Match the prefixes with the groups of adjectives.

dis-	il-	im-	in-	ir-	un-
------	-----	-----	-----	-----	-----

- a im possible                      probable                      precise
- b dis honest                      similar                      organised
- c un popular                      economical                      manageable
- d ir legible                      legal                      logical
- e im complete                      expensive                      efficient
- f in regular                      relevant                      responsible

In which of the six lists do the adjectives have something in common?

2 Add prefixes to the following adjectives.

- a unlikely                      dis b respectful                      im c polite                      ir d rational
- il e literate                      ir f frequent                      im g lawful                      dis h proportionate
- im i resistible                      dis j liberal                      im k mature                      dis l helpful

3 Add one more adjective to each group above.

## Language Focus

### The imperative

The imperative has the same form as the infinitive without *to*. It is used:

- to give orders or instructions, for example on packaging, labels or documents.

**Fill in** the form in block capitals.

**Empty** the contents into boiling water.

- to give strong advice.

**Avoid** showing the soles of your feet in the Middle East.

If you want to be emphatic you can use *do* or *always*.

**Do learn** a few words of the language.

**Always familiarise** yourself with the basics.

The negative is formed by using *don't* or *never*.

**Don't appear** too reserved.

**Never cross** your legs in the Middle East.

►► For more information on the imperative, turn to page 166.

### Practice

Complete the sentences below using the expressions in the box in the correct imperative form, positive or negative.

study	invest	be flexible
expect (x 2)	assume	judge
increase	beware	leave

- Leave attitudes like 'my way is the only way' behind.
- \_\_\_\_\_, be curious and fascinated instead.
- \_\_\_\_\_ some time in preparing yourself for encounters with other business and cultural styles.
- \_\_\_\_\_ your understanding of the countries and cultures you are visiting by attending cross-cultural seminars.
- \_\_\_\_\_ the general protocol and etiquette of the country or countries you are visiting.
- \_\_\_\_\_ delays, frequent changes in plans and cancellations.
- \_\_\_\_\_ to have easy access to your e-mail while on the road. In some cases it may be impossible to log on to your internet server remotely.



- \_\_\_\_\_ when negotiating prices.
- \_\_\_\_\_ that market or sales techniques that work in your country, work in others.
- \_\_\_\_\_ of drinking too much alcohol over a business lunch; you might need to make important decisions.

## Adjectives of nationality

Look at these examples from the text on page 46.

**Country:** In **China**, it may be necessary to have government involved. (para 3)

**Nationality:** Jeff Toms tells the story of a **British** employee. (para 5)

**Inhabitant:** When talking about the inhabitants of a country we generally use the adjective of nationality.

*Private space for the **Japanese** is virtually non-existent. (para 7)*

►► For more information on adjectives of nationality, turn to page 166.

## Practice

Match the words from the three columns below to make sentences. Transform the names of the countries into adjectives.

Example: *IBM is an American computer company.*

- |               |          |                      |
|---------------|----------|----------------------|
| 1 Hola        | Denmark  | furniture retailer   |
| 2 Ferrari     | Norway   | newspaper            |
| 3 Evian       | France   | computer company     |
| 4 Mateus Rosé | Holland  | beer                 |
| 5 IBM         | Spain    | electronics company  |
| 6 AGFA        | Finland  | industrial company   |
| 7 Philips     | USA      | mineral water        |
| 8 Carlsberg   | Britain  | seaport              |
| 9 IKEA        | Turkey   | airline              |
| 10 BBC 1      | Portugal | car manufacturer     |
| 11 Olympic    | Russia   | photographic company |
| 12 Pravda     | Germany  | wine                 |
| 13 Aker AS    | Greece   | mobile phone company |
| 14 Istanbul   | Italy    | weekly magazine      |
| 15 Nokia      | Sweden   | television channel   |



## Writing

### Skills Focus

#### A memo

A memorandum (or memo) is a very common form of business communication which is exchanged between members of the same organisation. The memo usually focuses on one message or piece of information, and often requests action to be taken. It may be sent to a single person or a group of people.

There are many different techniques used in memo writing, but several basic rules should always be applied:

- Since memos are a little less formal than business letters, it is best to use simple language and a neutral tone.
- Keep your memo clear. Use short, simple sentences.
- A memo should not be any longer than one page. Most people do not have time to read long memos.
- The opening and closing formula can be more direct, and less formal than in a letter.

Pharmatec Pharmaceuticals is sending a delegation of executives to Japan for the first time to negotiate an important contract, so the executives are going to attend a series of seminars given by Tomomi Moriwake, a Japanese consultant.

Read the memo from the Managing Director to the Human Resources Manager and match the parts of the memo (1-6) with the descriptions (a-f)



# Memorandum

① — DATE 9<sup>th</sup> June

② — TO Vincent Mills, Human Resources Manager

FROM Philip Groves, Managing Director

③ — SUBJECT Seminars on Japanese culture and management

Philip

④ — [ The trip to Japan has been confirmed for the 15<sup>th</sup> of next month. I've decided to go ahead with the seminars as we discussed.

⑤ — [ Could you contact the consultant you mentioned and get back to me about the following:

- the topics she covers
- short description of each topic
- whether you think we should use her services or look for someone else

⑥ — [ We haven't much time, so could you do this a.s.a.p. and also check the availability of the executives who will be involved in this training.

PG

- a The 'body' of the memo.
- b A short heading which tells you what the memo is about.
- c When the memo is sent.
- d The conclusion of the memo, which often recommends a course of action.
- e Name of the person to whom the memo is sent.
- f A brief introduction to the memo giving the most important information.

## 6

## Banking

## Key vocabulary

The banking sector in the United Kingdom is made up of a variety of institutions supervised by the country's central bank, **The Bank of England**. This bank looks after the government's finance and monetary policy and acts as banker to other banks. However, for the general public and many businesses, banking services are provided by **commercial banks**, or **clearing banks**, which have branches throughout the country. These banks offer a wide range of services which include accepting deposits, making loans and managing customers' accounts. **Merchant banks**, on the other hand, do not deal with the public but specialise in services for companies or corporate customers. They are particularly active in arranging mergers and acquisitions and in advising on aspects of corporate finance.



## Lead-in

1 In pairs, make a list of the different services that banks in your country provide for the general public. Tick the services that you use.

Example: *current account* 3

2 Listen to Eleanor Stevens, an HSBC Bank branch manager, describing the bank that she manages. Make notes under these headings.

Location

---

Number of customers

---

Opening hours

---

Services offered

---

Number of employees

---

Role in the community

---

How do the services offered by this bank compare with those available from a bank of a similar size in your country?

HSBC 



3 Match the banking words with the illustrations below.

- |  |                                       |
|--|---------------------------------------|
| 1 chequebook (US checkbook)                  | 6 bank notes (US bills)               |
| 2 bank statement                             | 7 coins                               |
| 3 credit card or debit card                  | 8 keyboard                            |
| 4 bill (US check)                            | 9 screen                              |
| 5 traveller's cheques (US traveler's checks) | 10 cash machine or cashpoint (US ATM) |

(a)



(b)



(c)



(d)



(e)



(f)



(g)



(h)



(i)



4 Which of the items would you use if you needed to

- 1 check how much money you had in your bank account several weeks ago?
- 2 take money with you for a visit to a foreign country?
- 3 see how much you have to pay for the electricity you used last month?
- 4 send payment by post?
- 5 take money out of your account on a Sunday?

## Reading

- 1 In pairs, make a list of the services that a company would expect from a bank.
- 2 Read the text which describes the Bank of Scotland's Home and Office Banking System (HOBS), and see which points in your list are mentioned.



# PICTURE

## the scene



- 1 It's 6.30 on Monday morning. You're on a shuttle en-route for London and a crucial meeting that will play a large part in deciding the future of your business. You need the most up-to-date financial information you can get, including details of cheques presented\* today. But it's an hour and a half until the bank opens.
- Now you can unlock all the information you need for the meeting quickly and simply. Just boot up your laptop and, using data downloaded from Bank of Scotland's central computers, the information is there at your fingertips. You can group accounts to give you an overall view of your business's financial position, focus on the net position of a particular area of the business – even prepare reports.
- HOBS, Bank of Scotland's Home and Office Banking Service, is perfect for people like you who are too busy running their business to worry about fitting in to banking hours.

THE KEY TO ..... financial control ..... (1)

With HOBS in your office, you can

- access comprehensive, up-to-the-minute information on all your sterling, foreign currency and credit card accounts.
- initiate BACS\* payments to pay salaries, wages, suppliers etc.
- initiate CHAPS\* and International payments.
- transfer money instantly between your accounts.
- check all your standing orders and direct debits.
- locate specific transactions quickly using a range of search criteria.
- open an exclusive HOBS Investment Account to make surplus\* funds work really hard for you.

THE KEY TO ..... (2)

With HOBS, you no longer have to devote valuable time to routine transactions, or fit your business into banking hours. Control your accounts whenever it suits you, 24 hours a day, 7 days a week.

THE KEY TO ..... (3)

Connecting to HOBS costs just the price of a local phone call from anywhere in the UK. Further built-in features, such as off-line\* processing, mean that the amount of time you need to be connected to HOBS is kept to a minimum.

THE KEY TO ..... (4)

A series of advanced, built-in features maintained in your PC allow you to restrict access to designated users, and to specify exactly what information each individual can access and what transactions they may carry out.

THE KEY TO ..... (5)

Corporate HOBS has been designed to dovetail\* with your existing financial software, giving you a choice of account reporting and payment processing facilities and a smooth transfer of account information to and from other packages such as Sage® or Pegasus®. The BACS Direct facility is ideal for the distribution of wages, salaries or expenses, and the template function saves you from having to re-key similar data each week / month. A database of beneficiaries [suppliers, employees] is maintained on your PC.

THE KEY TO ..... (6)

When you have urgent payments to make, the CHAPS function enables you to send funds for same-day credit subject to a cut-off time of 3pm.

The Bank of Scotland

\*to present a cheque: to pass a cheque from the receiver's bank to the payer's bank, for payment

\*surplus: extra

\*off-line: not connected to the Internet

\*to dovetail: to fit together perfectly

\*BACS: Bankers Automated Clearing Services. This company works with the banks to initiate computerised payments.

\*CHAPS: Clearing House Automated Payment System. This is a system for dealing with high-value payments.



**3 Complete the headings in the text with these words.**

- a Security
- b Cost-effectiveness
- c Financial Control
- d Flexibility
- e Convenience
- f Priority Payments

**4 Read the text again and decide if the following statements are true (T) or false (F).**

- 1 You can only use HOBS during normal banking hours.
- 2 HOBS cannot provide information about accounts in dollars.
- 3 The telephone charges for using HOBS are the same all over the UK.
- 4 You can control who can obtain information from the system.
- 5 Using CHAPS, you can make a payment to someone and they will always receive it on the same day.

**Vocabulary**

**1 Complete the crossword using words from the text.**

**CLUES**

**Across**

- 1 (n) Regular payments from a bank account to an organisation. (line 26) (2 words)
- 4 (n) Money your employer pays you every month. (line 22)
- 6 (adj) The amount that remains after everything else has been deducted. (line 12)
- 9 (n) Money you make when you work, usually paid weekly, in cash. (line 22)
- 10 (adj) Ordinary and boring. (line 33)
- 12 (v) The calls are cheap; they don't \_\_\_\_\_ much. (line 37)
- 17 (n) The currency unit of the United Kingdom, based on the pound. (line 20)
- 18 (v) To find the space or time for something. (line 33)
- 20 (n) Money used in another country. (line 20) (2 words)

**Down**

- 1 (n) Giving things to a large group of people. (line 52)
- 2 (n) The business of looking after people's money. (line 33)
- 3 (n) Movements of money into or out of customers' accounts. (line 33)
- 5 (n) Giving information. (line 49)
- 7 (adj) Very important, needed very quickly. (line 58)
- 8 (n) Information or facts. (line 9)
- 11 (v) To make something do what you want it to. (line 34)
- 13 (v) To move something from one place to another. (line 25)
- 14 (n) Amounts of money. (line 30)
- 15 (n) The amount of money for which something is sold or bought. (line 37)
- 16 (v) First you need to \_\_\_\_\_ an account. (line 29)
- 19 (v) To give money. (line 22)

2 Complete the passage using words from the box and the information in the bank statement below.

- credit                      account                      cash                      transactions  
 payment                      balance                      deposit  
 cheque                      debit                      debit card

*me*

Jane Sadler opened her <sup>1</sup> account with the Medway Bank on 28th January with a cash <sup>2</sup> \_\_\_\_\_ of £300. On 15th February she wrote a <sup>3</sup> \_\_\_\_\_ for £53.25 and this appeared as a <sup>4</sup> \_\_\_\_\_ on the bank statement on 20th February. On 22nd February she took out £60 in <sup>5</sup> \_\_\_\_\_ from a cashpoint machine. On the following day the bank debited £33.50 from her account for a <sup>6</sup> \_\_\_\_\_ she had made using her <sup>7</sup> \_\_\_\_\_. Her monthly salary was paid directly into her account and this appeared as a <sup>8</sup> \_\_\_\_\_ of £802.20 on 26th February. There were no further <sup>9</sup> \_\_\_\_\_ on her account and she finished the month with a <sup>10</sup> \_\_\_\_\_ of £955.45.

ACCOUNT NUMBER 548634396 PAGE 1  
 STATEMENT NUMBER 01  
 STATEMENT DATE 1 MAR 2000

**Medway Bank plc**

Ms Jane Sadler  
 75 Ebury Mews  
 London SW5

53 The Mews Road  
 London  
 L34 PY6

Date	Particulars		Debits	Credits	Balance
28 Jan	Opening deposit (CSH)			300.00	300.00
20 Feb	Cheque 000001 (CHK)	53.25			246.75
22 Feb	Autobank AB69301 Oxford Street (CSH)	60.00			186.75
23 Feb	Maitland and Co (DC)	33.50			153.25
26 Feb	Bennet and Sons (CSH)			802.20	955.45
Date 1 Mar	Particulars		Debits 146.75	Credits 1102.20	Balance 955.45

ABBREVIATIONS: CHK - CHEQUE CSH - CASH DC - DEBIT CARD TR - TRANSFER

3 Underline all the words and expressions related to computers in the text on page 58. Match the words and expressions with the definitions below.

- |   |                  |
|---|------------------|
| 1 to make a computer ready to be used   | b o o t      u p |
| 2 a small computer that you can carry with you                                  | l _____          |
| 3 to move information or programs from one part of a computer system to another | d _____          |
| 4 the key words used to find information in a database                          | s _____ c _____  |
| 5 the analysis of information by a computer program                             | p _____          |
| 6 the sets of programs in a computer  | s _____          |
| 7 to type information into a computer again                                     | r _____          |

## Vocabulary development: abbreviations

A number of abbreviations are used in the text, for example *PC* (line 56) for personal computer.

1 Put each business abbreviation below into one of these categories.

time	money	people	companies	other	
VAT	i.e.	Ltd	p.a.	asap	c.g.
IOU	MD	AGM	SFr	Corp	N/A
AOB	PAYE	CEO	plc	GMT	a.m.

2 What other abbreviations do you know for each category?

## Language Focus

### Allow, enable, let

The verbs *allow* and *enable* can be used to express possibility. Look at the following examples from the text on page 58.

*Features maintained in your PC **allow** you to restrict access to designated users.* (line 43)

*The CHAPS function **enables** you to send funds.* (line 59)

The same idea can be expressed using the verb *let*.

*HOBS **lets** you group information from different accounts.*

While *allow* and *enable* are followed by an object and an infinitive with *to*, *let* is followed by an object and an infinitive without *to*.

### Practice

Write a sentence about each invention using *allow*, *enable*, *let*. Use each verb twice.

Example: *A credit card allows you to buy goods and pay for them later.*

- 1 A fax machine
- 2 A laptop computer
- 3 A mobile phone
- 4 A modem
- 5 A credit card
- 6 E-mail



## First and second conditional

Look at these sentences, then complete the explanations that follow, using the words in the box.

**A** *If you transfer your money to a deposit account, you'll (you will) earn more interest.*

**B** *If I had more money, I'd (I would) invest it on the Stock Exchange.*

second conditional may possibly happen	first conditional is unreal	is unlikely to happen
---	--------------------------------	-----------------------

- 1 Sentence **A** is an example of the \_\_\_\_\_. The conditional clause (*if...*) refers to a situation that \_\_\_\_\_.
- 2 Sentence **B** is an example of the \_\_\_\_\_. The conditional clause (*if...*) refers to a situation that \_\_\_\_\_ or \_\_\_\_\_.

►► For more information on the first and second conditional, turn to page 166.

## Practice

**1** Decide which of these things may happen to you and which are unlikely to happen. Write complete sentences using the appropriate verb forms.

- 1 If / go abroad next summer / change / some money into traveller's cheques.

*If I go abroad next summer I'll change some money into traveller's cheques*

or

*If I went abroad next summer I'd change some money into traveller's cheques*

- 2 If / lose / credit card / inform / the bank immediately.  
 3 If / need some money / ask / the bank manager for a loan.  
 4 If / find / mistakes on my bank statement / change / to a different bank.  
 5 If / earn / more money / be able to / save more.  
 6 If / order / chequebook / get / it before the end of the week?

**2** Read the problems below. In pairs, discuss what you would do in each situation.

- You have spent the last month preparing a report for head office. You have just learned that your boss has taken all the credit for the work.
- Your boss gave you a highly confidential report to read over the weekend. Now you cannot find it and you think you may have left it on the train.
- You have been sent to negotiate an important new contract for your firm. During the negotiations your counterpart makes it clear that he expects a personal cash contribution (a bribe) from you if your company is to win the contract.
- In your CV you lied about your qualifications in order to get the job you wanted. You have just been offered the job, but your new employer has asked to see your certificates.
- Two years ago your company signed an agreement to become the exclusive importer of kitchen equipment from a Swedish supplier. You have just received confirmation that another company is selling the same products at a lower price.
- You have just seen in your bank statement that your employer has paid you £500 more than your monthly salary.

## 7

# Business and the Environment

**Key vocabulary** It is often said that we live in a **consumer society**; we consider it important to buy products and services. Companies need to be aware of the impact of this on the **environment**, the natural world around us. Many companies use **packaging** (boxes, bottles, etc.) which has been **recycled**, that is made using old materials. **Pollution**, such as smoke in the air, can be reduced if companies use trains instead of road transport.

**Lead-in** 1 In groups, look at the cartoons below and discuss these questions.

- Which environmental threat does each cartoon refer to?
- Which cartoon do you think is the most effective?
- Which environmental cause do you think is the most important today?

These words will help you.

ozone layer

chemical / nuclear waste

global warming

rubbish bin (GB)

oil spills

trash can (US)



XIV



XV

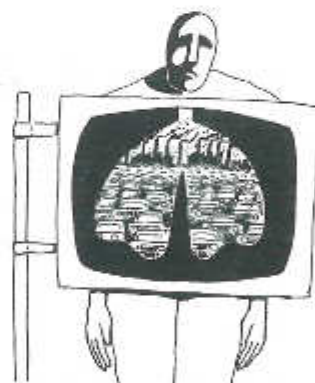


XVI

Palomo/La Jornada/Mexico City



XVII



Javad/Fotahyoun/Teheran



Ewic/Altonblade/Stockholm



Cummings/Free Press/Winnipeg



2 In groups, discuss these statements made by Anita Roddick, founder of The Body Shop International. Do you agree with any of them? Why? Why not?

‘A good business should be part of society, and you have to have pride in what you do. There’s no pride in making millions of pounds, but there is pride in helping people and the environment.’

‘The idea now is global responsibility. Businesses are the true planetary citizens, they can push frontiers, they can change society.’

‘In the next decade, environmentalism will be the most important issue for business.’

3 As consumers become increasingly concerned about the environment, more and more companies claim to be producing ‘environmentally-friendly’ products. Read the claims below and match each one to the company that you think made it.

a cosmetics firm

a car manufacturer



a fast food chain

a sports footwear firm



- 1 ‘We provide refills for all our bottles.’
- 2 ‘All our packaging is made of biodegradable materials.’
- 3 ‘When you’ve finished with our products bring them back, we recycle them.’
- 4 ‘Our latest model is much less polluting.’

What other companies with environmentally-friendly policies do you know?

### Reading

1 Read the text below and write three questions you would like to ask about Patagonia.

## patagonia

is a Californian company. Its corporate culture has its roots in the 1960s Californian counterculture of climbers and surfers with the ethic of radical environmentalism. Although its CEO, Yvon Chouinard, is dedicated to social change he also insists on disciplined

management and sound business practices. As a previous CEO of Patagonia said, ‘The one thing I’m clear about is that Chouinard demands 10% pretax profit.’ For him, it is not a question of social good or business profit, but social good and business profit.

2 Read the text opposite and see if you can find the answers to your questions. Can you guess the answers to your other questions?

3 Read the text again and answer these questions.

- 1 According to the text, why are Patagonia’s customers so loyal?
- 2 In what ways does Patagonia make efforts to explain its products’ ‘earth-friendliness’?
- 3 What is the overall objective of Patagonia’s environmental education policy?
- 4 How does Patagonia reassure customers who might question their claims to be environmentally-friendly?
- 5 How do customers react to Patagonia’s grants projects?



Yvon Chouinard



# Proven environmental commitment helps create committed customers

Jacquelyn Ottman

- 1 When self-proclaimed 'Patagonics' dial up Patagonia, they know they will receive more than a high-quality fleeced anorak or a waterproof pair of hiking boots. Thanks to the California-based retail firm's outdoor clothing catalog and its exemplary method of communicating its corporate environmentalism, customers are not only knowledgeable about the company's environmental progress, they are loyal\*, too.
- 2 When purchasing products from Patagonia, customers also buy into a commitment to environmental restoration. Patagonia's example demonstrates good green-marketing strategies.

## Educate consumers on environmental product attributes and benefits.

- 3 Patagonia takes pains to explain its products' earth-friendliness and show customers the big picture. For example, in the mid-1990s, Patagonia began using organically-grown cotton exclusively. In addition to highlighting the organic\* merchandise in product descriptions in catalogs, essays explained why organically-produced products are environmentally preferable.
- 4 Other essays expanded the issue beyond individual products and processes. In a 1996 catalog essay, for example, CEO Yvon Chouinard explained the rationale behind the company's switch to organically-grown cotton, including the problems associated with producing conventional cotton, the larger long-term benefits of investing in organically-grown products and the need to think about long-term sustainability issues when choosing products.
- 5 One might assume that explaining the benefits of organic cotton in catalogs was a strategic move, since the company had to justify the \$2 to \$10 premium per garment. But other essays, for instance, addressed environmental issues not directly linked to company profit.
- 6 Broad environmental education teaches consumers that, although thinking and buying green is more expensive, environmentalism is less taxing on the earth in the long run, and therefore, on individuals.

## Use a variety of media.

- 7 Patagonia's advertising and company literature aim to educate. Instead of a catalog packed only with sales information, Patagonia's catalog is more like National Geographic. Demonstrations in Patagonia's retail stores engage\* customers with interactive displays of the earth's processes. Annual reports, pamphlets and other company literature explain new ideas in environmentalism. And Patagonia was one of the first companies to discuss sustainability in paid media.

## Demonstrate tangible corporate environmental progress.

- 8 Patagonia realizes that customers sometimes doubt corporate environmental claims. To avoid consumer backlash\*, Patagonia publishes the results of its internal environmental assessment.
- 9 This report reviews all office, production and merchandising activities and uncovers opportunities to cut waste and reduce energy. Readers can see how Patagonia tries to conduct business in a socially responsible manner, from choosing long-lasting efficient light bulbs to providing on-site child care for employees' children. The grounds around the company's headquarters even feature edible landscaping - banana trees.
- 10 Through an environmental grants program, dubbed\* Earth Tax, Patagonia pledges 1% of its sales or 10% of its pre-tax profit, whichever is greater, to small, local preservation and restoration efforts. Through\* April 1997, Patagonia had contributed more than \$8m to hundreds of such organizations.
- 11 Believing that grass roots\* efforts do the most to raise community awareness of local problems, the Earth Tax program targets smaller grass roots organizations committed to issues such as biodiversity\*, old-growth forests, environmentally preferable methods of resource extraction\*, alternative energy and water, social activism and environmental education. By funding more than 350 of these efforts each year, Patagonia helps raise community awareness nationwide.

## Empower consumers to take action.

- 12 An annual Earth Tax Report invites customers to apply for grants for local projects. Participants are quick to apply and inform the company about environmental successes. One recent catalog featured a customer sporting an insulated Patagonia guide jacket as she rescued a calf born during a Colorado snow storm.
- 13 With powerful communication, meaningful corporate environmental progress and avenues for consumer activism, it is no wonder that even skeptics become Patagonia customers and customers become 'Patagonics'.

\*loyal: always supporting

\*organic: made without artificial chemicals

\*to engage s.b.: to attract s.b. and keep their interest

\*a backlash: a strong reaction against s.th.

\*to dub: to give an 'unofficial' name

\*through (US): until (GB)

\*grass roots: at the level of ordinary people

\*biodiversity: many different plants and animals existing in one area

\*resource extraction: taking natural products from the earth

## Vocabulary

1 Complete the passage below using these words from the text.

- |                                 |                       |
|---------------------------------|-----------------------|
| a sustainability (para 4)       | d empower (para 12)   |
| b product descriptions (para 3) | e commitment (para 2) |
| c catalogs (para 3)             | f organic (para 3)    |

Patagonia is an outdoor clothing firm with a strong <sup>1</sup> commitment to environmental causes. It sells its products through retail outlets and by mail order. Patagonia is renowned for its spectacular <sup>2</sup> \_\_\_\_\_ which are filled with unusual and dramatic photos (all taken by customers) displaying the clothing in exciting ways. They also contain detailed <sup>3</sup> \_\_\_\_\_ which include definitions of materials and explanations of manufacturing processes.

The company makes jackets from recycled plastic bottles and produces clothing from <sup>4</sup> \_\_\_\_\_ materials. It offers courses to its employees on non-violent demonstrations and even pays bail for employees who get arrested. It also donates money to environmental groups and generally supports efforts that <sup>5</sup> \_\_\_\_\_ consumers to take action. Patagonia's strategy isn't just to give away money to good causes but to pioneer new, long-term practices of <sup>6</sup> \_\_\_\_\_ in business, prove their economic viability and persuade other businesses to follow.

2 Find words in the text which have the opposite meaning to the words below.

- |                                       |                      |
|---------------------------------------|----------------------|
| 1 imperfect (para 1) <i>exemplary</i> | 5 separate (para 5)  |
| 2 uninformed (para 1)                 | 6 taken (para 10)    |
| 3 innovative (para 4)                 | 7 locally (para 11)  |
| 4 uncalculated (para 5)               | 8 failures (para 12) |

3 Match the nouns and verbs as they are used in the text.

- |           |             |
|-----------|-------------|
| 1 address | a business  |
| 2 doubt   | b awareness |
| 3 publish | c results   |
| 4 conduct | d issues    |
| 5 raise   | e claims    |

4 Replace the words in italics with expressions from Vocabulary 3 in the correct form.

- The speaker will *talk about the difficulties* we are likely to encounter.  
*address the issues*
- The company *runs its affairs* in an ethical and honest manner.
- The government will *make public the conclusions* of the environmental study next month.
- We are running a campaign designed to *increase public knowledge* of the current crisis.
- Many consumers *don't believe statements* made by companies about their products.

**Vocabulary development: word building**

With some words it is possible to create several new words by adding suffixes. Look at these examples.

Verb	Noun (idea)	Noun (person)	Adjective
-	environment	environmentalist	environmental
activate	activism activity	activist	active

1 Complete the table below, using a dictionary. Some words may have two forms with the same spelling.

Verb	Noun (idea)	Noun (person)	Adjective
produce	a _____ (efficiency)	b _____	c _____ (making a lot)
d _____	progress	-	e _____ (supporting new ideas)
manage	f _____	g _____	h _____ (relating to senior staff)
direct	i _____	j _____	k _____

2 What suffixes can you add to these words?

- a develop    b commit    c sustain    d employ

**Discussion**

In groups, discuss these questions.

- 1 What do you think of Patagonia's approach to business?
- 2 Are consumers in your country concerned about the environmental policies of businesses?
- 3 Would you pay more for things produced in an environmentally-friendly manner? If so, how much more?