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ПРЕДИСЛОВИЕ

Предлагаемый вашему вниманию практический курс был разработан специально для передовых российских менеджеров (и всех, кто хочет ими стать), желающих усовершенствовать свой деловой английский. Он рассчитан на студентов, достаточно свободно владеющих английским языком. Задача данного пособия — представить учащимся в соответствующем контексте современную экономическую, управленческую и финансовую лексику; оно знакомит также с модным жаргоном, на котором сейчас говорят в международном деловом, финансовом и инвестиционном сообществе.

Структура пособия во многом ориентирована на учебные программы, которые обычно преподаются в школах бизнеса. В него включены материалы по управлению ценностью (стоимостью), корпоративному управлению, корпоративной культуре, социальной ответственности корпораций, сбалансированной системе показателей, Нью-Йоркской фондовой бирже, рынку облигаций, торговле производными финансовыми инструментами, инвестиционной стратегии, оценке российских компаний и т.п. Пособие содержит тексты о таких широко известных компаниях, как «Дженерал электрик», «Энрон», «Хьюлетт-Паккард», «Газпром», «Аэрофлот». Особый акцент сделан на материалах по экономике, инвестиционному климату, финансовому рынку России, проблемам российского бизнеса.

В учебных целях были подобраны тексты из самых разных источников: ведущих западных финансово-экономических журналов и газет (*Business Week*, *Fortune*, *The Economist*, *Wall Street Journal*, *New York Times*); представлены отчеты компаний, материалы инвестиционных банков и т.п. Это дает студентам возможность ознакомиться с разнообразными стилями изложения материала. При необходимости тексты были сокращены и адаптированы.

Пособие включает 40 уроков. Каждый урок содержит упражнения, позволяющие закрепить новые слова и лучше разобраться в теме занятия.

Англо-русский словарь в конце учебника представляет собой так называемый магистерский минимум — более тысячи терминов, которые следует знать профессионалам в сфере экономики и финансов.

Поскольку русский финансово-экономический язык находится в процессе формирования и разные источники зачастую дают разный перевод многих профессиональных терминов, автор ориентировалась на «Банковский и экономический словарь» Б.Г. Федорова, который, как представляется, дает наиболее верную трактовку важнейших понятий. В некоторых случаях автор исходила из собственных представлений о правильности перевода английской терминологии.

Учебное пособие поможет студентам школ бизнеса, языковых, экономических и финансовых вузов, а также специалистам из различных секторов экономики овладеть профессиональной лексикой делового английского языка.

Успехов!

Автор

LESSON 1

MOTIVATION THEORIES

▼ *Read and translate the text and learn terms from the Essential Vocabulary.*

MOTIVATION THEORIES

Motivation is at the heart of your success. Because management is all about getting things done through others, the ability to get others to perform is critical. A crucial driver of organizational performance, motivation refers to the processes that determine how much effort will be expended to perform the job in order to meet organizational goals. A lack of motivation costs the company money — in terms of lost productivity and missed opportunities.

With downsizing and restructuring becoming commonplace in organizations, employee morale has become negatively impacted. This has made the motivation of the workforce even more important.

The old command-and-control methods of motivating are not suitable for today's environment of empowerment and teams. Providing one-size-fits-all rewards does not work with diverse workforce.

No single theory captures the complexity of motivation in its entirety. You need to understand multiple theories, and then integrate them to get a more comprehensive understanding of how to better motivate your employees.

Maslow's Hierarchy of Needs

Abraham Maslow developed a theory in 1943 to analyze what drives human behavior. The Hierarchy of Needs Theory explained human behavior in terms of needs.

His theory's underlying premise is that people must have their needs met in order to function effectively. These needs are ordered in a hierarchy.

Maslow suggested that human behavior is first motivated by basic physiological needs. That is, you need food, water and air. Providing your employees with a sufficient remuneration, bonuses and breaks during their workday enables them to meet some of these basic physiological needs. Health-care programs, medical insurance and paid sick leaves also assist your employees in meeting these needs.



Once these needs are fulfilled, people are motivated by safety needs. You can provide fulfillment of these needs for your employees by ensuring strict adherence to occupational safety rules and offering them some degree of job security.

Many of the benefits that companies offer, such as savings plans, stock purchase plans and profit sharing programs, also fulfill the safety needs of employees. Even outplacement services to assist employees who were made redundant can address the safety needs: these services ease the pain of the layoff.

As this need is fulfilled, people progress up the pyramid to be motivated by social needs or belongingness. These reflect the need for affiliation, socialization and the need to have friends. Your company's social events provide opportunities for socialization. Corporate sponsorship of community events also provides an opportunity for employees to make friends while giving something back to the community.

As these needs are satiated, people are motivated by esteem needs. These needs involve gaining approval and status. You can help your employees fulfill these needs with recognition rewards such as plaques, trophies, and certificates.

And finally, the need for self-actualization — the need to reach your full potential — drives people's behavior. In the words of the Armed Forces, this is "being all that you can be". Developing skills for your employees helps them to reach self-actualization. While the first four needs can be fulfilled, the need for self-actualization cannot be satiated. Once you move toward your potential, you raise the bar and strive for more.

McGregor's Theory X and Theory Y

Douglas McGregor proposed that managers use one of two different assumptions concerning people. His theory is called the Theory X and Theory Y view of managers, which reflects these two different sets of assumptions.

The Theory X view is the negative set of assumptions. The Theory X manager believes that people are lazy and must be forced to work because it does not come naturally to them.

The Theory Y holds that people will look for responsibility and that work comes naturally to people. This is seen as the positive assumption about people.

Generally, Theory Y manager will have more motivated employees. Sometimes, the Theory X manager can achieve results when used in the appropriate situations. But today's workforce, as a rule, seeks more challenging jobs and an opportunity to participate in the decision-making process. This is closer to the assumptions of the Theory Y manager.

McClelland's Learned Needs Theory

David McClelland's Learned Needs Theory is also referred to as the Acquired Needs Theory. According to the theory developed in the 1970s, needs are developed or learned over time. McClelland suggested that there are three needs — for achievement, power, and affiliation — that are important to the workforce. While all three are present in everyone, one need is dominant.

People who have a dominant need for achievement are proactively seeking ways to improve the way things are done, like challenges and excel in competitive environment. An employee who has a dominant need for achievement should be provided with challenging jobs with lots of feedback on his or her progress.

The need for power is the need to control others. Those with a dominant need for power like to be in charge and enjoy jobs with status. You should allow such employees to participate in decisions that impact them and give them some control over their jobs.

The need for affiliation is the need to have close relationships with others and to be liked by people. Individuals with the dominant need for affiliation generally do not desire to be the leader because they want to be one of the group. They should be assigned to teams because they are motivated when working with others. You might also let them train new employees or act as mentors because this addresses more of their need for this interaction that is dominant within them.

Equity Theory

Equity Theory is a social comparison theory that was developed in 1963 by J. Stacey Adams. The underlying premise of this theory is that people will correct inequities:

$$I \neq I$$

$$O = O$$

The ratio of your inputs to outputs is compared to the ratio of another's inputs to outputs. You can compare your ratio to other employees with comparable positions. You might also compare your ratio (especially with regard to output) to your organization's pay policies or past experience or to a standard. Annual industry surveys can serve as the benchmark.

Inputs involve all that you bring to the job — your education, the hours you work, level of effort, and general performance level. The output portion of the equation is generally measured in terms of the salary and fringe benefits that you receive. In some cases this could be prestige, approval, and status.

Any inequities in the relationship will be corrected as soon as they are detected. The only variable that you can manipulate is your input. So if you believe that the relationship is not in balance and that the ratio of your inputs to outputs is greater than the ratio of the comparisons, you will work to bring the relationship back into equity by reducing your inputs — increasing your absenteeism or performing at lower levels.

You can correct inequities in a number of ways. You can make the correction by changing the perception of the inputs or outputs. You may somehow rationalize your perception of the inequity. You may choose to change the comparison person or standard. Or, you may remove yourself from the situation (such as quitting your job).

Expectancy Theory

Developed by Victor Vroom in the 1960s, Expectancy Theory proceeds from the assumption that behavior is based upon the expectation that this behavior will lead to a specific reward and that reward is valued.

According to expectancy theory, you must decide how hard you have to work to get an upcoming promotion. Then you must decide if you can work at that level (to get that promotion). The third link is deciding how much you value that reward (the promotion).

All three pieces of this equation determine your motivational level. You think of expectancy as the following equation:

$$M = E \times V \times I ,$$

where M = Motivation; E = Expectancy; V = Valence; I = Instrumentality.

Expectancy is your view of whether your efforts will lead to the required level of performance to enable you to get the reward. *Valence* is how valued the reward is. *Instrumentality* is your view of the link between the performance level and the reward. That is, whether you believe that if you do deliver the required performance, you will get the valued reward. Because this is a multiplicative relationship, if anyone of these links is zero, motivation will be zero.

You must be clear about telling your employees what is expected of them. It is critical that you tie rewards to specific performance. You must also offer rewards that your employees will value. Critical in this process is the employee's perception of his or her performance. Employees will become de-motivated when their performance does not produce the valued outcome.

You must be especially careful about building trust. Your employees must know that if they perform at the required level, you will follow through with the desired reward. Your credibility becomes a key component in this theory.

Source: www.accel-team.com

ESSENTIAL VOCABULARY

1. **performance** *n* — *зд.* показатели (результаты) деятельности; исполнение
perform *v* — действовать, выполнять, достигать
2. **driver** *n* — *зд.* движущая сила, двигатель
drive *v* — двигать
3. **job** *n* — работа, дело, труд, задание, рабочее место
4. **opportunity** *n* — возможность
5. **downsizing** *n* — уменьшение в размерах (повышение эффективности компании за счет уменьшения числа сотрудников и продажи непрофильных предприятий)
6. **employee** *n* — сотрудник, занятый
employer *n* — работодатель
employment *n* — занятость
unemployment *n* — безработица
unemployed *n* — безработный
employ *v* — нанимать
7. **workforce** *n* — рабочая сила
8. **command-and-control methods** — командно-административные методы
9. **environment** *n* — окружающая среда (природная или деловая), обстановка
10. **empowerment** *n* — наделение полномочиями, властью
11. **team** *n* — команда
12. **reward** *n* — награда
reward *v* — награждать
13. **diversity** *n* — разнообразие (*зд.* рабочей силы)
diverse *a* — разнообразный
14. **comprehensive** *a* — всеобъемлющий, всесторонний, совокупный (в бухучете)
15. **development** *n* — развитие, разработка, совершенствование; проявка
develop *v* — развивать, разрабатывать, совершенствовать, проявлять
16. **remuneration** *n* — вознаграждение, оплата труда, зарплата
remunerate *v* — вознаграждать, оплачивать труд
17. **bonus** *n* — бонус, премия
18. **medical insurance** — медицинское страхование
19. **sick leave** — бюллетень
20. **adherence (to)** *n* — приверженность, соблюдение
adhere (to) *v* — придерживаться, соблюдать
21. **occupational safety** — производственная безопасность
22. **job security** — надежная занятость
23. **stock purchase plans** — поощрительные планы покупки акций компании ее сотрудниками по льготной цене
24. **savings plans** — планы сбережений
25. **profit-sharing programs** — программы участия в прибылях
26. **outplacement services** — услуги по трудоустройству (помощь только что покинувшему компанию сотруднику в поиске новой работы)

27. **redundancy** *n* — увольнение работника в связи с сокращением рабочих мест
redundant *a* — уволенный работник
28. **layoff** *n* — увольнение сотрудников в связи с сокращением производства и спроса на продукцию
lay off *v* — увольнять сотрудников
29. **affiliation** *n* — членство, принадлежность
30. **community** *n* — община, сообщество
31. **skill** *n* — навык
skilled *a* — квалифицированный (рабочий)
32. **assumption** *n* — предположение; предпосылка; принятие ответственности
assume *v* — предполагать; создавать предпосылку; принимать ответственность
33. **challenge** *n* — вызов
challenge *v* — бросать вызов
challenging *a* — сложный, интересный
34. **decision-making process** — процесс принятия решений
35. **proactive** *a* — предвосхищающий события
proactively *adv* — предвосхищая события
36. **feedback** *n* — обратная связь
37. **mentor** *n* — ментор, наставник
38. **equity** *n* — собственный капитал; обыкновенные акции; справедливость
39. **input** *n* — потребляемые ингредиенты; вход, ввод, вклад
40. **output** *n* — выпуск продукции; продукция, отдача, выход
41. **benchmark** *n* — база, ориентир, стандарт, эталон
42. **benefit** *n* — право, привилегия, льгота, польза, преимущество
beneficiary *n* — бенефициар
benefit *v* — получать привилегию, пользу, льготу, преимущество; выигрывать
beneficial *a* — полезный, льготный
fringe benefits — дополнительные льготы
43. **absenteeism** *n* — абсентеизм, прогул
absentee *n* — отсутствующий (на работе), прогульщик
44. **expectancy** *n* — ожидание, вероятность
expectation *n* — ожидание
expect *v* — ожидать
45. **promotion** *n* — продвижение (по службе или товара)
promote *v* — продвигать
46. **credibility** *n* — кредит доверия

Exercise 1. Answer the following questions.

1. What is motivation? 2. Do command-and-control methods of motivation work today? 3. What motivation theory captures all the complexity of motivation? 4. How does Maslow's Hierarchy of Needs Theory explain what drives human behavior? 5. How did Maslow prioritize human needs? 6. What do companies do to meet the physiological needs of their employees? 7. How can safety needs be fulfilled? 8. What are social needs? 9. How

can esteem needs be met? 10. Is it possible to satiate the need for self-actualization? 11. What are the key assumptions of Douglas McGregor's theory? 12. What type of managers — X or Y — is more effective nowadays? 13. What is the essence of the Learned Needs Theory? 14. What is the best possible job for people with the dominant need for achievement, power and affiliation, respectively? 15. What is the premise of the Equity Theory? 16. How can people correct inequities? 17. What equation forms the basis of the Expectancy Theory? 18. What rewards should you offer to your employees within the framework of the Expectancy Theory? 19. What motivation theories can be effective in contemporary Russia?

Exercise 2. Describe how companies take care of their employees. Use the following terms.

medical insurance	life insurance
paid holidays	sick leaves
retirement programs (pension plans)	training and development programs
child care	recreational activities
transportation allowance	maternity/paternity leaves
credit union facilities	ESOP (Employee Stock Ownership Plans)
profit sharing	bonuses
relocation expenses	fringe benefits
wages and salaries	stock options
induction process	mentors
job security	grievance committee
outplacement services	severance pay
employment contract	cafeteria plans*

* Cafeteria plans are flexible benefits that became popular during the 1980s. With these plans, an employee allocates a set amount of benefit dollars according to personal choice.

Exercise 3. You are a journalist working for Business Week and you are to interview Frederick Herzberg who developed the Two-Factor Theory. Invent a dialogue between these two individuals using the following briefing materials.

Herzberg's Two-Factor Theory

Frederick Herzberg's theory is known as the motivator-hygiene theory. His basic premise is that dissatisfaction and satisfaction are not opposite ends of a single continuum. Rather, the opposite of dissatisfaction is no dissatisfaction, and the opposite of satisfaction is no satisfaction.

The way to move an individual from dissatisfaction to no dissatisfaction is by utilizing *hygienes*. These are factors that are extrinsic to the work itself. Hygienes are factors concerning the environment within which the work is performed like the color of the walls, the temperature of the room, or the paving in the company parking lot.

Unfortunately, hygienic factors are not the factors that can move your employees toward satisfaction. These factors simply placate employees, but do nothing to truly motivate them. Before the real motivation can be addressed, employees must have sufficient hygienic factors so as not to be dissatisfied.

To move employees from no satisfaction to satisfaction, motivators must be used. These are the factors that are intrinsic to the work itself. Examples of motivators include more autonomy, opportunities for promotion, and delegation of responsibility.

Exercise 4. Discuss the following 10 commandments of motivation through human relations and create 10 commandments of your own.

1. Speak to people. *There is nothing as nice as a cheerful word of greeting.*
2. Smile to people. *It takes seventy-two muscles to frown, only fourteen to smile.*
3. Call people by name. *The sweetest music to anyone's ear is the sound of his or her own name.*
4. Be friendly and helpful. *If you want to have friends, be a friend.*
5. Be cordial. *Speak and act as if everything you do is a genuine pleasure.*
6. Be genuinely interested in people. *You can like almost everybody if you try.*
7. Be generous with praise and cautious with criticism.
8. Be considerate of the feelings of others. *There are usually three sides to a controversy: your side, the other fellow's side, and the right side.*
9. Be alert to giving service. *What counts most in life is what we do for others.*
10. Add to this a good sense of humor, a big dose of patience, and a dash of humility, and you will be rewarded many times.

Exercise 5*¹. Fill in the blanks using terms given below.

Determining the Role of Money in Motivation

Motivation theories can provide you with the motivational to pull in order to increase the motivation of your

People are more inclined to deliver that is minimally acceptable. Some even wonder today if Americans are still in search of excellence, or they are in search of mediocrity instead. In the past, the motivation technique was a scare tactic. "Do it or else..." was the refrain of the manager. It no longer the desired results today, in the of employee's involvement in and

Motivation is a complex issue requiring an understanding of individuals. It is no longer answered with just money. In the past, a manager might have been able to raise employee's and provide some to improve motivation. Simple material does not get the same mileage in today's workplace.

In fact, money is not the prime motivation any longer. Adam Smith suggested in 1776 that self-interest for monetary is the primary motivator of people. While some still to this, most researchers agree that has become more important today.

¹ К упражнениям, отмеченным знаком *, в конце книги даются ключи.

Herzberg suggested that money is a That is, money is to the work itself and does not really move people toward satisfaction. Instead, people are said to desire autonomy, work, and more creative

The of money as a motivator is generally in what it can buy. Once basic ... have been met, more money is not necessarily a primary motivator for people. There is also a symbolic meaning of money that can be the actual motivator rather than the money itself.

Terms:

rewards, salary, driver, value, adhere, job satisfaction, assumption, extrinsic, needs work-force, environment, command-and-control, delivers, decision-making, fringe benefits, remuneration, gain, hygiene, challenging, levers, performance, delegation of authority

Exercise 6. Translate into English.*Теория Z Уильяма Учи*

Уильям Учи, профессор Калифорнийского университета, разработал в 1981 году теорию Z, которая сочетает в себе черты американского и японского управленческого стиля. В организации типа Z работники участвуют в процессе принятия решений и способны выполнять множество самых разнообразных производственных заданий. Такой подход, сходный с культурой японских компаний, служит важной движущей силой повышения производительности труда при одновременном уменьшении прогулов и текучести кадров. Теория Z подчеркивает значимость таких аспектов, как ротация работ, расширение навыков сотрудников, преимущество специалистов широкого профиля по сравнению с узкой специализацией, а также потребность в постоянном развитии и подготовке кадров.

По мнению Уильяма Учи, работники хотят построить дружеские взаимоотношения на основе сотрудничества с коллегами и работодателями. В рамках его теории работники нуждаются в поддержке со стороны компании и высоко ценят рабочую среду, в которой семья, культура, традиции и социальные институты имеют не менее важное значение, чем сама работа. У таких сотрудников очень высоко развито чувство порядка, дисциплины и моральное обязательство усердно трудиться. Наконец, в рамках теории Z предполагается, что работники будут трудиться с максимальной отдачей, если менеджмент будет их поддерживать и заботиться об их благосостоянии.

Важной предпосылкой данной теории является то, что менеджмент должен быть уверен в своих сотрудниках. Теория Z предполагает, что необходимо развивать такую рабочую силу, которая сохраняла бы преданность своей компании и предпочитала бы работать в ней всю жизнь. В таком случае, когда сотрудник дорастет до уровня старшего менеджмента, он будет досконально знать компанию и ее деятельность и сможет эффективно применять теорию Z к новым сотрудникам.

LESSON 2

CORPORATE CULTURE

▼ *Read and translate the text and learn terms from the Essential Vocabulary.*

HOW TO ACHIEVE EXCELLENCE BY MANAGING THE CULTURE IN YOUR COMPANY

In recent years, corporate culture has been a topic widely discussed by management gurus offering their services to organizations desperate to improve their performance. Serious managers, naturally, question whether the focus on corporate culture is merely a passing fad, or if it indeed has a long-term beneficial effect on the way organizations are managed. Those who look for a quick fix for making organizations effective may be disappointed. We know that societal culture develops slowly and endures for a long time. Similarly, organizational culture needs to be nurtured and managed. Culture must be concerned with all aspects of management. In addition, an organization culture must also guide the relationships with certain stakeholders outside the enterprise, especially customers, but also suppliers, creditors, and even competitors who deserve an operating culture of fair play in the competitive market place.

Most managers today would probably agree that the effectiveness and efficiency of an organization are influenced by its culture. This means, in turn, that key managerial functions will be carried out differently in organizations with different cultures.

Although some management advocates would have us believe that the concepts of corporate culture represent the latest thinking in management theory, they are not. In 431 B.C., Pericles urged the Athenians, who were at war with the Spartans, to adhere to values underlying the culture — democracy, informality in communication, the importance of individual dignity, and promotion based on performance. Pericles realized that these values might mean victory or defeat. You will probably note that these values are not so different from those espoused by many U.S. companies.

As it relates to organizations, culture is the general pattern of behavior, shared beliefs and values that members have in common. Culture can be inferred from what people say, do, think, and how they behave within an organizational setting. It involves the learning and transmitting of knowledge, beliefs, and patterns of behavior over time. This also means that an organization culture is fairly stable and does not

change quickly. It often sets the tone for the company and establishes implied rules for how people should behave.

Many of us have heard slogans that give us a general idea what the company stands for. For General Electric, it is “progress is our most important product”. AT&T is proud of its “universal service”. DuPont makes “better things for better living through chemistry”. Delta Airlines describes its internal climate with the slogan “the Delta family feeling”. Similarly, Sears wants to be known for its optimum price/quality ratio, Caterpillar for its 24-hour service, Polaroid for its innovation, Maytag for its reliability, and so on. Indeed, the orientation of these companies, often expressed in slogans, contributes to the successful conduct of their business. But slogans must be translated into managerial behavior.

Managers, and especially top executives, create the climate for their business. Their values influence the direction of the company. Values are a fairly permanent belief about what is appropriate and what is not that guides the actions and behavior of employees in fulfilling the organization’s aims. Values form an ideology that permeates everyday decisions and behavior.

In many successful companies, corporate leaders serve as role models, set the standards for performance, motivate employees, make the company special and are a symbol for the external environment. It was Edwin Land, the founder of Polaroid, who created a favorable organizational environment for R&D and innovation. It was Jim Treybig of Tandem in the Silicon Valley who emphasized that every person is a human being and deserves to be treated accordingly. It was William Proctor of Proctor&Gamble who ran the company with the slogan, “Do what is right”. It was Theodore Vail of AT&T who addressed the needs of customers by focusing on service.

In a free-market economy businesses cannot exist without the goodwill of their customers. Yet in certain companies customers are seen as merely interrupting work. Clearly, the long-term success of such a company may be in jeopardy. By contrast, in companies with a strong customer-oriented culture, employees in all departments (not only those that are specially set up to handle customer complaints) listen carefully to the needs of the customers. After all, they are the reasons the company exists. In such companies, measurable customer-satisfaction objectives are set and frequently used for evaluating customer reactions. This may be done through formal surveys or, at times, top managers may contact key customers personally. When Ross Perot, the Texas billionaire who sold his computer company to General Motors, was on the GM board, he answered all customer complaints about cars, rather than sending form letters.

Focus on quality is one of the most important aspects of corporate culture. Too often we hear that what really counts is the bottom line. Of course, businesses can only exist in the long run by generating profit. Unfortunately, profit orientation too often means profit in the short run with little consideration for the long-term health of the enterprise. In the past some U.S. automakers neglected quality because it appeared cheaper to pay for warranty claims than to build quality into the products. The loss of future sales was often not recognized as a cost. In contrast, many Japanese car manufacturers have made quality the basis for long-term profit.

People respond to those things for which they get rewarded. Few rewards are usually given for quality. In a typical company, CEOs get rewarded for profit improvement — seldom for superior products and services. But quality pays in the long run as Japanese car, camera and electronics manufacturers have shown. In Japan, responsibility for quality and productivity is placed at the top. This, in turn, creates a culture that says: Our organization is fanatical about both productivity and quality.

Managers in effective organizations are characterized by action. This can only be done by top management's commitment to breaking down rigid organization structures. It may begin with some symbolic actions such as eliminating reserved parking spaces for top-echelon managers. After all, is it not equally important that the first-line supervisor be on time to start the assembly line rather than circling the parking lot to find a space to park? Companies with a strong people-oriented culture believe that the dignity of all people is paramount. Whether a manager or a worker, all contribute toward a common goal; all have basic needs for being appreciated as persons; all have the desire to feel competent in carrying out their task, whatever it is.

While a clear mission statement and goals have the potential to motivate organizational members to excellence, the means to achieve these ends must never be compromised. Actions and behavior must be guided by adherence to company policy, must never violate any laws, and above all, must not be unethical. In ethical companies, integrity is the norm, not the exception. Ethics may be institutionalized through 1) company policy or a code of ethics, 2) a formally appointed ethics committee, and 3) the teaching of ethics in management development programs.

Thus, the intangible factor of the corporate culture can make a substantial contribution to strengthening the competitive position of a company, and improving the tangible indicator of profit that it is able to generate.

Source: Industrial Management, September–October 1989, pp. 28–32.

ESSENTIAL VOCABULARY

1. **corporate culture** — корпоративная культура
2. **focus n** — фокус, сосредоточие, акцент
focus v — фокусироваться, сосредотачиваться, концентрироваться
3. **stakeholder n** — заинтересованное лицо
4. **customer n** — клиент
5. **supplier n** — поставщик
supply n, часто в *plural* — предложение; запас, припас; снабжение, поставка
supply v — поставлять, снабжать, доставлять, давать
6. **competitor n** — конкурент
competition n — конкуренция
competitiveness n — конкурентоспособность
compete v — конкурировать
competitive a — конкурентоспособный
7. **fair play** — честная игра, игра по правилам

8. **effectiveness** *n* — эффективность (общая)
effective *a* — эффективный
9. **efficiency** *n* — эффективность (удельная)
efficient *a* — эффективный
10. **communication** *n* — коммуникации, передача, сообщение, связь
communicate *v* — сообщать, передавать; общаться; доносить
11. **value** *n* — ценность, оценка (компании)
value *n* — ценить, оценивать
12. **slogan** *n* — лозунг, призыв, девиз
13. **price/quality ratio** — соотношение цена/качество
14. **innovation** *n* — инновация, нововведение, новаторство
innovator *n* — новатор, рационализатор
innovate *v* — вводить новшества, делать нововведения
innovative *a* — новаторский
15. **contribution (to)** *n* — вклад
contribute (to) *v* — вносить вклад
16. **executive** *n* — руководитель
executive *n* — исполнительный
17. **founder** *n* — основатель
found *v* — основывать
18. **research and development (R&D)** — исследования и разработки
19. **goodwill** *n* — добрая воля, деловая репутация; «гудвилл» (статья баланса)
20. **complaint** *n* — жалоба, иск; недовольство
complain *v* — жаловаться; подавать жалобу, иск
21. **survey** *n* — обозрение, осмотр, обзор, инспектирование
survey *v* — проводить осмотр, обзор, обозрение; инспектировать
22. **bottom line** — итоговая строка баланса или счета, финальная прибыль или убыток, окончательный результат, конечная цель
23. **generate profit** — генерировать прибыль
24. **warranty** *n* — гарантия (качества); поручительство, ручательство; условие
25. **sales** *n. pl.* — *зд.* стоимость продаж товаров компании за определенный период
26. **cost** *n* — затраты, издержки, расходы; цена, стоимость, себестоимость
27. **Chief Executive Officer (CEO)** — главный исполнительный директор
28. **commitment** *n* — обязательство; приверженность, преданность; совершение
commit (to) *v* — брать обязательства, совершать, поручать, вверять; подвергать
committed (to) *a* — преданный, приверженный
29. **supervisor** *n* — инспектор
supervision *n* — надзор, наблюдение, инспекция
supervise *v* — надзирать, наблюдать, инспектировать
30. **assembly line** — сборочная линия, конвейер
31. **mission statement** — декларация миссии компании
32. **integrity** *n* — целостность, полнота; порядочность
33. **code** *n* — код, кодекс, сборник правил
34. **(in)angible** *a* — (не)материальный, (не)осязаемый

Exercise 1. Answer the following questions.

1. Does corporate culture influence the way organizations are managed? 2. Do efficiency and effectiveness of a company depend on corporate culture? 3. Does corporate culture affect the relations of a company with its stakeholders? 4. How would you define corporate culture? 5. Do slogans really give us a general idea of what the company stands for? 6. Who should create the internal environment in an organization? 7. What are the basic values of successful companies? 8. Is bottom line the only thing that really matters? 9. Are employees always rewarded for quality? 10. Why is it important for companies not to violate any laws and be ethical?

Exercise 2. The dictionary “Economics” gives the following definitions of the terms “effectiveness” and “efficiency”: “Effectiveness is the achievement of objectives. Efficiency is the achievement of the ends with the least amount of resources.” Make 4—6 sentences of your own using these words in order to emphasize the difference between them.

Examples: Sibneft was one of the most *efficient* oil companies in Russia demonstrating a rapid low-cost oil production growth.

Aeroflot has introduced an *effective* frequent flyer program.

Exercise 3*. According to the generally accepted definition, “Stakeholders are the people or institutions that are affected, or might be affected, by an organization’s activities. Likewise, stakeholders can, in return, affect the activities of that organization.”

The text identifies such stakeholders as customers, suppliers, creditors and competitors. What other stakeholders can you name?

Exercise 4. “Commitment” means «обязательство» and «приверженность, преданность чему-либо». Make 4—6 sentences of your own using the word “commitment” to emphasize its different meanings.

Examples: Gazprom has always met its gas export *commitments* to Western Europe. Bosco di Ciliegi is known for its unwavering *commitment* to customer satisfaction.

Exercise 5. Study the Hofstede Cultural Orientation Model (1995) that classifies cultures based on where they fall on five continuums, and identify the culture of your company according to these categories:

1. *Individual vs. Collective Orientation*

The level at which behavior is appropriately regulated.

2. Power-Distance Orientation

The extent to which less powerful parties accept the existing distribution of power and the degree to which adherence to formal channels is maintained.

3. Uncertainty-Avoidance Orientation

The degree to which employees are threatened by uncertainty, and the relative importance to employees of rules, long-term employment and steady progression through well defined career ladders.

4. Dominant-Values Orientation

The nature of the dominant values — e.g., monetary focus, well-defined gender roles, formal structure — vs. concern for others, focus on quality of relationships and job satisfaction, and flexibility.

5. Short-Term vs. Long-Term Orientation

The time frame used: short-term (involving more inclination toward consumption) vs. long-term (involving preserving status-based relationships).

Exercise 6*. Fill in the blanks using terms given below.*Gore's Corporate Culture*

How we work sets us apart. We encourage hands-on, involving those closest to a project in Teams organize around and leaders emerge.

Our, Bill Gore created a flat lattice organization. There are no nor pre-determined Instead, we communicate directly with each other and are to follow members of our

How does all this happen? (not employees) are hired for general work areas. With the guidance of their (not bosses) and a growing understanding of opportunities and team, associates commit to projects that match their All of this takes place in an that combines freedom with cooperation and autonomy with synergy.

Everyone can quickly earn the to define andprojects. Sponsors help associates chart a course in the organization that will offer personal fulfillment while maximizing their to the enterprise. Leaders may be, but are defined by 'follower ship'. More often, leaders naturally by demonstrating special knowledge, skill, or experience that advances a business objective.

Associates to four basic guiding principles articulated by Bill Gore:

- to each other and everyone with whom we come in contact
- Freedom to encourage, help, and allow other associates to grow in knowledge, skill, and
- The ability to make one's own and keep them
- Consultation with other associates before undertaking actions that could impact the of the company.

Source: www.gore.com

Terms:

commitments, sponsors, channels of communication, drive, credibility, decision making, environment, skills, image, appointed, opportunities, adhere, multi-disciplined teams, associates, objectives, contribution, fairness, scope of responsibility, founder, emerge, innovation, accountable, chains of command

Exercise 7. Translate into English.***Корпоративная культура ВМЗ***

Выксунский металлургический завод — динамично растущая, высокоэффективная, социально ориентированная компания, стремящаяся стать ведущей компанией в мире по производству труб и железнодорожных колес.

Наша продукция — это результат постоянных инноваций и приверженности качеству. Она соответствует самым высоким требованиям наших потребителей — ведущих энергетических, транспортных и промышленных компаний. Используя нашу продукцию, они могут качественно, с минимальными издержками, экологически чисто и безопасно транспортировать людей и материалы на любые расстояния. Без нашей продукции невозможно создание и эксплуатация глобальных и локальных энергетических и транспортных коммуникаций.

ВМЗ — финансово устойчивая компания, ориентируется на постоянную работу по повышению эффективности операционной деятельности и инвестиций. Стабильность позволяет ВМЗ строить отношения со своими клиентами и поставщиками на долгосрочной основе.

Мы развиваем и поощряем профессионализм и инициативу наших сотрудников и строим наш бизнес на передовых методах управления.

Наши ценности:

- Интересы клиентов — наш приоритет
- Опережать время — наше кредо
- Высококачественная продукция — наш принцип
- Надежные партнеры — наша опора
- Повышение уровня жизни работников — наше правило
- Содействие развитию регионов — наша позиция
- Сплоченная команда профессионалов — наш капитал

Источник: www.vmz.ru

LESSON 3

PROGRAM MANAGEMENT

▼ *Read and translate the text and learn terms from the Essential Vocabulary.*

HOW FORD HIT THE BULL'S-EYE WITH TAURUS

A team approach borrowed from Japan has produced the hottest US car in years

It's been a long time since a car built in Detroit has drawn such rave reviews. But there's no doubt about it: Ford Motor Co.'s new Taurus and its sister, the Mercury Sable, are four-star successes. Customers are snapping them up faster than the company can turn them out. The two cars are Ford's hottest sellers since Lee Iacocca's Mustang took the auto world by storm in the mid-1960s.

For Detroit, Ford's success may herald a turning point. It's true that Detroit still suffers from a perception of poor quality and a sense that it's out of step with the customer. That's why the Big Three continue to lose market share to imports from Japan and Europe. But Taurus and Sable demonstrate that the former American competitive edge is not completely lost. U.S. carmakers can still build a machine that excites the average American driver.

How did Ford pull it off? Largely, by stealing a page from the Japanese. It studied customer wants and needs like never before, made quality the top priority, and streamlined its operations and organisation. Top management is so pleased with the result that the Taurus approach will be incorporated in all future development programs.

Radical Steps. The Taurus-Sable project was conceived in the bleak days of 1980, when Detroit was deep in recession. Ford's executives finally realized that fuel economy was not the only reason consumers were choosing imports. "It was painfully obvious that we weren't competitive with the rest of the world in quality," says John Manogian, who then was Ford's chief of quality. "It became our number 1 priority." Adds Lewis Veraldi, who headed the Taurus-Sable program: "We decided we had better do something far-reaching — or go out of business."

Taurus and Sable were a huge gamble, indeed. When the automaker realised it needed to take radical steps to lure drivers back into the American fold, it decided that its new cars would replace the company's best-selling models, Ford LTD and Mercury Marquis. To make sure Taurus and Sable would succeed, Ford invested \$3 billion — an unprecedented amount for a new-car project.

The first step was to throw out Ford's traditional organisational structures and create Veraldi's group, christened Team Taurus. Normally, the five-year process of creating a new automobile is sequential. Product planners come up with a general concept. Next, a design team gives it form. Their work is handed over to engineering, which develops the specifications that are passed on to manufacturing and suppliers. Each unit works in isolation, there is little communication, and no one has overall project responsibility.

Turning the Tables. Team Taurus took a "program management" approach. Representatives from all the various units — planning, design, engineering, and manufacturing — worked together as a group. Top management delegated final responsibility for the vehicle to Team Taurus. Because all the usually disjointed groups were intimately involved from the start, problems were resolved early on, before they caused a crisis.

Ford methodically set out to identify the world's best-designed and engineered automotive features, so that as many as possible could be incorporated in Taurus-Sable. Ford engineers turned the tables on the Japanese and did some "reverse engineering" of their own — to learn how the parts were assembled as well as how they were designed.

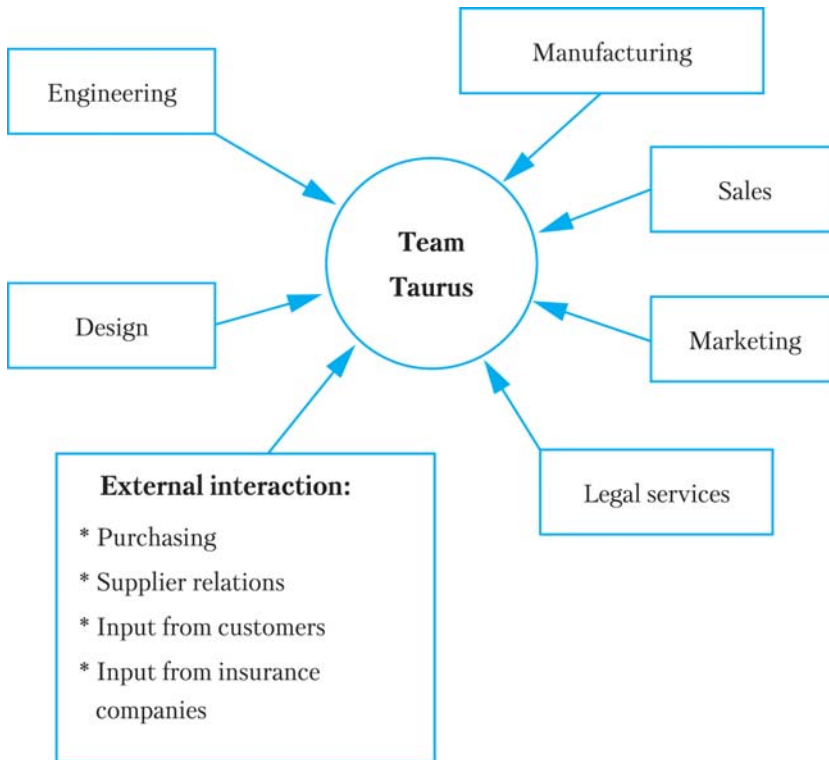
The company bought a Honda Accord and a Toyota Corolla and "tore them down layer by layer, looking for things we could copy or make better," Veraldi says. All told, engineers combed over 50 comparable mid-size cars. They found that the Audi 5000 had the best accelerator-pedal feel. The award for the best tire and jack storage went to the BMW 528e. Of the 400 such "best in class" features, Ford claims that 80% are met or exceeded in Taurus-Sable.

At the same time, to determine the customers' preferences, Ford launched its largest series of market studies ever. That led to features such as a net in the trunk that holds grocery bags upright and oil dipsticks painted a bright yellow for fast identification. "Little things like that mean a lot to people," notes Veraldi.

Worker Input. Meanwhile, a five-member "ergonomics group" spent two years scientifically studying ways to make the cars comfortable and easy to operate. They took seats from 12 different cars, stuck them into a Crown Victoria and conducted driving tests with a big sample of male and female drivers in all age groups who were then quizzed on what they liked and did not like. The best elements were combined to create the Taurus-Sable seats. Similarly, dashboard instruments and controls were tested to determine ease of use. People were timed pushing buttons, flipping switches, and pulling levers. It turned out that the quickest and most comfortable way to turn on the headlights was to turn a large round dial mounted on the left side of the steering column. That's how you do it in the new Fords.

Ford also made some distinctly un-Detroit changes in production. It asked assembly-line workers for their advice even before the car was designed, and many of the suggestions that flooded in were used. For example, workers complained that

The Team Approach to Product Development



they had trouble installing car doors because the body panels were formed in too many different pieces — up to eight to a side. So designers reduced the number of panels to just two. One employee suggested that all bolts have the same-size head. That way, workers wouldn't have to grapple with different wrenches. The change was made. "In the past we hired people for their arms and their legs," says Manoogian. "But we weren't smart enough to make use of their brains."

Bulging Backlog. Ford pulled suppliers into the effort too. Typically, an automaker turns to its suppliers almost as an afterthought. Only when a car's design has been completed does the manufacturer send out specifications for parts and solicit bids in search of the lowest cost. The companies that are chosen keep the business only until a lower price comes along. Team Taurus, on the other hand, signed long-term contracts with contractors and invited them to participate in product planning. "We never had the supplier input we had on this car," says Veraldi. "Now we'll never do it any other way."

Taurus and Sable have not been completely free of problems. There have already been recalls to correct troubles with the side windows in station wagons and with the clutch in some four-cylinder models. As for overall reliability, it will be a year or two before an accurate track record on repairs emerges.

Still, Ford's bet on Taurus-Sable is paying off — handsomely. With bare-bones models starting at \$10,200, more than 130,000 of the midsize sedans and station

wagons have been delivered so far, and Ford has a backlog of orders for 100,000 more. Elated dealers say that customers — some of whom haven't set foot in a domestic producer's showroom for years — are content to wait patiently for two months or more to drive away with a Taurus or Sable.

In fact, transplanting many Japanese principles worked so well for Team Taurus that Ford decided to apply management-by-teamwork across the board. It promoted Veraldi to vice-president for car-programs management and gave him the job of spreading the message throughout the company. Ford, it seems, isn't too haughty to say *arigato gozaimasu* — thank you very much.

Source: Business Week, June 30, 1986, p. 69–70.

ESSENTIAL VOCABULARY

1. **perception** *n* — восприятие
perceive *v* — воспринимать
perceived *a* — воспринимаемый
2. **competitive edge** — конкурентное преимущество
3. **carmaker (automaker)** *n* — автомобилестроитель
4. **streamline** *v* — рационализировать, оптимизировать
5. **recession** *n* — рецессия, снижение уровня деловой активности
6. **consumer** *n* — потребитель
consumption *n* — потребление
consume *v* — потреблять
7. **fuel** *n* — топливо
8. **investment** *n* — инвестиция, капиталовложение
investor *n* — инвестор
invest *v* — инвестировать
9. **manufacturer** *n* — производитель, изготовитель, промышленник
manufacture *v* — производить, изготавливать, выпускать; перерабатывать (сырье)
manufacturing *a* — промышленный, производственный
10. **engineer** *n* — инженер, конструктор
engineering *n* — инжиниринг
engineer *v* — проектировать; создавать, сооружать
engineering *a* — прикладной, технический, инженерный
11. **unit** *n* — часть, доля, единица; подразделение компании; набор
12. **program management** — программное управление
13. **delegate responsibility** — делегировать ответственность
14. **vehicle** *n* — перевозочное средство; средство выражения и распространения; проводник
15. **customers' preferences** — предпочтения клиентов
16. **launch** *n* — запуск (продукции, проекта)
launch *v* — запускать
17. **sample** *n* — образец (товара), выборка, проба (*напр.* грунта)

- sample v** — пробовать, испытывать, отбирать образцы или пробы
18. **age group** — возрастная группа
19. **advice n** — совет, консультация; авизо, мнение
advisor n — советник, консультант
advise v — консультировать
advisory a — совещательный, консультативный
20. **backlog n** — задолженность, просроченная работа; портфель заказов
21. **solicitor n** — адвокат, поверенный
solicit v — ходатайствовать, просить; навязывать (товар, услуги)
22. **bid n** — предложение
bidder n — покупатель; лицо, предлагающее цену; участник торгов
bid v — предлагать (цену), участвовать в торгах
23. **contractor n** — подрядчик
24. **recall n** — призыв ранее уволенных работников вернуться на работу; отзыв товара (по качеству)
recall v — призывать, отзывать
25. **track record** — послужной список; предыстория, прошлые результаты
26. **delivery n** — поставка
deliverables n — результаты (осязаемые)
deliver v — поставлять
27. **domestic a** — внутренний; национальный
28. **showroom n** — салон, демонстрационный зал
29. **across-the-board** — повсеместный, тотальный, включающий все категории и классы

Exercise 1. Answer the following questions.

1. Why were the Big Three losing market share to imports from Japan and Europe?
2. What was the situation in Detroit when the Taurus project was launched?
3. What was the traditional approach of the American carmakers to creating a new automobile?
4. What are the key characteristics of the “program management” approach?
5. How did Ford identify the world’s best-designed and engineered automotive features?
6. What were the results of the market studies conducted by Ford?
7. What was the input of the “ergonomics group”?
8. How were workers involved in the design process?
9. What was the role of suppliers?
10. Did Ford successfully transplant the Japanese management principles?

Exercise 2*. Which of the following statements are not correct and why?

1. Taurus and Sable manufactured by Ford were huge successes.
2. Detroit suffered from a perception of poor quality and that’s why the Big Three were losing market share to imports from Japan and Europe.
3. Ford executives understood that fuel economy was the reason why consumers were choosing imports.
4. To make sure Taurus and Sable would succeed, Ford invested \$3 billion, which was the usual amount of money needed to develop a new car.
5. Normally, the five-year process of creating a new automobile is sequential.
6. With the sequential approach, different units work in close cooperation and are in constant communication with each other.
7. The final responsibility for the vehicle was delegated to Team Taurus.
8. To determine the customers’ preferences, Ford launched its larg-

est series of market studies ever. 9. Detroit carmakers always asked assembly-line workers for their advice. 10. The American automakers usually involved their suppliers in the design process. 11. The Japanese principles were successfully applied in the Taurus project.

Exercise 3. Make 2—4 sentences using the term “track record”.

Example: Aeroflot has a good *track record* in terms of flight safety, but this fact is not well known to its customers.

Oleg Deripaska, head of RUSAL, has an impressive *track record* of arranging successful mergers and acquisitions that turned his company into the world’s biggest aluminum producer.

Exercise 4. In economic context, “domestic” means «национальный, внутренний». Make 2 sentences with each of the following expressions:

domestic market
domestic producer
domestic prices

Exercise 5*. Fill in the blanks using terms given below.

Getting Customers to Love You

In 1984, General Motors shrank the Cadillac two feet and sales declined, forcing the dismayed to rethink the way it cars. Instead of interviewing car buyers only at the start of, met over three years with five groups, each composed of 500 owners of Cadillacs and other models, to discuss design ideas. General Motors literally placed these people behind the wheel of prototypes, letting them fiddle with switches and knobs on the instrument panel, door handles, and seat belts while sat in back and took notes.

The result: The new De Ville and Fleetwood cruised into with subtle tail fins, nine extra inches, and fender skirts — all reminiscent of the opulent post-war automobiles. As a result, quickly increased. The troubles and the comeback taught the company a very tough lesson. GM says, “We learned to on the consumer.”

Many companies that once led in technology must now hang on to by carefully tailoring their products to customer needs and quickly. Says Du Pont Chairman Richard Heckert: “As the world becomes more and more, you have to sharpen all your tools. Knowing what’s on the customer’s mind is the most important thing we can do.” It is also cheaper than finding new buyers. Studies by Forum Corp., a Boston-based consulting firm, show that keeping a typically costs only one-fifth as much as acquiring a new one.

Techsonic Industries in Alabama, which manufactures Hummingbird depth finders, keeps its customers even though some 20 Japanese make technologically products. Depth finders are electronic devices that fishermen use to measure the water beneath the boat and track their prey. Techsonic had nine new-product failures in a row before 1985, when Chairman James Balckom 25 groups of sportsmen across the U.S. and discovered that they wanted a gauge that could be read in bright sunlight.

“The customer literally developed a product for us,” Balkcom says. In the year after the \$ 250 depth finder was, Techsonic’s sales tripled. The company has 40% of the U.S. market for depth finders, and its motto — not surprisingly — is, “Theof any product or service is what the customer says it is”.

Source: Fortune, 1990, June 25 (excerpts)