

**SECOND EDITION**

# **English for Business Studies**

A course for Business Studies  
and Economics students

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**Teacher's Book**

Ian MacKenzie



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# Unit 1

## The three sectors of the economy

As mentioned in the Introduction, the units in the Student's Book are grouped according to subject matter: management, production, marketing, finance, and economics. This first introductory unit is more general. It covers a lot of basic vocabulary concerning developed economies, much of it in an extract from a well-known British novel. It also discusses the evolution of the economy of most of the older industrialized countries, with the decline of manufacturing industry and its replacement by services. There is an extract from a magazine interview with an economist and an interview with a British Member of Parliament on this issue. Task 1a, based on the photograph, provides a good warm-up activity.

An important point: **virtually all the activities in this and the succeeding units can be done in pairs, and then checked with the whole class.** Here this applies to describing the photo in 1a, classifying the activities in 1c, answering the questions in 2a and 2b, writing the summary in 2c, and so on.

### 1 The economic infrastructure

#### 1a Vocabulary

The photo clearly shows a large factory (the Unilever factory in Warrington, England) in the centre, with more factories, industrial units, or warehouses in the top right-hand corner. The large factory seems to include some office buildings. Also visible are agricultural land (in the background; the land in the foreground doesn't appear to be cultivated), a river, a railway and several roads, and housing, perhaps with a school in the centre of the housing estate top left.

#### 1b Reading

##### ANSWER

The text suggests that most people take for granted the amazing complexity of the economic infrastructure.

**Vocabulary notes** You probably have to be British to understand 'pebble-dashed semis'. A *semi-* is a semi-detached house, almost a symbol of suburban middle-class life. *Pebble-dashed* means that the bricks are covered with lots of small stones stuck in a thin layer of cement.

It should be pointed out to German speakers that a *warehouse* in English is not the same as a *Warenhaus* (department store) in German; and to French speakers that *inhabit* is the English equivalent of *habiter*, and not the negative *inhabité*.

A possible additional exercise related to this text would be to describe other processes, along the lines of Lodge's description of all the activities that precede boiling water in a kettle. For example, what has been done that enables you to pick up and use a pencil, or brush your teeth, or look in a mirror, and so on.

#### 1c Comprehension

##### SUGGESTED ANSWERS

- 1 Tiny fields (the primary sector), factories (the secondary sector), and railways, motorways, shops, offices, and schools (the tertiary sector).
- 2 Primary sector  
digging iron ore  
mining coal  
Secondary sector  
assembling

building  
cutting metal  
laying cables  
milling metal  
pressing metal  
smelting iron  
welding metal  
Tertiary sector  
advertising products  
calculating prices  
distributing added value  
maintenance\*  
marketing products  
packaging products\*  
pumping oil\*  
transportation

- \* Some of these answers are open to discussion. For example, if maintenance involves cleaning office floors, this is a tertiary service, but if it involves replacing broken windows or overhauling machines, this is closer to building or construction, and should consequently be considered a secondary sector activity. Similarly, *designing* product packaging is a tertiary sector service, but the physical activity of packaging products can be considered part of the production process, which is of course part of the secondary sector. If pumping oil is understood as extracting oil by pumping water into bore holes, this is a primary sector activity, but if it is understood as pumping oil to or from a refinery, it is a tertiary sector transport activity.
- 3 Other primary sector activities include farming (agriculture), fishing and forestry. Other secondary sector activities include manufacturing, transforming and processing. Other tertiary sector activities include financing, designing and retailing.

## 1d Discussion

This activity is designed to get learners thinking about the issue of the future of manufacturing in industrialized countries, and the growth of the service sector, for the next part of this unit.

## 2 Manufacturing and services

### 2a Reading

#### ANSWERS

- 1 Because they think it will lead to unemployment.
- 2 Designing goods, persuading people to buy them; arts and entertainment.
- 3 No, because it is a natural, progressive and inevitable development.

### 2b Listening

#### ANSWER

Denis MacShane quite clearly disagrees with Galbraith.

#### TAPESCRIPT

*Interviewer* Denis MacShane, do you agree with the people who say that manufacturing industry will inevitably decline in what we call the industrialized countries?

*Denis MacShane* I think manufacturing will change, convert itself. There are many new products that have to be invented to serve new needs, and they *can* be made in the advanced countries because in fact the technology of production means you need very little labour input. I'm holding in my hand a simple pen that British Airways gives away to its passengers. It is made in Switzerland, a pen, a low-tech product, made in Switzerland, with the highest labour costs in the entire world, and British Airways, a British company, having to pay in low value pounds, is buying from Switzerland a manufactured product. Now what's going on here? It seems to me that the Swiss – and they also manage to do it with their watches, the famous Swatch – have stumbled on a new secret, which is how to make low-tech

products, sell them profitably, but actually make them in a country where in theory there should be no more manufacturing, and if you look at any of the successful economies of the 1990s, they all have a strong manufacturing component.

*Interviewer* Which countries are you thinking of?

*Denis MacShane* I'm thinking of the dynamic Asian economies, all based on manufacturing, I'm thinking indeed of the United States which now has created for example a new computer, high-tech computer industry, its car industry is coming right back in America. America is a giant manufacturing economy, which is why it is still the richest nation in the world, so I am extremely dubious of the theorists who say that manufacturing has no future in the advanced industrialized countries.

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## ANSWERS

- 1 Because there are many new products that have to be invented to serve new needs.
  - 2 Because these countries have production technology that requires very little labour input.
  - 3 Precisely because it requires very little labour input.
  - 4 The conventional theory is that the most important cost in manufacturing is labour, and wages and salaries in Switzerland are the highest in the world. (As is the cost of living!)
  - 5 Because the pound sterling has, over the years, lost a great deal of value against foreign currencies, especially the Swiss franc.
  - 6 It has a successful manufacturing economy, including its computer and car (automobile) industries.
- 7 1 B    2 D    3 A    4 E    5 C

**Note** After listening to some of the interviews in this book (though certainly not this one), you might be tempted to ask 'What is the most common word in spoken English?', to which the answer would of course be 'Er...'. The tapescripts do *not* include all the ers, hesitations, false starts and repetitions of the speakers.

## 2c Writing

### A POSSIBLE SUMMARY

Galbraith says that manufacturing industry will inevitably decline in the advanced industrial countries, and be replaced by design, advertising, entertainment, and so on. MacShane says that manufacturing will change, and make new products with new technology.

### New words in this unit

At the request of some users of the First Edition of this book, this Second Edition includes lists of new words at the end of each unit of the Teacher's Book.

The lists are not exhaustive, as it is assumed that learners will already know many of the words in the units. The lists include about 60 words and expressions that are not included in the five-language Glossary at the end of the Student's Book as they are very similar and instantly recognizable in French, German, Italian and Spanish.

agriculture	infrastructure
business	labour
company	manufacturing
consumer	primary sector
economic	product
economy	raw materials
employment	secondary sector
goods	tertiary sector
industry	unemployment

# Unit 2 | Management

Management is important. The success or failure of business organizations, government institutions and public sector services, voluntary and non-profit organizations, sports teams, and so on, often depends on the quality of their management. This unit includes a discussion of the qualities required by managers, a definition of management, consideration of the role of meetings in management, a critical view of the management of one large American multinational company, and an interview with the manager of a British department store, who discusses his job.

A possible warm-up activity, before the discussion on the qualities required by managers and the definition of management, would simply be to discuss the cartoon. What's the joke? We can assume that Mr Farvis runs this company (his name is on the door). What can we say about his managerial skills, or his apparent lack of them?

Another possible warm-up activity (for classes that can be expected to know the answer) would be to ask learners to discuss in pairs for two minutes what exactly managers *do*, hoping to elicit vague notions (though probably without the correct vocabulary) concerning organizing, setting objectives, allocating tasks and resources, communicating, motivating, and so on.

## 1 Management – an art or a science?

### 1a Discussion

#### ANSWERS

- 1 The answer is probably that management is a mixture of innate qualities and learnable skills and techniques.

- 2 A personal choice of qualities: D, F, H and J. I also quite like K. If you like the sound of derisive laughter ringing round the classroom, tell any learners who choose L that they should consider becoming a teacher!
- 3 There are clearly no definitive answers as to which of these skills can be acquired.

**An additional question** Give some examples of famous managers. Whose career would you most like to emulate?

### 1b Reading

Peter Drucker, the (Austrian-born) American management professor and consultant, is the author of many books about business. The text paraphrases the extended definition of management he gives in one of his management textbooks.

**Vocabulary note** Many learners are unfamiliar with the plural of crisis, namely *crises* (in the penultimate paragraph). Also: thesis – theses, hypothesis – hypotheses, and their pronunciation.

*Outstanding*, in the last line, here meaning exceptionally good, also has another meaning, as in an outstanding (or overdue) balance, etc.

#### ANSWERS

Drucker's first point (setting objectives and developing strategies) presumably requires qualities J, H, E and A (not necessarily in that order). The second point (organizing) presumably also requires H, E and J. The third point (motivation and communication) embraces F, D, I and probably C. The fourth point (measuring performance) probably requires H and E. The fifth point (developing people) might require H, F, D and J. But all this is clearly open to discussion.

## 1c Vocabulary

### ANSWERS

- 1 resources    2 manageable    3 setting, communicate  
4 supervise, performance  
5 achieved    6 board of directors  
7 innovations

## 1d Vocabulary

### ANSWERS

Common collocations include: allocate resources (or people), communicate information or decisions, develop strategies (or people or subordinates), make decisions, measure performance, motivate people, perform jobs, set objectives, and supervise subordinates.

## 1e Writing

These memos circulated for years in e-mails of lists of stupid sayings. You may well have received similar lists of stupid things said by lawyers, defendants, politicians, people making insurance claims, etc. They are apparently genuine (with the one about security cards coming from Microsoft). Your students may manage to do better (or worse). This is not a particularly serious exercise.

## 2 Meetings

Drucker obviously believes that work is largely something that is done individually, and that meetings are not 'work', but merely preparation for it, or consolidation after it.

## 2a Reading

Robert Cringely's history of the personal computer industry is very informative, in places very critical, and also very funny. In this extract, he is extremely negative about IBM, saying that they put much too

much effort into management and worrying about the possibility of making bad decisions, and not enough into producing good, competitively-priced products.

## 2b Comprehension

### POSSIBLE ANSWERS

- 1 It seems as if the people who work for IBM are more interested in being regarded as a manager than as a computer designer or technician.
- 2 IBM's corporate culture seems to place more emphasis on management than on developing and selling the company's products.
- 3 IBM's managers don't actually do the work of designing and writing software themselves, but organize and supervise the people who do it.
- 4 IBM products are rarely as good or as cheap as similar products made by their competitors.
- 5 There is an extensive hierarchy and a system of checks and controls which ensures that bad decisions are generally avoided (but good decisions also take a very long time to make).
- 6 The slowness of IBM's decision-making process (and the consequent lack of competitiveness of their products) will eventually destroy the company.

## 2c Vocabulary

### ANSWERS

- 1 apparently    2 software    3 effort  
4 hardware    5 trainees    6 expertise  
7 layers    8 verify    9 amended  
10 downfall



### 3 The retail sector

The unit finishes with the first of three extracts from an interview with the manager of a Marks & Spencer store. (The others are in Units 4 and 10.) M&S, as many people call them in Britain, sell clothes, household goods, and food.

#### 3a Listening

Throughout this course, even where the instructions to the learners do not specify it, it will almost certainly be necessary to play each part of each recording at least twice.

##### TAPESCRIPT

*Steve Moody* So, as the store manager in Cambridge, which is probably the fortieth largest of the 280 stores we have got, I am responsible for the day-to-day running of the store. All the product is delivered to me in prescribed quantities, and obviously I'm responsible for displaying that merchandise to its best advantages, obviously I'm responsible for employing the staff to actually sell that merchandise, and organizing the day-to-day logistics of the operation. Much more running stores is about the day-to-day operation, and ensuring that that's safe, and obviously because of the two hundred people that we would normally have working here it's ensuring that they are well trained, that they are well motivated, and that the environment they work in is a pleasant one, that they are treated with respect, and that they are committed to the company's principles.

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##### ANSWERS

Steve Moody says that he is responsible for the following tasks:

- 2 displaying the merchandise
- 3 employing the sales staff
- 4 ensuring the safety of staff and customers
- 6 getting commitment from the staff
- 8 maintaining a pleasant working environment
- 9 motivating staff
- 10 organizing the day-to-day logistics
- 14 supervising the day-to-day running of the store
- 15 training staff

**Vocabulary note** Steve Moody talks about the 'day-to-day running of the store', and 'running stores' appears in the question. Some learners may be unfamiliar with this synonym for managing.

#### 3b Listening

##### TAPESCRIPT

*Interviewer* How much freedom do those people have within their jobs to make decisions themselves? How much delegation is there of responsibility down the chain?

*Steve Moody* We would, as a business, like to encourage as much accountability and delegation as possible. Of course that does depend on the abilities of the individuals, the environment in which you're working, and the time of year. With 282 stores we have a corporate appearance in the United Kingdom's high streets. It is quite important that when customers come into Marks & Spencer's Cambridge they get the same appearance and type of looking store and the same level of service that they would expect if they went into Marks & Spencer's Edinburgh in Scotland, for example, and it's very important that we have a corporate statement that customers understand. So, there are obviously parameters and disciplines that,

you know, not only the staff but supervision and management would follow. Within that, in terms of development and training, training is obviously an investment for all staff. If staff are trained to do their job well and they understand it, they will feel confident in what they're doing, that in turn will give a better service to the customers, obviously from Marks & Spencer's point of view it could well lead to increased sales.

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## ANSWERS

- 1 Although Marks & Spencer 'would like to encourage as much accountability and delegation as possible', they have a corporate appearance for all their stores, in all of which customers should get the same level of service. This limits the freedom of individual managers to change the stores: there are 'parameters and disciplines that not only the staff but supervision and management would follow'.
- 2 Instead, they concentrate on staff development and training.

## 3c Listening

### TAPESCRIPT

*Interviewer* Do you have meetings for members of staff where they can express views about what's going on in the store?

*Steve Moody* We have a series of meetings, management and supervisory every week, we have something which Marks & Spencer's call a focus group, which is members of staff who get together regularly from all areas of the store, so from the food section and perhaps the menswear section, from the office who do the stock and accounting, and indeed the warehouse where people receive

goods. They have meetings, they discuss issues, they discuss problems that they feel are going on in the store. They also discuss suggestions of how they can improve that we run the store, and they discuss that amongst themselves first. They will then have a meeting with members of management and obviously myself, and we will discuss those issues and work together to try and provide solutions. However, Marks & Spencer's philosophy, I suppose, is that meetings should not be a substitute for day-to-day communication and therefore if problems do arise in terms of the operation, or an individual has got a problem in their working environment, or indeed their immediate line manager, or indeed if they have a problem outside, which might be domestic, or with their family, we would like to discuss that as it arises and would like to encourage a policy that they will come and talk to their supervisor or their manager, to see what we can do to solve the problem.

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## ANSWERS

- 1 A focus group.
- 2 Members of staff from all areas of the store (e.g. the food section, the menswear section, the stock and accounting office, the warehouse, and so on).
- 3 Staff can discuss problems in the store, and make suggestions for improvements. After this, they will meet with members of management to discuss those issues and try to provide solutions.
- 4 Individuals' problems with their work or their line manager, or even family problems.
- 5 Individuals are encouraged to discuss such problems with their supervisor or manager.

### 3d Discussion

Some learners may decide that they have the necessary abilities to become a manager or even a top manager; others may envisage more specialized careers in a particular function such as marketing, finance, computing, accounting, and so on, which will not involve managing and coordinating a large number of people and operations.

### New words in this unit

allocate	merchandise
banker	motivate
board of directors	objective
chairman	organization
competitive	pay
customer	performance
director	promotion
distributor	resources
function	software
hardware	staff
innovation	strategy
investor	subordinate
logistics	supervise
manageable	supplier
management	tactics
manager	team
measure	top manager
meeting	trainee

# Unit 3 | Company structure

One of the most important tasks for the management of any organization employing more than a few people is to determine its organizational structure, and to change this when and where necessary. This unit contains a text which outlines the most common organizational systems, an exercise which focuses on the potential conflicts among the different departments of a manufacturing organization, an example of an organization chart, and an extract from a talk by Jared Diamond concerning the best way to organize a business.

## 1 How are companies organized?

### 1a Discussion

This discussion activity follows on naturally from activity 3d in the previous unit, about managing companies or having more limited responsibilities in a particular department.

### 1b Vocabulary

#### ANSWERS

1 C    2 E    3 B    4 A    5 F  
6 G    7 D

### 1c Reading

The text summarizes the most common ways in which companies and other organizations are structured, and mentions the people usually credited with inventing functional organization and decentralization. It mentions the more recent development of matrix management, and a well-known objection to it.

If you think that the learners may know the answers, the text can also be prepared orally by way of questions such as the following (each of which presupposes an answer to the previous one):

- How are most organizations structured?
- Yet most companies are too large to be organized as a single hierarchy. The hierarchy is usually divided up. In what way?
- What are the obvious disadvantages of functional structure?
- (*Discuss briefly in pairs*) Give some examples of standard conflicts in companies between departments with different objectives.
- Are there any other ways of organizing companies that might solve these problems?

#### ANSWERS

The diagrams are:

- A functional structure
- B matrix structure
- C line structure
- D staff position

**Vocabulary notes** In colloquial English we use the word *boss* rather than *superior*. We generally do *not* use the word *chief* (except in job titles, e.g. Chief Financial Officer).

Most companies have a *human resources* or *personnel* department; some American companies use the term *staff* department. *Staff* is a collective word for all the workers or employees of an organization. *Staff* in this sense is not the same as a 'staff position'.

## 1d Comprehension

### ANSWER

The only adequate summary is the second. The first stresses the disadvantages of hierarchies much more strongly than the text, and disregards the criticisms of matrix management and decentralization. The third is simply misleading: matrix management and teams are designed to facilitate communication among functional departments rather than among autonomous divisions.

## 1e Discussion

### ANSWERS

1, 4 and 11 would logically satisfy production managers, although 11 should also satisfy other departments.

2, 3, 6, 7 and 9 would logically be the demands of marketing managers.

5, 8, 10 and 12 would logically keep finance managers happy.

**Note** This exercise might be difficult for less advanced classes as it includes a number of words that are not defined here or practised elsewhere in the unit. Words which recur and are defined in later units (e.g. capacity, sales force, commission, features, market share, credit facilities, inventory, retained earnings) are *not* included in the vocabulary list at the end of the unit.

## 1f Describing company structure

Here is a short description of the organization chart illustrated.

The Chief Executive Officer reports to the President and the Board of Directors. The company is divided into five major departments: Production, Marketing, Finance, Research & Development, and Human Resources. The Marketing Department is subdivided into Market Research, Sales, and Advertising &

Promotions. The Finance Department contains both Financial Management and Accounting. Sales consists of two sections, the Northern and Southern Regions, whose heads report to the Sales Manager, who is accountable to the Marketing Manager.

## 2 Competition and communication

### 2a Vocabulary

#### ANSWERS

1 C 2 F 3 E 4 A 5 G 6 B 7 D

### 2b Listening

#### TAPESCRIPT

*Jared Diamond* I've received a lot of correspondence from economists and business people, who pointed out to me possible parallels between the histories of entire human societies and histories of smaller groups. This correspondence from economists and business people has to do with the following big question: what is the best way to organize human groups and human organizations and businesses so as to maximize productivity, creativity, innovation, and wealth? Should your collection of people be organized into a single group, or broken off into a number of groups, or broken off into a lot of groups? Should you maintain open communication between your groups, or erect walls between them, with groups working more secretly?

How can you account for the fact that Microsoft has been so successful recently, and that IBM, which was formerly successful, fell behind but then drastically changed its organization over the last four years and improved its success? How can we explain the different successes of what we

call different industrial belts? When I was a boy growing up in Boston, Route 128, the industrial belt around Boston, led the industrial world in scientific creativity and imagination. But Route 128 has fallen behind, and now Silicon Valley is the centre of innovation. And the relations of businesses to each other in Silicon Valley and Route 128 are very different, possibly resulting in those different outcomes.

I've spent a lot of time talking with people from Silicon Valley and some from Route 128, and they tell me that the corporate ethos in these two industrial belts is quite different. Silicon Valley consists of lots of companies that are fiercely competitive with each other, but nevertheless there's a lot of collaboration, and despite the competition there is a free flow of ideas and a free flow of people and a free flow of information between these companies that compete with each other. In contrast, I'm told that the businesses of Route 128 are much more secretive, and insulated from each other.

Or again, what about the contrast between Microsoft and IBM? Microsoft has lots of units, with free communication between units, and each of those units may have five to ten people working in them, but the units are not micro-managed, they are allowed a great deal of freedom in pursuing their own ideas. That unusual organization at Microsoft, broken up into a lot of semi-independent units competing within the same company, contrasts with the organization at IBM, which until four years ago had much more insulated groups. A month ago, I met someone who is on the board of directors of IBM, and that person told me, what you say about IBM was quite true until four years ago: IBM did have this secretive organization which resulted in IBM's loss of competitive ability, but then IBM acquired a new CEO who changed things drastically, and IBM now has a more Microsoft-like organization, and you can see it, I'm told, in the improvement in IBM's innovativeness.

So what this suggests is that we can extract from human history a couple of principles. First, the principle that really isolated groups are at a disadvantage, because most groups get most of their ideas and innovations from the outside. Second, I also derive the principle of intermediate fragmentation: you don't want excessive unity and you don't want excessive fragmentation; instead, you want your human society or business to be broken up into a number of groups which compete with each other but which also maintain relatively free communication with each other. And those I see as the overall principles of how to organize a business and get rich.

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(This recording is not of Jared Diamond himself, but was read by an actor from a transcript of Professor Diamond's lecture.)

## ANSWERS

1 1 A 2 B 3 D 4 D 5 B 6 C 7 A 8 C  
2 g b c h i e k f d j a

Isolated companies or groups are at a disadvantage, because most groups of people get most of their ideas and innovations from the outside. So in order to maximize productivity, creativity, innovation, and wealth, you should break up your business into a number of groups which compete but also communicate with each other quite freely. You should also exchange ideas and information with other companies, and regularly engage staff who have worked for your competitors.

At the time of writing, the full transcript of Professor Diamond's talk is available at:  
[http://www.edge.org/3rd\\_culture/diamond\\_rich/rich/\\_p1.html](http://www.edge.org/3rd_culture/diamond_rich/rich/_p1.html)

## 3 Big and small companies

### 3a Discussion

#### ANSWERS

Advantages of working in a small company: 2, 3, 4, 7, 9, 11, 13

Advantages of working in a big company: 1, 5, 6, 7, 8 (?), 10, 12, 14

Some of these answers are open to discussion. For example, number 8: some people might argue that you have a better possibility of realizing your potential in a small company in which you are required to take on a number of different tasks.

### 3b Writing

This could be a homework activity. Learners should be discouraged from merely completing the paragraph given as an example.

There are further exercises on conjunctions and connectors in Units 19 and 27. The precise differences among words on the same line in the box (e.g. as, because and since) are difficult to demonstrate or explain. The use of these words is one of the things you could draw attention to in any supplementary texts you use in class.

## New words in this unit

autonomous	insulated
boss	isolated
chain of command	level
Chief Executive Officer (CEO)	line authority
collaboration	Managing Director
competitor	marketing
corporate ethos	output
decentralization	personnel
department	position
division	President
downsizing	production
downturn	productivity
finance	reorganization
fragmentation	report to
functional	responsibility
organization	salary
hierarchy	sales
input	subsidiary
	wealth

# Unit 4 | Work and motivation

As well as setting and communicating objectives, developing strategies, and allocating resources, managers have to motivate the staff who report to them. These will often include people with interesting, responsible and fulfilling jobs, as well as others with less interesting and highly repetitive tasks. This unit includes a discussion on whether it should be assumed that people like work and responsibility, or whether they need to be forced to work; a discussion about the kind of things that might motivate, or at least satisfy, employees; and an interview with a department store manager, who describes how he attempts to motivate his employees.

A possible warm-up would be to ask the learners to discuss briefly in pairs what is the worst possible long-term job they could imagine doing, one in which it would be almost impossible to motivate them, and why. (Someone will probably say 'Business English teacher', but of course we approve of humour in the classroom, don't we!)

## 1 Work and responsibility

### 1a Vocabulary

#### ANSWERS

1 A	2 B	3 B	4 C	5 C
6 B	7 A	8 B	9 C	10 B

### 1b Discussion

As always, to be discussed in pairs. There are no 'right' answers, but these statements naturally fall into two groups, reflecting two opposing views of human nature, as will be seen in the text that follows.

### 1c Reading

#### ANSWERS

1 X	2 Y	3 X	4 X	5 Y	6 X
7 Y	8 Y				

Abraham Maslow, mentioned here, is of course more famous for his own theory of motivation, and his pyramid of needs, with which most business learners are familiar. The Student's Book, I am pleased to say, is one of the very few books about business that does *not* mention this theory!

### 1d Summarizing

Learners can be asked to complete these sentences either orally (working in pairs), or in writing (alone or working in pairs).

#### TYPICAL ANSWERS

- 1 According to Theory X, employers have to threaten workers because the threat of losing their jobs often makes people work better.
- 2 According to Theory Y, employers should give their workers responsibilities because a responsible job is necessary to people's psychological well-being.
- 3 Maslow criticized Theory Y because there are people who are unable to take on responsibility and self-discipline.
- 4 Maslow argued that even though they might want to be given responsibilities at work, people also require the security that comes from routines and from being given instructions.



## 1e Discussion

Learners' answers will almost certainly differ here. This task relates to the text in 1g, which summarizes Herzberg's well-known argument that many of the items listed here (including good pay and good working conditions) merely *satisfy* but do not *motivate* workers.

## 1f Writing

This is probably a task to be set for homework.

## 1g Reading

According to Herzberg, good conditions merely *satisfy* workers, but do not *motivate* them; motivation can only come from interesting work, responsibility, and so on.

## 1h Summarizing

### TYPICAL ANSWERS

- 1 Herzberg suggested that good labour relations and working conditions will only satisfy people – or more importantly, *dissatisfy* them if they do not exist – but not motivate them.
- 2 According to Herzberg, the kind of things that motivate people are challenging or interesting jobs, recognition, responsibility, the chance of promotion, and so on.
- 3 The problem with saying that only challenging, interesting and responsible jobs are motivating is that there are and always will be people in jobs that are *not* challenging, interesting and responsible, and managers have to try to motivate these people.
- 4 Ways of motivating people in unskilled jobs include giving them responsibilities as part of a team, giving them more than one activity to do during the day, and encouraging them to believe in corporate values.
- 5 The problem with trying to motivate workers by the belief that their company is the best is that it is unlikely to succeed if it is not true, and most companies are evidently not the best.

## 2 Motivating staff

### 2a Listening

This is a second extract from the interview with the manager of the Marks & Spencer store who featured in Unit 2.

#### TAPESCRIPT

*Steve Moody* In terms of keeping people motivated, the first thing is obviously ensuring that they are paid a decent salary and that they work in a pleasant environment. Beyond that, that they understand what is expected of them and that when they do their job and they do carry out tasks, that what they do is actually appreciated by their line manager and indeed the people that they work with. They are not asked to do the same thing over and over again, yeah, without being told why they're being asked to do it.

*Interviewer* How important is a variety of tasks in motivating people? I mean, you wouldn't have somebody just working on the till the whole time, which I imagine is really hard work.

*Steve Moody* I think again it depends on the individual's abilities and the individual needs. We have people who work for us who actually like being on the till, all the time, because what they actually love, more than most, is the interface with the customers. They also, of course, become highly skilled, highly specialized, and highly efficient on the till, and if they like doing that and it actually suits us from an operational point of view, we would not discourage anybody from doing that. Equally, we've got members of staff who don't particularly like going on the till, but like filling up and doing stock orders and doing specific jobs that other people don't like doing, so it is tailoring individuals' needs and abilities to the operational needs of the store. Obviously you would not want to reduce flexibility by only having a certain

number of people who will only go on the till, or only fill up the counters, you have to have flexibility of people who like to do both, and many staff like to do all sorts of things. They like to do everything they possibly can, and the more varied things they can get involved in, the more interested they get.

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## ANSWERS

- 1 Steve Moody says something similar to A, B and C. (A: he says a decent salary; B: he says a pleasant environment; C: he says they understand what is expected of them.) D and E are *not* what he says: he says that people must *be appreciated by* their line superior and their colleagues, and that people must not be asked to do the same thing again and again *without knowing why* they're being asked to do it.
- 2 Because they like the human contact (what he calls 'the interface') with customers.
- 3 They become highly skilled, specialized and efficient at this task.
- 4 Filling up the counters and doing stock orders.
- 5 Fitting, matching.
- 6 Because it gives them flexibility.

**Note** Some learners may erroneously suppose that 'tailor' has some relation to 'Taylorism', or the 'scientific management' associated with Frederick Taylor, which involved the strict division of labour, and so on. In fact, Moody is saying the opposite, and considering the worker as well as the task.

## 2b Listening

### TAPESCRIPT

*Interviewer* M&S has a very good reputation for job security and looking after its staff, with things like good perks, good canteen, that sort of thing. Do those things actually motivate people, in their work, the fact that they're secure and well looked after, do you think?

*Steve Moody* I think it is, it is very important. When people have been working on the sales floor, and they may have been in from eight o'clock in the morning or seven o'clock in the morning, and they can come off the sales floor and they can go to the staff restaurant and obviously they can have tea, coffee, or a drink provided free of charge, and can then buy at very reduced rates a full cooked breakfast, if they want one, or a roll and cheese, in a pleasant environment, in a hygienic environment, food of the highest quality, there's areas where they can rest and read papers, or play pool or something, yeah, that is very important because they need a break from customers. At busy times, they need to get away from it, they need to be able to relax. In terms of all the health screening programmes we've got, that is very important, when people know that they will be having medicals, and the staff discount is another thing – obviously there's an amount of merchandise that they will buy which they will be able to buy at discounted rates. Christmas bonus, which I suppose for Marks & Spencer's, you know, we give all our general staff a 10% of their salary bonus at Christmas which is guaranteed, and the motivational effect of that, actually, at the busiest time of the year when they're under the most pressure and working hard, is fantastic and, you know, to see their faces as you hand them the envelope with 10% of their salary in it... I believe the environment that you work in, the quality of the people

that you work with, the way you are treated, with respect and dignity, and the fact that your views are listened to, even if they're not always carried out they are listened to, and you feel you are consulted, that makes people happy in their job, it makes them satisfied in their job, it makes them get up and come to work in the morning.

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## ANSWERS

- There is a restaurant where staff can get free drinks and good, low-priced meals.
  - There is a place where they can relax during their breaks, read newspapers, play pool, and so on.
  - They have regular medical screenings.
  - There is a staff discount on M&S merchandise.
  - There is a Christmas bonus of 10% of the annual (not monthly) salary.
  - Staff are treated with respect and dignity, and are listened to and consulted.
- 2 It motivates them to work hard during the busiest period of the year (and a period in which they also have extra expenses).

## 2c Discussion

### ANSWER

Steve Moody insists that the Christmas bonus, for example, actually *motivates* staff, whereas Frederick Herzberg argued that good salaries and working conditions merely *satisfy*. But Moody's statement that there are people who like a routine, and others who prefer a variety of interesting tasks, coincides with Douglas McGregor's argument.

## 2d Case study: Motivation

### POSSIBLE ANSWERS

Bus drivers probably want enough consecutive days off to compensate for working irregular hours. They might appreciate facilities at the bus depot where they could socialize with colleagues before or after work. Yet few bus companies are likely to offer facilities as costly as a gymnasium or tennis courts. Drivers would almost certainly appreciate a subsidized canteen. Early retirement might be a good way of retaining staff for a large part of their working life, and would almost certainly be popular.

Nurses certainly do not do their job for the money. They are probably motivated by seeing their patients get better, and probably appreciate working regularly with the same patients. Public hospitals are clearly not in a position to implement a profit-sharing programme, and it doesn't even sound very appropriate for a private hospital, any more than productivity bonuses. Most nurses would probably appreciate a shorter working week. They would probably also respond favourably to career training, and perhaps to a nursery and sports facilities.

Sales reps in general seem to be motivated by high commissions, or a productivity bonus. They probably already have a company car. If they spend most of their time travelling, they are unlikely to be interested in a canteen, sports facilities, or a redecorated office. Few sales reps seem to stay long enough with the same company to be affected by extra days' holiday for long service or early retirement. They would probably be motivated by the knowledge that the products they sell are in fact beneficial.

A manual printing worker who remained for a large part of his or her career in the same company might well appreciate every single motivational strategy suggested. In reality, they are unlikely to be offered many of these, least of all a higher salary or a company car.

I have absolutely no idea how you would motivate a shepherd!

## 2e Vocabulary

### ANSWERS

- 1 producer    2 products    3 productive  
4 production    5 unproductive  
6 productivity    7 pro'duce    8 'produce

**Vocabulary note** Many learners will probably be unfamiliar with the uncountable noun *produce* (stressed on the first syllable), which is only used for agricultural items (dairy produce, fruit, vegetables, flowers, and so on).

See also the role play 'Extra Perks' in *Business Roles 2* by John Crowther-Alwyn (Cambridge University Press).

## New words in this unit

administration	produce
benefits	productive
cash register	reward
employee	sick pay
employer	skilled
incentive	store
job security	task
labour relations	threat
labour union	till
motivation	unskilled
pension	wages
perks	working conditions

# Unit 5 | Management and cultural diversity

Despite the growth of global brands, and some degree of convergence of consumer tastes and habits, there remain enormous cultural differences among different countries and continents. This clearly presents a dilemma to multinational corporations: should they attempt to export their management methods to all their subsidiaries, or should they adapt their methods to the local culture in each country or continent? This unit contains a text that gives specific examples of problems faced by multinational companies in different parts of the world, and a number of discussion activities about cultural attitudes. Discussion activity **1a** serves as a ready-made warm-up to the unit.

## 1 Cultural attitudes

### 1a Discussion

It is generally agreed that it is more efficient for multinational companies to adapt their methods to the local cultures in which their subsidiaries are situated.

### 1b Discussion

The issues raised here are discussed in the reading text which follows. The learners' answers will reveal whether they believe companies should be task- or person-centred, whether they are primarily individualist or collectivist, and whether they are what Trompenaars calls universalist or particularist. They can be invited to suggest in which parts of the world the opposing opinions are to be found – and they may well be wrong.

Question 1 perhaps boils down to whether people or the functions they occupy are the most important. Are people all replaceable, or does the quality or the success of a business depend on its staff? For example, what is more important in a business school: the

syllabus (maths, accounting, management, marketing, finance, production, law, information systems, etc.) or the people who teach these subjects? If it's the former, what makes the difference between better and worse business schools?

Question 3 seems to be related to Adam Smith's account of the beneficial outcome of self-interest and the notion of the 'invisible hand', with which the learners may be familiar. Two well-known passages:

'It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.'

[The self-interested individual] 'neither intends to promote the public interest, nor knows how much he is promoting it ... he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.'

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* [1776] (Oxford: Clarendon Press, 1976, pp. 26–7 and 456).

An additional question to the learners: why are they studying business? For their own purposes (to get a good or better job) or to make the world a better place by aiding other people?

Question 4 raises the issue of collective responsibility. Learners who have done military service might have experience of situations of collective responsibility or punishment. Other learners may have experience of (or anecdotes about) playing team sports.

In Trompenaars' data, as reported in *Riding the Waves of Culture*, answers to the first question (Is a company a system or a social group?) varied widely within continents, allowing few conclusions to be drawn.

Nearly all countries answered question 2 (Is an organization structure about authority or functions?) by choosing function rather than authority, with scores of between 80 and 100%. Denmark, South Africa and Malaysia, countries with somewhat

different cultures, all scored 100%. Venezuela on 44% was the only country below 50%.

For question 3 (individual freedom versus taking care of other people), most countries were spread between 50 and 70% for individual freedom. The lowest percentages came from Nepal, Kuwait, Egypt, East Germany and France – again, a varied bunch. The USA and Canada had the top scores for individual freedom – 79%. At last a stereotype appears to be fulfilled!

For question 4 (individual versus group responsibility) most scores for individual responsibility were between 30 and 50%. Indonesia was the most collectivist, with only 13% choosing individual responsibility, and Russia the most individualist, at 68%.

For question 5 (the car and the pedestrian), most northern European countries, along with Canada and Australia, scored over 90% for thinking that a friend should *not* expect you to lie. The lowest score here was 26% for South Korea. Russia was on 42%, and Japan on 67%.

## 2 Managing multinationals

### 2b Reading

#### ANSWERS

According to the text, the illustrated managers would be: a) American; b) Italian; c) Latin, or specifically French; d) and e) Asian or Southern European or Latin American.

### 2c Comprehension

#### POSSIBLE ANSWERS

1 'Glocalization' means operating all over the world while taking account of local cultural habits, beliefs and principles in each country or market.

- 2 Japanese companies have a policy of promotion by seniority, so a 50-year-old manager should automatically be granted much more status and respect than a 30-year-old one.
- 3 The Italian salesman did not want to earn more (i.e. show himself to be a better salesman) than his colleagues, or earn as much as his boss. The Singaporean and Indonesian managers did not approve of a system that might cause salesmen to encourage customers to buy products they didn't need.
- 4 Universalists believe that rules are extremely important, and distrust particularists because they break rules to help their friends, while particularists believe that personal relationships should take precedence, and distrust universalists because they won't even help a friend.

## 2d Vocabulary

#### ANSWERS

- |               |                    |             |
|---------------|--------------------|-------------|
| 1 rationality | 2 intuition        | 3 status    |
| 4 seniority   | 5 (to be) offended | 6 rewards   |
| 7 bonus       | 8 humiliation      | 9 to resign |
| 10 ethically  |                    |             |

## 3 You and your culture

### 3a Discussion: You and your influences

As with various other exercises in the Student's Book (e.g. Unit 2 1a, Unit 4 1e, Unit 15 2f, Unit 22 1a), you may feel that too much information is given here in question 1. If you would prefer your learners to suggest these possible influences themselves, rather than merely select from a list, do a version of this exercise with the students' books closed. There are clearly no 'right answers' here.

### 3b Discussion: Attitudes to work

Again, there are of course no 'right answers'.

### 3c Survey

Doing this as an out-of-class survey would make a change from classroom discussion activities. What percentage of positive or negative answers to any question would be statistically significant and reveal cultural attitudes is hard to say. The figure of 60% in the Student's Book was *not* arrived at scientifically.

### 3d Discussion: Corporate culture

This discussion, and the next one, would probably work better with mixed classes containing learners of different languages, nationalities and cultures. If you have a homogeneous class, you could try to get them to suggest which countries or cultures might have motivated some of these questions (e.g. Japanese culture has very strict conventions about making eye contact).

### 3e Discussion: Body language

Again, you could try to elicit from the learners which cultures find some of these forms of behaviour *unacceptable*. For example, blowing one's nose in public is considered impolite in many east Asian countries. However this book is *not* going to provide a compendium of hints for foreign business travellers!

### 3f Discussion: Going abroad

Learners who have travelled might have things to say here. I thought my own nervousness about buying tickets on public transport was a personal pathology, until I went to conferences and saw famous professors walking three miles to the venue because they were too frightened to get on buses and trams! 'Do you have to leave a tip in this country?' is also a standard topic of conversation at conferences.

### 3g Writing

Even learners who have not been abroad should be able to think of information and advice that would be useful to a foreigner spending several weeks in their country. In fact, perhaps the memo needn't be 'brief' at all!

See also the role plays 'Flexible working time' in *Business Roles* and 'No Smoking' in *Business Roles 2* by John Crowther-Alwyn, and the simulation 'The barbecue' in *Decisionmaker* by David Evans (Cambridge University Press).

### New words in this unit

bonus	multinational
collectivist	negotiate
global	pay-for-performance
globalization	sales representative
individualist	seniority
localization	status