

Национальный банк Республики Беларусь
УО «Полесский государственный университет»

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**BUSINESS ENGLISH: MANAGEMENT AND COMPANY
STRUCTURE**

Практикум по дисциплине
«Иностранный язык (профессиональная лексика)»

Пинск
ПолесГУ
2011

УДК 811.111(076.5)

ББК 81.2Англ

М29

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Утверждено

научно-методическим советом ПолесГУ

Мартынович, В.Г.

М29 Business English: Management and Company Structure: практикум /
В.Г. Мартынович, Л.А. Изотова. – Пинск: ПолесГУ, 2011. – 82 с.

ISBN 978-985-516-120-3

Практикум содержит учебный материал по развитию навыков чтения, устной речи и расширению лексического запаса по темам «Company Structure» и «Management».

Предназначено для студентов экономических специальностей.

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ISBN 978-985-516-120-3

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ПРЕДИСЛОВИЕ

Учебно-методическое пособие «Business English: Management and Company Structure» предназначено для профессионально ориентированной подготовки студентов экономического профиля.

Цель данного пособия – помочь студентам совершенствовать навыки чтения и понимания профессиональных материалов в оригинале, расширить словарный запас профессионально-ориентированной лексикой, интересно и аргументированно вести дискуссию, грамотно используя экономическую терминологию на английском языке.

Учебное пособие содержит учебный материал по развитию навыков чтения, устной речи и расширению лексического запаса по темам «Company Structure» и «Management». Каждая тема включает учебные тексты, раскрывающие основные теоретические вопросы по теме, подлежащие усвоению. Аутентичные тексты отличаются новизной информации и профессионально-ориентированной экономической лексикой, для активизации и усвоения которой представлены разнообразные лексические упражнения, а также творческие задания, направленные на развитие навыков устной речи. Кроме того, каждая тема содержит тесты для проверки усвоения лексического материала, которые могут быть использованы преподавателем для контроля уровня усвоения темы и самими студентами для самоконтроля.

Большинство заданий имеют коммуникативную направленность. Особенностью данного пособия является подход к чтению не только как источнику информации, но и как способу совершенствования монологической и диалогической речи, чему способствуют послетекстовые задания в форме дискуссий или дебатов.

1. MANAGEMENT

Management Definition: Art and Science

Management Functions

Management Style or Communication Styles

Ten Things You Can Do to Become a Better Manager

The Downside of Being a Manager

Crisis Management

Project Management

Personnel Management or HR Management

Word Bank

to explore, complaint, to profit, to participate, to respond, decision, decisive, indecisive, to apply, to describe, to analyse, to manage, to compete, to criticise, to decide, to observe, to employ, to interpret, to produce, to negotiate, to lead, to recruit, to rely, to negotiate, to motivate.

Follow up your vocabulary

1. Fill in the following table. Use a dictionary if necessary.

Verb	Noun (concept)	Noun (agent)	Adjective
to motivate	motivation		
to explore			
to profit			
to respond			
to apply			
to describe			
to analyse			
to manage			
to criticise			
to decide			
to observe			
to interpret			
to produce			
to negotiate			

Verb	Noun (concept)	Noun (agent)	Adjective
to lead			
to recruit			
to rely			

2. Choose the appropriate form of the words to complete the sentences. Translate them into Russian.

1) *to participate, participant, participative, participation*

- A. They want greater in the decision-making process.
- B. A style of management is rather effective in some situations.
- C. Everyone was expected in these discussions.
- D. The Organizing Committee thanked all the for good reports and productive suggestions.

2) *complaint, compliance, to comply, compliantly*

- A. A manager should reasonably with his employees' ideas. On the other hand, people under his supervision should be also ready to show.... .
- B. A manager is more likely to give a job to an ordinary but a ... worker than to an extraordinary but a disobedient one.
- C. After a long «open talk» with the employees the manager may reconsider his discussions and behave more

3) *to decide, decision, decisive, indecisive, decisively*

- A. You'll have to be more if you want to do well in business.
- B. Situational are necessary as the manager to balance communication accuracy with time consideration.
- C. In such a complex situation the manager had to act more
- D. A manager using a relinquishing strategy may be described as weak and by his employees.

3. Complete the following sentences with the correct form of the words in italics.

1) *produce*

- A. Our of washing-machines increased by 5% last year.
- B. We have recently put on the market two new.... .
- C. per worker will increase with the introduction of the new machines.
- D. Word processors have helped to make office workers more.... .
- E. The company is well known in the agricultural industry. It sells mainly farm – eggs, butter, milk, etc.

2) *compete*

- A. Coca Cola's main is the Pepsi-Cola company.
- B. We try to stay by investing heavily in advertising and promotion.
- C. Our company's main objective is to keep ahead of the

3) *plan*

- A. The meeting did not go as.... .
- B. Some projects take years of.... .
- C. Before asking a bank manager for money, it is wise to show him a business.... .

4) *analyse*

- A. Managers need to have an mind.
- B. Our showed that we needed to put more emphasis on marketing.
- C. We must look at the problem

5) *rely*

- A. He is a very worker.
- B. I am informed that he'll be promoted soon.
- C. Her main quality is her
- D. My assistant is someone who can be on.

6) *criticize*

- A. The report has been received very by top management.
- B. The Personnel Director is an outspoken of our reorganisation.

C. I thought her were unfair and not based on fact.

7) *employ*

A. Most in an organisation can benefit from training.

B. is almost 8% in my country that's far too high.

C. The are entitled to various social security payments.

D. He's fairly old and hasn't had a job for years. I'd say he's virtually.... .

8).*decide*

A. Being a currency dealer in a bank, she has to make quick.... .

B. Because we were, we wasted time and lost the contract.

C. I haven't yet whether to leave my present job but I must make up my mind soon.

9) *sure*

A. Performance appraisals help to that promising staff are not overlooked for promotion.

B. At my interview, my boss me that I had a bright future in the company.

C. you agree she's one of the high fliers in the department.

10) *able*

A. This young trainee has considerable.... .

B. Due to our to get certain supplies, we lost the order.

C. Because of a production hold-up, we are to provide the product.

D. In my work, I am assisted by my secretary.

11) *skill*

A. The Chairman was at avoiding answering awkward questions.

B. The workers in the Production Department are well paid.

C. To be a good manager, you need many.... .

D. The workers in our company are the lowest paid because they need no training for their jobs.

12) *negotiate*

A. The contract is not.... .

B. He's one of the best I've met.

C. The are taking place in the conference-hall now.

1.1. Management Definition: Art and Science

Pre-reading task

- What is management?
- What do managers do?
- How do I manage?

Management in all business and human organization activity is the act of getting people together to accomplish desired goals and objectives. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources.

Management is both art and science. It is the art of making people more effective than they would have been without you. The science is in how you do that. There are four basic pillars: plan, organize, direct, and monitor.

Make Them More Effective:

Four workers can make 6 units in an eight-hour shift without a manager. If I hire you to manage them and they still make 6 units a day, what is the benefit to my business of having hired you? On the other hand, if they now make 8 units per day, you, the manager, have value.

The same analogy applies to service, or retail, or teaching, or any other kind of work. Can your group handle more customer calls with you than without? Sell higher value merchandise? Impart knowledge more effectively? etc. That is the value of management – making a group of individual more effective.

Word Study

1. Match the words listed below with the dictionary definitions which follow.

Referee	applicant	interviewee	induction
aptitude	overtime	morale	bonus
redundant	participation	personal	personnel
dismissal	questionnaire	environment	courtesy
discretion	remuneration	personality	frustration
counselor	militant	moderate	
foreman	representative		

1. Someone in charge of a group of people in a factory.
2. A payment made to employees when the firm's results are good.
3. A payment made to an employee when he or she works longer than normal hours.
4. A person who does not hold extreme views.
5. The feeling of being upset or annoyed, especially because of inability to change or achieve something.
6. A fanatic who is prepared to do battle in pursuance of his beliefs.
7. The act of terminating employment from the employer's side.
8. Referring to an individual. Private and confidential.
9. The people who work in and for an organisation.
10. A person who is seeking appointment to a particular post.
11. The degree of enthusiasm shown by a workforce.
12. Someone who gives advice.
13. The procedures which help a new member of staff to fit into the organisation more quickly and efficiently.
14. The person who is being examined orally as part of a selection process.
15. The distinctive character of an individual.
16. Allowing subordinates to share in the making of decisions.
17. Suiting one's actions or words to circumstances.
18. Treating other people with respect.
19. What someone becomes when they are no longer required at work.
20. Another description for pay, usually applied to directors and senior executives.
21. The physical surroundings of a business.
22. A person who gives an opinion about someone who is applying for a job.

- 23. A talent for doing a particular task well.
- 24. A survey to find out people's reactions to a proposal.
- 25. Someone who is chosen to speak for you and generally look after your interests.

2. Match the words from column A with the words from column B to form pairs of synonyms. Use them in sentences of your own.

A	B
to handle	one sided
astute	to deal with
to cite	sometimes
to accomplish	to mention
at times	to rebel
unilateral	to cause
to resent	to achieve
to request	to ask
to bring about	shrewd
prior to	before

1.2. Management Functions

Pre-reading task

- Are all functions mentioned in the article? Can you add any to this list?
- Name those functions which are more important than others in the work of a manager.
- Read this text and be ready to explain what each function means.

▪ Plan

Management starts with planning. Good management starts with good planning.

Without a plan you will never succeed. If you happen to make it to the goal, it will have been by luck or chance and is not repeatable. You may make it as a flash-in-the-pan, an overnight sensation, but you will never have the track record of accomplishments of which success is made.

Figure out what your goal is (or listen when your boss tells you). Then figure out the best way to get there. What resources do you have? What can you get? Compare strengths and weaknesses of individuals and other resources. Will putting four workers on a task that takes 14 hours cost less than renting a machine that can do the same task with one worker in 6 hours? If you change the first shift from an 8a.m. start to a 10a.m. start, can they handle the early evening rush so you don't have to hire an extra person for the second shift?

Look at all the probable scenarios. Plan for them. Figure out the worst possible scenario and plan for that too. Evaluate your different plans and develop what, in your best judgement, will work the best and what you will do if it doesn't.

TIP: One of the most often overlooked management planning tools is the most effective. Ask the people doing the work for their input.

- Organize

Now that you have a plan, you have to make it happen. Is everything ready ahead of your group so the right stuff will get to your group at the right time? Is your group prepared to do its part of the plan? Is the downstream organization ready for what your group will deliver and when it will arrive?

Are the workers trained? Are they motivated? Do they have the equipment they need? Are there spare parts available for the equipment? Has purchasing ordered the material? Is it the right stuff? Will it get here on the appropriate schedule?

Do the legwork to make sure everything needed to execute the plan is ready to go, or will be when it is needed. Check back to make sure that everyone understands their role and the importance of their role to the overall success.

- Direct

Now flip the "ON" switch. Tell people what they need to do. Let us think of this part like conducting an orchestra. Everyone in the orchestra has the music in front of them. They know which section is playing which piece and when. They know when to come in, what to play, and when to stop again. The conductor cues each section to make the music happen. That's your job here. You've given all your musicians (workers) the sheet music (the plan). You have the right number of musicians (workers) in each section (department), and you've arranged the sections

on stage so the music will sound best (you have organized the work). Now you need only to tap the podium lightly with your baton to get their attention and give the downbeat.

▪ Monitor

Now that you have everything moving, you have to keep an eye on things. Make sure everything is going according to the plan. When it isn't going according to plan, you need to step in and adjust the plan, just as the orchestra conductor will adjust the tempo.

Problems will come up. Someone will get sick. A part won't be delivered on time. A key customer will go bankrupt. That is why you developed a contingency plan in the first place. You, as the manager, have to be always aware of what's going on so you can make the adjustments required.

This is an iterative process. When something is out of sync, you need to Plan a fix, Organize the resources to make it work, Direct the people who will make it happen, and continue to Monitor the effect of the change.

▪ Is It Worth It?

Managing people is not easy. However, it can be done successfully. And it can be a very rewarding experience. Remember that management, like any other skill, is something that you can improve at with study and practice.

Comprehension

1. Do you agree? Give your explanation.

1. Managing people is easy.
2. Management starts with directing people.
3. Good planning includes allocating resources and realizing the goals you want to achieve.
4. The workers should be trained and motivated.
5. Manager figure out the worst possible scenario and plan for that too.
6. Directing people is like conducting an orchestra.

2. Complete the following sentences with correct word or phrase (a, b, c or d).

1. Nowadays, I eat out at restaurants regularly and often go abroad for holidays. My is much higher than it used to be.

- a) duty; b) work; c) job; d) function.

2. Writing reports is not a that everyone enjoys.

- a) duty; b) work; c) job; d) function.

3. This machine uses much less fuel than the previous one. It is far more

- a) sparing; b) economic; c) effective; d) economical.

4. The management has worked out a to improve our market share.

- a) strategy; b) policy; c) target; d) planning.

5. Many of the in the Personnel Department are part-time workers.

- a) staff; b) staffs; c) employers; d) personal.

6. One of the company's main is to increase sales by 10% per year.

- a) designs; b) plans; c) purposes; d) objectives.

7. Several machines have broken down. We won't be able to an important order.

- a) fill; b) meet; c) make; d) do

3. Match the words from column A with the words from column B to form pairs of antonyms. Use them in sentences of your own.

A	B
prior to	familiar
to create	to destroy
stable	experienced
inexperienced	after
to be dependent	incompetence

A	B
to lack	to exclude
competence	to abound
inadvisable	to be independent
to include	advisable
unfamiliar	unstable

4. Give a short summary of the texts answering the following questions:

- 1) What do the texts deal with?
- 2) What is the definition of management?
- 3) What are the basic functions of a manager?
- 4) Why is management an iterative process?
- 5) What are the peculiarities of planning?
- 6) In what situations is organizing advisable?
- 7) What is meant by directing?
- 8) What does monitoring involve?

1.3. Management Style or Communications Style: Strategies and Styles of Managerial Communication

Pre-reading task

- Think about the differences between management styles and communications styles.
- Is there really any difference?
- The KEY management skill is the ability to communicate effectively, isn't it?

Communication and Styles

Communication, which begins at birth, is a behaviour we engage in throughout life and often take for granted. In fact, adults may reach a managerial position yet never deliberately analyze their communications because communicating has become such a common behaviour. In fact, some people communicate the way commuters often drive. Commuters use the same road to work day after day, they do not need to stop and

plan their route to work anymore. Driving may actually become a semi-conscious act as they turn left, right, or apply pressure to the brake pedal. Unfortunately, because they no longer make strategic decisions, a lackadaisical attitude can develop, which can cause serious problems when a critical situation suddenly develops on the road.

Similarly, a lack of strategic decision making can cause communication problems for a manager. Unconscious decisions, effective for many types of communications, cannot succeed in critical managerial situations that call for strategic communication decisions. Just as a complex fiscal transaction triggers many different accounting decisions, a communication situation should trigger strategic communication decision making. The accountant does not intuitively enter a transaction as a debit or credit. She makes a series of analytical decisions to ensure that every transaction is correct. Unfortunately, the same accountant may communicate in a critical situation in a style that seems correct without making a similar strategic analysis.

The collection of all the strategic decisions made when communicating determines the personal communication style of a manager. In turn, this style can have a profound impact on the psychological climate of the work group.

A personal style of communication develops in managerial communication situations. The five basic styles are (1) blaming or aggressive, (2) nonassertive, (3) computing or intellectual, (4) distracting or manipulative, and (5) leveling or assertive. The leveling or assertive style is the most preferred, but flexibility is required to fit different situations.

Comprehension

1. Answer the questions.

- 1) Why do people often take communication for granted?
- 2) What decisions does a manager need to make in critical managerial situations?
- 3) In your opinion, what communication style is the most effective in managerial communication situations? Why did you make this choice?

Communication Strategies

Communication can rarely be intuitively implemented; rather it must be planned and strategically initiated. There are six different strategies appropriate to various situations.

▪The Controlling Strategy

The controlling strategy is one in which the manager constrains and directs the actions or thoughts of others. The communication in this strategy is essentially one-way, with any feedback being basically for clarification. Managers using the controlling strategy often formulate their ideas prior to discussion and then gain the compliance of others.

This strategy may be most useful in an emergency situation when time is crucial and the manager needs uncontested power over the others involved. It may also be effective with a new and inexperienced employee. Since the job is unfamiliar for the new person, he usually accepts directions and instructions readily.

Managers should use the controlling strategy carefully since it can lead to negative reactions. This strategy may bring about resistance or create rebellion from those resenting direct control.

▪The Equalitarian Strategy

The equalitarian strategy is characterized by a two-way flow of information in which the influence flows back and forth between people. Rather than being unilateral in his decision making, the manager often bases his decisions upon a consensus.

This approach is effective for a wide range of situations, and it is especially useful for those desiring a participative style of management.

The equalitarian style is not effective for communicating with people who lack experience, knowledge, or competence. In addition, the equalitarian style is inadvisable for communicating with highly dependent authoritarian people.

▪The Structuring Strategy

The structuring strategy is used by the manager who is oriented towards establishing order, organization, schedule, and structure through the communication process. When using this strategy, the manager influences others by citing the standards and procedures that apply to a situation. This strategy works best in a complex environment or where clarification is needed.

The structuring strategy is not advisable when the message involves a highly sensitive or emotional topic. Also, managers should minimize the structuring approach when tasks are relatively simple and the environment stable.

- The Dynamic Strategy

This approach is most appropriate for managers operating in fast-moving environment. Managers who deal with frequent crises involving others and are competent to handle the problems should use the dynamic strategy. The manager presents a brief position statement and then delegates the authority to make decisions and take action to the other employees.

Used correctly, the dynamic strategy challenges employees and stimulates them to action. The key to the dynamic approach is competent employees operating in an environment of trust.

- The Relinquishing Strategy

When implementing the relinquishing strategy, a manager submits to the desires of another and complies with the other person's point of view. Responsibility for communication shifts from the manager to the other person involved.

The relinquishing style works only when the other person is willing to assume responsibility.

A manager should be sure not to use this strategy just to avoid responsibility. When a manager relinquishes communication to employees who are extremely dependent, frustration and resentment may develop. Dependent employees may describe a relinquishing manager as weak and indecisive. As with any other strategy it must be used at the right time with the right people.

- The Withdrawal Strategy

The final strategy, withdrawal, is used by a manager trying to avoid the communication process. Indications of the withdrawal strategy include quickly changing the topic, joking about the subject, acting as if a statement were not heard, or even avoiding the person. Because withdrawal solves few problems, in only a limited number of situations is this strategy effective.

When an unauthorized person requests confidential information, withdrawal may be a solution. Also, when emotions are high and little of value is to be accomplished at that moment the withdrawal strategy may be effective. Although withdrawal will not solve a problem or improve a

condition in the long run, an astute manager can use this strategy at times.

Comprehension

2. Which statement best expresses the main idea of the text? Why did you eliminate the other choices?

- A. Different strategies are appropriate to various situations.
- B. Managers need to vary communication strategies to remain effective in different situations.
- C. A model for strategic managerial communication is presented which will help managers reduce errors in critical situations.
- D. Strategic decisions can solve critical communication problems.

3. True or false? Make necessary changes so that false statements become true.

- A. Different strategic approaches can be applied to various situations.
- B. The controlling strategy is ineffective with a new employee.
- C. Using the equalitarian strategy the manager receives information as well as gives it.
- D. The structuring strategy works best when the environment is stable.
- E. The structuring strategy helps bring order into a complex situation.
- F. The dynamic strategy helps managers dealing with frequent crises handle the problems.
- G. The manager uses the relinquishing strategy to avoid responsibility.
- H. The withdrawal strategy is effective in highly emotional situations.

4. Find the passages in the text where the following ideas are expressed.

A. The manager using this strategy may manipulate the receiver into the desired action.

B. Managers direct communication towards clarifying the structure or establishing structure for a problem.

C. This strategy develops the same level of employee motivation.

D. When implementing this strategy the manager refers to the other and a receptive role dominates the communication.

E. This strategy is used when a manager wants to avoid communicating.

5. Use the information in the text to complete the following table.

Communication Strategies

<i>Strategic Approaches</i>	<i>Their Effectiveness</i>
1.the controlling strategy	1.....
2.....	2. effective and useful for those desiring a participative style of management
3. the dynamic strategy	3.....
4.....	4. effective when the other person is willing to assume responsibility
5. the withdrawal strategy	5.....

6. Give a short summary of the text answering the following questions:

- 1) What does the text deal with?
- 2) What are the six basic communication strategies?
- 3) What are the peculiarities of the controlling strategy?
- 4) What is the equalitarian strategy characterized by?
- 5) In what situations is the structuring strategy advisable?
- 6) When does the dynamic strategy become most appropriate?
- 7) Are all managers able to use this strategy?
- 8) Why does the relinquishing strategy seem weak and indecisive to some employees?
- 9) Can a manager solve a problem using the withdrawal strategy?
- 10) How does a manager have to behave when an authorized person requires some confidential information?

1.4. Ten Things You Can Do to Become a Better Manager

Pre-reading task

- What techniques can be used to become better in your job?
- Read this article and think which qualities you have already had and which you'd like to obtain to be a successful manager?

1. Select the best people

As a manager, you are only as good as the people on your team. Give yourself a better chance to succeed by picking the best people from the start

2. Be a motivator

Human beings do things because we want to. Sometimes we want to because the consequences of not wanting to do something are unpleasant. However, most of the time we want to do things because of what we get out of it.

It's no different at work, people do good work for the pay, or the prestige, or the recognition. They do bad work because they want to take it easy and still get paid. They work really hard because they want to impress someone. To motivate your people better, figure out what they want and how you can give that to them for doing what you want them to do.

3. Build your team

It is not enough that people are motivated to succeed at work. They have to work together as a team to accomplish the group's objective. After all, if we just want them to all "do their own thing" we don't need you as a manager to mold them into a team, do we?

4. Be a leader, not only a manager

You have built the best team from the best employee available. You motivated them to peak performance. What is missing? Motivating a team is worthless unless you provide direction; unless you turn that motivation toward a goal and lead the team to it. It is the ability to lead others that truly sets a manager apart from their peers. Remember that leaders are found at all levels of the organization, so be one.

5. Improve as a communicator

Communication may be the single most important skill of a manager. After all, all the others depend on it. You can't be a leader if you can't communicate your vision. You can't motivate people if they can't understand what you want. Communication skills can be improved through practice. Here are two exercises you can use to improve your ability to communicate effectively.

6. Get better at managing money

To stay in business, a company has to make money. That means bringing money in the door and it means spending less than you bring in. Depending on your function in the organization, you may have more influence on one area or the other, but you need to understand both. You can help your company, your employees, and yourself be getting better at managing the company's money.

Don't be put off by the numbers, or by the fact that "it's math".

7. Get better at managing time

The one thing you will probably have less of at work than money is time. The better you get at managing time, yours and others, the more effective you will be as a manager.

8. Improve yourself

Don't focus so hard on your people that you forget about yourself. Identify the areas in which you are weak and improve them. The fact that you are reading this article shows you understand the concept. You need to put it into practice.

9. Practice ethical management

Enron-like scandals have really driven home the point about how important ethics is in business. If you want to avoid similar mistakes,

10. Take a break

You are less effective as a manager if you are over-stressed. You are less tolerant. You snap at people more. No one wants to be anywhere near you. Take a break. Give yourself a chance to relax and recharge your batteries. Your increased productivity when you return will more than make up for the time you take off. Have a good laugh or go lie on a beach somewhere.

Word Study

1. Match words to form phrases.

to increase	people
to avoid	the pay
to manage	performance
to stay in	the recognition
to peak	productivity
to accomplish	people
to do work for	team
to do work for	the prestige
to do work for	business
to motivate	time
to select	mistakes
to build	objective

2. Choose the synonyms from the following list to complete the table.

persuade	decide	extensive	routine	involved

suggest	advise	influence	engaged
long-winded	identify	usual	complex
propose	thorough	motivated	interested
choose	regular	often	select

3. Over to you

Listed above are ten things you can do to become a better manager. Pick one. Do it today. Pick another one for tomorrow. In two weeks you will be a better manager!

1.5. The Downside of Being a Manager

Pre-reading task

- ‘Nobody likes the boss and it's lonely at the top’. Give your opinion.
- Can management be frustrating?

Nobody likes the boss and it's lonely at the top. You're the person who always has to make the decision, right or wrong, and somebody is always out for your job. On top of that there are legal liabilities that non-managers don't have as well as financial restrictions.

▪Lonely at the Top.

You are not as close to the employees in your group when you are the boss. You can't afford to be. A manager needs to be a little removed from the employees in order to objectively make the hard decisions.

Many first time supervisors, promoted from within the group to supervise it, are amazed at how quickly former friends become cold and distant. Even an experienced manager, brought in from outside, finds the employees more aloof than they are with each other.

▪No Immediate Reinforcement.

A painter gets almost immediate feedback on whether or not he's doing a good job. Is the paint the right color; is it going where it should. A programmer also finds out pretty quickly whether or not a new subroutine runs. Management isn't that way. Goals are usually more long-term, quarterly or even annual. The real measure of a manager's success, an improvement in their people management skill is even more long term and more difficult to manage.

If you want immediate feedback on how well you're doing, try widget manufacturing. If you can wait months or longer for feedback, management may be for you.

▪Buck Stops Here.

You may, and in most cases should, have your employees make many of their own decisions. However, ultimately the responsibility for the final decision rests with the manager. When it appeared that insulation might have damaged the space shuttle wing, it was a manager

who had to make the decision. It's the manager's job to make the decision, right or wrong.

- **Somebody Always Wants Your Job.**

There is always someone after your job. Sometimes several people are. As a first line supervisor, you may have several people in your group who think they could do your job better and are actively working to get that chance. As CEO of a company, you have several people within your own organization who want your job and more people on the outside who are after it as well. They may not agree with the decisions you made (see above) or felt they could have made better decisions. You may have actually made a wrong decision and they will use that as leverage to try and push you aside.

The higher you go in any organization, the fewer positions there are at that level and the more competition there is for them.

- **Legal Liabilities.**

Managers have legal liabilities that most workers don't. Managers frequently have to sign documents, they have to ensure the workplace is free from harassment, they have to keep their people safe. If a manager fails in any of these responsibilities, they may be held legally liable.

- **Financial Restrictions.**

Managers often have financial restrictions placed on them because of their position. The most common of these are the insider trading restrictions. The insiders list at a company is almost exclusively managers. While a worker can exercise stock options or trade in the company stock whenever they wish, the managers on the insider list are restricted to windows of time that exclude immediately before and after quarterly financial results are announced.

- **Weigh the Pros and Cons**

To decide whether a career in management is right for you, you have to weigh the pros and cons. You have to decide what's best for you, not what matters to someone else. If power, pay, and prestige are important to you, you may want to consider a career in management. However, if you don't like being legally or financially responsible for the actions of others, management may be a bad choice. In the real world, it's not going to be that cut and dried. There will be some things about management that appeal to you and others that don't. You have to weigh all the factors and decide.

▪Bottom Line

Management as a career path is not right for everyone. You have to like responsibility. You have to enjoy working with people. You have to be able to deal with uncertainty and making decisions when you never seem to have all the facts in time. You probably will get paid more, but you'll earn it.

However, when it all comes together; when all your people are pulling together toward the same goal and setting new records it can be a great feeling. When you see someone you trained go off on their own and become successful, you can take a certain amount of pride for having helped them get started.

Word Study

1. Complete the following table:

Word	Synonym	Antonym
motivate (verb)		
promotion (noun)		
usually (adverb)		
satisfying (adjective)		
compliance (noun)		
relevant (adjective)		
recruit (verb)		
ability (noun)		
casual (adjective)		
select (verb)		
feasible (adjective)		
redundancy(noun)		
agree (verb)		
intelligence (noun)		
frequently (adverb)		
skillfully (adverb)		
personal (adjective)		
efficiency (noun)		
apprentice (noun)		
dynamic (adjective)		
extrovert (noun)		
locate (verb)		

2. Find the closest synonym for the words on the left. Select from a – k on the right.

1) purpose	a) drift
2) goal	b) narrow
3) plan	c) reduce
4) reinvest	d) mission
5) wander aimlessly	e) overall
6) sensible	f) objective
7) general	g) increase
8) limited	h) broad
9) wide	i) plough back
10) raise	j) sound
11) cut	k) strategy

3. Answer the questions:

1) «If you can wait months or longer for feedback, management may be for you». What do you think of it?

2) Who takes on decision-making? Do you find the process easy or difficult? Why?

3) What can be used as leverage to try and push the manager aside?

4) What legal liabilities is the manager responsible for?

5) What is meant by «financial restrictions» for managers?

1.6. Crisis Management

Pre-reading task

Crisis management is crucial when you're facing a PR nightmare. Make a plan for future use or kick into crisis management mode right now to make the most out of a difficult situation.

– What does crisis management mean?

– Can a crisis be overwhelming?

▪ Business Disaster versus Crisis

A crisis and a disaster are both bad for your business, but they are very different. A disaster is an event that results in great damage, difficulty, or death. A crisis is a situation that has reached an extremely difficult or dangerous point. A flood is a disaster. You should have prepared for that potential. Then you can deal with it according to your plan. A major product recall, such as Firestone encountered with its SUV tires, is a crisis. Sometimes it is hard to know whether you are really in a crisis, but failure to handle a disaster properly can lead to a crisis.

- Disaster Planning

In a disaster, you probably will be on your own for awhile. The widespread nature of a disaster means public services like fire fighters, police, and medical assistance will not be able to reach everyone right away. So keep in mind these four key facts in your disaster planning: 1) disasters will occur, 2) you have to have a plan before the disaster hits, 3) react with urgency, but don't panic and 4) ride it out.

- Crisis Management

There are many consultants who will help you develop a crisis management plan. Crisis management means having a plan in place, having identified who will do what, and having practiced the plan for most conceivable events.

Many of us think that we are good enough managers that we can handle anything that comes up. We think on our feet all the time and often all called upon to make quick decisions on key issues. Don't kid yourself. A crisis, by its very nature, can be overwhelming. People who haven't experienced this sort of thing don't realize the pressure it creates. Make the smart decision and invest the time and resources to develop your crisis management plan. Michael Keating's article *The Reality of Terror in the US* details eight points that will help you prepare your organization for the worst.

No company ever expects to have to deal with a PR crisis, but most eventually do. It is critical that the company be prepared ahead of time if it is to survive. You need to develop a crisis management plan. You need to develop variations of the plan to cover any emergency your company might be expected to encounter. For most companies, these include precipitous stock market drop, employee misconduct, product

liability claims, manufacturing or design mistakes, accidents, or a simple community misunderstanding.

The goal of developing your plan is to get your people thinking and talking about what might happen and how that can be effectively managed. The goal of the plan itself is to ensure your people have the tools to get the crisis under control as quickly as possible to minimize the damage.

- **Crisis Communications Plan**

One of the most important parts of your crisis management plan has to be your crisis communications plan. You hope that if a crisis occurs that no one will notice and you will be able to just deal with the issues and fix the problem. Sometimes that happens. Other times someone notices and tells a reporter or posts it to a forum on the Internet and suddenly it seems like the entire world is calling you or knocking on your door or sending you email. It is this later case you must be prepared to handle.

Word Study

1. Fill in the gaps in the text with the best word.

Fire safety tips for managers

Fire is the most common of all hazards. Every year, in many countries around the world, fires cause thousands of deaths and 1 as well as extensive property damage. If you are a manager and have a sense of responsibility, here are a few things you should do.

First of all, have your premises 2 for fire hazards, and ask about fire rules and 3. You should also ask your insurance company to recommend fire prevention and protection 4.

Secondly, make sure employees are given proper fire safety information. This should focus on how to prevent fires in the workplace, how to 5 a fire, how to 6 the building, and where to 7 a fire.

You should also instruct staff to use the stairs, not lifts, in a fire. Instruct them to 8 on their hands and knees when escaping a hot or smoke-filled area.

Finally, conduct regular evacuation drills, and post maps of evacuation 9 a in prominent places.

Place fire extinguishers in appropriate locations, install smoke detectors, and if possible install a fire alarm with automatic notification to the fire brigade. It is also of vital importance to ensure that key personnel are 10 with all fire safety systems.

- | | | | | |
|-----|---------------|------------------|--------------|---------------|
| 1. | a) wounds | b) injuries | c) accidents | d) fatalities |
| 2. | a) controlled | b) renovated | c) inspected | d) adapted |
| 3. | a) laws | b) regulations | c) codes | d) signals |
| 4. | a) steps | b) engines | c) machinery | d) measures |
| 5. | a) contain | b) destroy | c) take out | d) hold on |
| 6. | a) flee | b) avoid | c) evacuate | d) depart |
| 7. | a) announce | b) report | c) tell | d) describe |
| 8. | a) crawl | b) crouch | c) creep | d) cringe |
| 9. | a) paths | b) roads | c) ways | d) routes |
| 10. | a) informed | b) knowledgeable | c) familiar | d) instructed |

2. Complete the noun phrases with a word from Box A if the first part is missing, and with a word from Box B if the second part is missing.

Box A

decision fear percentage interest stress range effects

Box B

action crisis expertise leader managers procedures

1). Airport and airline Safety Managers are usually aware of the advantages of having well prepared *emergency 1* to minimise both the social and financial *2 of an accident* should one ever occur.

2). One wrong decision, even a small one, of a *business 3* could be the cause of a serious *business 4*. It is therefore not surprising that the *5 of making mistakes* is one of the most important *6 factors* for executives.

3). It is in the *7 of every company* to deal with stress as effectively as possible. In companies where stress is ignored, there tends to be a relatively high *8 of employees* being 'off sick'.

4). In a ‘crisis management team’, each member must be a 9 *maker* in their *area of* 10. They must also be able to cope with conflicting information, make meaningful recommendations, and develop appropriate *courses of* 11.

5). According to a recent survey, *the majority of* 12 are not suitably prepared to respond to a wide 13 *of problems*.

1.7. Project Management

Pre-reading task

- What should be planned beforehand?
- What does the term ‘project management’ mean?
- What does each element of a project include?

A successful Project Manager must simultaneously manage the four basic elements of a project: resources, time, money, and most importantly, scope. All these elements are interrelated. Each must be managed effectively. All must be managed together if the project, and the project manager, is to be a success.

Resources:

People, equipment, material

Time:

Task durations, dependencies, critical path

Money:

Costs, contingencies, profit

Scope:

Project size, goals, and requirements.

Most literature on project management speaks of the need to manage and balance three elements: people, time, and money. However, the fourth element is the most important and it is the first and last task for a successful project manager. First and foremost you have to manage the project scope.

The project scope is the definition of what the project is supposed to accomplish and the budget (of time and money) that has been created to achieve these objectives. It is absolutely imperative that any change to the scope of the project have a matching change in budget, either time or

resources. If the project scope is to build a building to house three widgets with a budget of \$100,000 the project manager is expected to do that. However, if the scope is changed to a building for four widgets, the project manager must obtain an appropriate change in budgeted resources. If the budget is not adjusted, the smart project manager will avoid the change in scope.

Usually, scope changes occur in the form of "scope creep". Scope creep is the piling up of small changes that by themselves are manageable, but in aggregate are significant. For example, the project calls for a building to be 80,000 square feet in size. The client wants to add a ten foot long, 4 foot wide awning over one bay door. That's a pretty minor change. Later the client wants to extend the awning 8 feet to cover the adjacent bay. Another minor change. Then it's a change to block the upwind side to the covered area to keep out the wind. Later, it's a request to block the other end to make the addition more symmetrical. Eventually, the client asks for a ceiling under the awning, lights in the ceiling, electrical outlets, a water faucet for the workers, some sound-proofing, and a security camera. By now, the minor change has become a major addition. Make sure any requested change, no matter how small, is accompanied by approval for a change in budget or schedule or both.

You can not effectively manage the resources, time and money in a project unless you actively manage the project scope.

When you have the project scope clearly identified and associated to the timeline and budget, you can begin to manage the project resources. These include the people, equipment, and material needed to complete the project.

Word Study

1. Complete the sentences with appropriate words given.

baseline consensus feasibility milestones progress report
setback risk sponsor stakeholders techniques terms

1) Besides having a wide range of project management at their fingertips, successful project managers also have the ability to define

project of reference, set and targets and deal with and uncertainty.

2) If a project has a strong , someone who is ready to support it actively, then it is much more likely to succeed.

3) In order to discover whether it is worth investing in a particular project, you need to carry out a study.

4) Before you start planning a project, you need as much information as possible about the current situation, so that you have a for measuring progress once the project gets under way.

5) Even excellent project teams can get discouraged when they suffer a , so it is important for the manager to try and keep morale up.

6) The people who have responsibility within a project and are likely to receive advantages from it are called the

7) Regular meetings are important because they give everyone the opportunity to get a on what has been achieved so far.

8) The purpose of the meeting was to discuss deadlines and deliverables, but unfortunately we were unable to reach a

2. Complete the words by writing in the missing vowels.

1) If you gr_p_ about something, you keep on complaining about it in an annoying way.

2) If something like a law or a policy is r_str_ct_v_, it prevents people from doing what they want to do.

3) A l_w p_r_f_r_m_r is someone who does a job badly or underachieves.

4) If someone or something is _n_v_rs_lly l_ _d_d, they are praised and admired by everyone.

5) If you find something gr_t_fy_ng, it makes you feel pleased and satisfied.

3. Match the sentence halves.

1) As the negotiations failed to produce results, ...

2) Plans for the project suffered another setback yesterday ...

3) When you set up a project, make sure ...

- 4) You need excellent people skills ...
- 5) We failed to arrive at a consensus ...
- 6) We asked our client to extend the deadline ...
 - a) ... when a potential sponsor withdrew his support.
 - b) ... because the second half of the funds was not forthcoming.
 - c) ... on the question of deadlines.
 - d) ... in order to lead a team effectively.
 - e) ... we decided to call an emergency meeting.
 - f) ... you pick your team judiciously.

4. Complete the sentences with suitable prepositions.

- 1) A successful project is time and budget.
- 2) Bad news: we are already 12 per cent budget and three weeks schedule.
- 3) A good project manager has to be good communicating, so that people are aware what they are supposed to be doing.
- 4) Typically, the sponsor is involved the milestones the project.
- 5) We have been trying vain to get this project the ground weeks now.

1.8. Personnel Management or HR Management

Pre-reading task

- What does a Human Resources Manager, Generalist or Director do?
- Do you think you want a career in HR management? What skills and personal qualifications will you need to work successfully in this field?

The responsibilities of the Human Resources Manager, Generalist, Director, Assistant and Recruiter

Human Resources Generalists, Managers, and Directors, depending on the size of the organization, may have overlapping responsibilities. In

larger organizations, the Human Resources Generalist, the Manager, and the Director have clearly defined, separated roles in HR management with progressively more authority and responsibility in the hands of the Manager, the Director, and ultimately, the Vice President who may lead several departments including administration.

HR directors, and occasionally HR managers, may head up several different departments that are each led by functional or specialized HR staff such as the training manager, the compensation manager, or the recruiting manager.

Human Resources staff members are advocates for both the company and the people who work in the company. Consequently, a good HR professional performs a constant balancing act to meet both needs successfully.

The Human Resources Generalist manages the day-to-day operations of the Human Resource office. The HR Generalist manages the administration of the human resources policies, procedures and programs. The Human Resources generalist is responsible for:

- recruiting and staffing logistics;
- organizational and space planning;
- performance management and improvement systems;
- organization development;
- employment and compliance to regulatory concerns and reporting;
- employee orientation, development, and training;
- policy development and documentation;
- employee relations;
- company-wide committee facilitation;
- company employee communication;
- compensation and benefits administration;
- employee safety, welfare, wellness and health; and
- employee services and counseling.

The Human Resources assistant assists with the administration of the day-to-day operations of the human resources functions and duties. The HR assistant has partial responsibility for these areas:

- recruiting and staffing logistics;
- performance management and improvement tracking systems;

- employee orientation, development, and training logistics and recordkeeping;
- assisting with employee relations;
- company-wide committee facilitation and participation;
- company employee communication;
- compensation and benefits administration and recordkeeping;
- employee safety, welfare, wellness, and health reporting; and
- employee services;
- maintaining employee files and the HR filing system;
- assisting with the day-to-day efficient operation of the HR office.

The Human Resources Director guides and manages the overall provision of Human Resources services, policies, and programs for the entire company. The major areas directed are:

- recruiting and staffing;
- organizational and space planning;
- performance management and improvement systems;
- organization development;
- employment and compliance to regulatory concerns;
- employee orientation, development, and training;
- policy development and documentation;
- employee relations;
- company– wide committee facilitation;
- company employee and community communication;
- compensation and benefits administration;
- employee safety, welfare, wellness and health;
- charitable giving; and
- employee services and counseling.

The Corporate Human Resources Recruiter is responsible for delivering all facets of recruiting success throughout the organization. This will be achieved through the development of local and national recruiting plans, employing traditional sourcing strategies and resources as well as developing new, creative recruiting ideas. The Corporate Human Resources Recruiter will play a critical role in ensuring we are hiring the best possible talent.

Primary Objectives of the Human Resources Recruiter:

- develop and execute recruiting plans;

- network through industry contacts, association memberships, trade groups and employees;
- coordinate and implement college recruiting initiatives;
- administrative duties and recordkeeping.

Comprehension

1. Compare the responsibilities of the Human Resources Manager, Generalist, Director, Assistant and Recruiter?

2. Some of the key skills and personal qualifications you will need to work successfully in Human Resources include:

- Effective interpersonal skills so you can interact successfully.
- Knowledge of computers and information systems.
- Effective spoken and written communication.
- Comfort with diverse people who have various educational levels, cultural heritages, religious practices, ages, work experience, and opinions.
- Understanding of statistics and finance.
- Conflict resolution skills.
- Able to set and accomplish goals and work as a member of a team.
- Demonstrate a high level of integrity, confidentiality, and fairness.

Classify them in order of importance.

3. What causes the changes of the HR Manager role?

Word Study

1. Match the words with their definitions.

applicant, specification, fee, personnel, to manage, personnel manager, interview, aptitude, to train

1) The entire body of persons employed by an organization, as opposed to material.

2) Natural ability or cleverness suited to a particular kind of work or activity.

3) A person who applies for employment.

4) A very detailed written statement giving a description of the form and content of an article or commodity, or the process by which something is produced.

5) To direct, control, take charge of (a business or organization).

6) A meeting, especially of two, or of only a few, persons, to do business, or to decide whether one of the persons is fit for a post.

7) A manager responsible for all matters concerning the employment of factory workers, office staff.

8) A payment for a piece of professional advice or for some special service.

9) To teach somebody a skill, occupation or profession.

2. Supply the sentences with the missing words.

employment, applicant, objectives, qualification, skills, purposes, requirement, experience, performed, training

1) The ceremony was at the same time in nineteen other countries.

2) One of the you need in advertising is a fertile mind.

3) He had retired from regular

4. Math is no longer a prime for a career in accounting.

5. There was a long waiting list of for jobs.

6. He attended evening courses on advertising making.

7. She's had nine months'

8. They acted with great and conviction.

9. Complete secrecy was essential to our.... .

10. If this policy is reversed we shall never achieve our

3. Complete the extract using an appropriate form of the words in brackets.

The personnel department found itself scrambling to meet the (staff) demands of the plant (supervise). One consequence of this scramble for new hires was that selection standards were loosened. An (increase) number of young, single and highly mobile workers was

hired, many of whom quit after only a few months in the plant. The result: Personnel had to find (replace) for people just (hire) as replacements.

Any organization having stable ... (produce) levels plans a stable workforce level – that is, employee (recruit) results in a flow of new hires that matches the flow of (employ) expected to terminate.

Unfortunately the lead-time needed for recruitment of certain trade skills was at least two weeks for local hires and as long as 3 months for (work) relocating from distant areas. But Personnel was expected to find and hire (replace) in less than two weeks. This became a major factor in the worsening relations between the (operate) department and Personnel.

4. TEST

Multiple Choice

I. Choose the best alternative to complete each sentence.

1. You must keep staff , especially when things get difficult.

- | | |
|---------------|-----------------|
| a) generated; | c) frustrated; |
| b) motivated; | d) electrified. |

2. Weigh up the of each alternative before deciding.

- | | |
|--------------------------|-------------------|
| a) checks and balances ; | c) pros and cons; |
| b) assets; | d) profits. |

3. A good manager must be able to handle situations.

- | | |
|----------------|--------------|
| a) sensible; | c) touching; |
| b) impressive; | d) touchy. |

4. He decided to let things , so he dropped the subject until later.

- | | |
|--------------|---------------|
| a) freeze; | c) cool down; |
| b) ice over; | d) flare up. |

5. She creating a better atmosphere amongst the staff.

- a) set about;
- b) set off;
- c) set out;
- d) set down.

6. We need to have arrangement in case things don't work out.

- a) container;
- b) contingency;
- c) consolidated;
- d) consecutive.

7. In a meeting you must stop people talking at purposes.

- a) opposite;
- b) angry;
- c) cross;
- d) opposing.

8. Why doesn't he stick to the point? He's always going off

- a) at an angle;
- b) at a tangent;
- c) by the way;
- d) on the side.

9. It's always difficult when a team is working a deadline.

- a) in;
- b) at;
- c) to;
- d) opposite.

10. Try to ensure that each employee's is not too great.

- a) workload;
- b) working practice;
- c) work-rule;
- d) working party.

11. Those who can't manage their time efficiently always have high stress

- a) grades;
- b) standards;
- c) performances;
- d) levels.

12. The more responsibilities she , the more mistakes she made.

- a) took off;
- b) took on;
- c) took down;
- d) took out.

13. I hope the project continues to run as as it has so far.

- a) calmly;
- b) confidently;
- c) smoothly;
- d) wisely.

14. After many unforeseen obstacles they just managed to meet their deadline.

- a) overtaking
- b) overcoming
- c) overwhelming
- d) overriding

15. What can we do to improve in this department?

- a) morale
- b) mortality
- c) moral
- d) temperament

II. Complete the following sentences with the correct word or phrase (a, b or c).

1. People work harder if they know that someone is in their progress.

- a) enthusiastic;
- b) interesting;
- c) interested.

2. Nothing has been announced but we've heard that the Company Secretary has resigned.

- a) formally;
- b) officiously;
- c) unofficially.

3. Friendly no longer exist between members of the sales department because some got bonuses and others didn't.

- a) relations
- b) contacts
- c) connections

4. in the Production Department is low because the workers have heard about the plans to reduce the work-force.

- a) morale;
- b) feeling;
- c) moral.

5. This is a useful

- a) equipment;
- b) machine;
- c) machinery.

6. We have carried out into the effect of lighting on our workers' productivity.

- a) a research; b) some research; c) researches.

7. Strikes can be avoided if managers are ... to the feelings of their employees.

- a) aware; b) sensible; c) sensitive.

8. Some people like to work at their own

- a) beat; b) motion; c) pace.

9. We have several proposals for increasing sales. We must the merits each of them.

- a) cost; b) value; c) evaluate.

10. Has the change in exchange rates had any on the cost of your raw materials?

- a) result b) affect c) effect

Filling the Gaps

I. Complete the following passage, using suitable words and phrases in italics below.

<i>assembly line</i>	<i>foreman</i>	<i>quality control</i>	<i>schedule</i>
<i>bonus</i>	<i>incentive</i>	<i>robot</i>	<i>lay off</i>
<i>capacity</i>	<i>overtime</i>	<i>shift</i>	<i>layout</i>
<i>component</i>	<i>redundant</i>		

I used to work in a company which made for cars. Things like spark plugs, carburetors, and so on. We were well paid and we had a productivity too. And if you needed extra money for a holiday, you usually had the chance to do a bit of The management was generous. They gave prizes, such as car radios, to workers who attended regularly. That was real ... for us not to be sick! We worked two ... at the

factory – I usually worked at night. I liked the a lot. He let you get on with the job.

Things changed two years ago. We got several big orders at once and just couldn't cope. The Production Manager got really upset when we got behind.... . The people weren't too pleased either because a number of carburetors had faults, so they were thrown away. In the end, the company brought in some management consultants. They studied our methods of work, then recommended automating part of the plant. That meant changing the whole of the factory.

Well, we did as they said. I must say, our production did increase and stock levels became high again. The trouble is, the management decided to cut down the work-force. At first, only a few workers were , but later staff from all departments were made....

Nowadays, I'm working on an in a car manufacturing factory. I spray the car bodies. Would you believe it, I hear they're bringing in to do my job! So I'll be out of a job again soon.

4. Complete the following passage, using suitable forms of the words below.

achieve

report

reach

performance

feedback

role

objective

stage

progress

view

My boss called me into his office to discuss my ... during the last six months. She said that I had made good and had had no difficulty in ... my goals. She made it clear that she was going to give me a good.... .

I suppose I should have been grateful to her. However, one thing bothered me. I wondered why she didn't ask me what I felt about the job. Why didn't she get some from me? I thought that was one of the main of the interview. Since my was obviously to sit quietly and say nothing, I did just that. At this of my career, I can't afford to upset my boss. But if I ever her position, I shall handle these interviews differently. In my it's vital to listen to employees.

2. COMPANIES. COMPANY STRUCTURE

Business Definition for Organization Structure

Organization Structures and Design

Functional Structure

Divisional Structures

Matrix Structure

Traditional Structures

The Performance Management

The Board of Directors: Responsibility, Role and Structure

Business Entities. Types of Business Organizations

Word Bank

Compete, survive, prosper, bankrupt, go bankrupt, provide, interfere, invest, secure, earn, own, execute, supervise, direct, represent, distribute, produce, classify, convert, interact, restructuring, downsizing, incompetence, flatten, entity.

Follow up your vocabulary

1. Fill in the following table. Use a dictionary if necessary.

Verbs	Nouns (concept)	Nouns (agent)
to compete		
to survive		
to prosper		
to bankrupt		
(to go bankrupt)		
to provide		
to interfere		
to invest		
to secure		
to earn		
to own		
to execute		

Verbs	Nouns (concept)	Nouns (agent)
to supervise		
to direct		
to represent		

2. Use the correct noun or verb form in the following sentences. Change the grammatical form of the words if necessary.

sell

1) An annual report includes the figures of the company for the current year.

2) An auto dealership cars, trucks, vans, and sometimes recreational vehicles.

distribute

1) Some companies hold exclusive rights for specific products.

2) Factory representatives products to wholesalers and retailers.

produce

1) How efficiently a company its products will in large measure determine its success.

2) The of high-technology instruments is one of the most rapidly growing industries in the 1980s.

classify

1) Items in order to show the relationship between them.

2) means the grouping of items to show the difference between them.

convert

1) When travelling from country to country on either business or pleasure, people one currency to another.

2) The production process often involves the of raw materials into finished products.

2.1. Business Definition for Organization Structure

Pre-reading task

- What forms of organizational structure can you think of?
- Why do people from certain cultures favour one kind of organizational structure over another?

The form of an organization that is evident in the way divisions, departments, functions, and people link together and interact. Organization structure reveals vertical operational responsibilities, and horizontal linkages, and may be represented by an organization chart. The complexity of an organization's structure is often proportional to its size and its geographic dispersal. The traditional organization structure for many businesses in the 20th century was the bureaucracy, originally defined by Max Weber. More recent forms include the flat, network, matrix, and virtual organizations. These forms became more prevalent during the last decades of the 20th century as a result of the trend toward restructuring and downsizing and developments in telecommunications technology. According to Harold J. Leavitt, organization structure is inextricably linked to the technology and people who perform the tasks. Charles Handy has shown that it is also directly linked to corporate culture.

Organizations can be regarded as people management systems. They range from simple hierarchies along traditional lines to complex networks dependent on computer systems and telecommunications. Human resource managers can encourage organizations to adopt strategies (for their structures) which foster both cost-effectiveness and employee commitment. Organizational structures can be classified into a number of types, including functional, divisional, matrix, federations and networks.

Formal and informal framework of policies and rules, within which an organization arranges its lines of authority and communications, and allocates rights and duties. Organizational structure determines the manner and extent to which roles, power, and responsibilities are delegated, controlled, and coordinated, and how information flows between levels of management. This structure depends entirely on the

organization's objectives and the strategy chosen to achieve them. In a centralized structure, the decision making power is concentrated in the top layer of the management and tight control is exercised over departments and divisions. In a decentralized structure, the decision making power is distributed and the departments and divisions have varying degrees of autonomy.

2.2. Organization Structures and Design

Organizational Design

In *Designing Your Organization*, Kates and Galbraith define organizational design in the following way:

«Organizational design is the deliberate process of configuring structures, processes, reward systems, and people practices to create an effective organization capable of achieving the business strategy. The organization is not an end to itself; it is simply a vehicle for accomplishing the strategic tasks of the business. It is an invisible construct used to harness and direct the energy of the people who do the work».

Kates and Galbraith argue that an organization's structure is too often a barrier to effective performance.

Organizational Structure

«Structure is an entity (such as an organization) made up of elements or parts (such as people, resources, aspirations, market trends, levels of competence, reward systems, departmental mandates, and so on) that impact each other by the relationship they form. A structural relationship is one in which the various parts act upon each other, and consequently generate particular types of behavior».

In his classic *Corporate Tides*, Fritz points out that, in practice, organizational structures are rarely designed in a deliberate manner. Small structures grow into larger ones and individual units become the focus of managerial power. Fritz says that: 'Departments and divisions become entrenched as power systems.' Any structural change is likely to meet resistance from these power systems.

Fritz also argues that organizations are structured either to advance or to oscillate. Advancement is a positive move from one state to another that acts as a foundation for further advances. Fundamental to structural advancement is the concept of resolution when an outcome is

achieved and a particular problem is resolved. According to Fritz, management in an organization that is structured to advance coordinates 'individual acts into an organizational tapestry of effective strategy.' When all the individuals in this utopian organization are acting together, the result is synergy, allowing the achievement of 'enormous feats.'

The alternative is structural oscillation. Fritz explains this: 'Oscillating behavior is that which moves from one place to another, but then moves back towards its original position.' So many organizations set out on some change program, full of enthusiasm and energy. But, six months later, the enthusiasm has evaporated and the program peters out leaving very little changed.

▪ Labovitz and Rosansky consider that senior managers can achieve alignment to ensure advancement through:

▪ Carefully crafting and articulating the essence of their business and determining the Main Thing.

▪ Defining a few critical strategic goals and imperatives and deploying them throughout their organizations.

▪ Tying performance measures and metrics to those goals.

▪ Linking those measures to a system of rewards and recognition.

▪ Personally reviewing the performance of their people to ensure the goals are met.

Labovitz and Rosansky criticize traditional structures of organization that are based on the notion of breaking up a managerial problem into pieces: departments and divisions. As they point out: "Psychologists have long recognized that human beings like people who are like themselves and tend to reject people who are different from them. Yet organizations continue to create differences between people in the interest of efficiency. Line versus staff, management versus labor, field versus corporate, international versus domestic, East versus West, accounting versus sales – the list goes on. No wonder it's so hard to focus people around common goals when they are so different from each other simply by virtue of what they do and where they do it. Specialization and expertise can be a wedge that drives people further apart and makes it difficult for them to work together».

Roberts argues that whereas strategic choice and organizational design are immensely complex – indeed, 'mindbogglingly complicated' – there is an underlying logic based on the concept of 'fit':

«Certain strategies and organizational designs do fit one another and the environment, and thus produce good performance, and others do not. Moreover, there are frequently recognizable, understandable, and predictable relations among the environmental features and the choice variables of strategy and organization that determine which constellations of choices will do well and which are less likely to do so. These relations arise for both technological and behavioral reasons. Recognizing these relations and understanding their implications can guide the design problem».

Comprehension

1. Answer the following questions:

- 1) What is Organizational design?
- 2) What is Organizational structure?
- 3) How does Fitz describe organizational structures?
- 4) According to Fitz what are the two ways of developing the organizational structure?
- 5) What do Labovitz and Rosansky advise senior managers? Why do they criticize traditional structures?
- 6) How can you define the concept of 'fit'?

2. Match the words from column A with the words from column B to form pairs of synonyms. Use them in sentences of your own.

A	B
to oscillate	to disappear , vanish
to reject	to influence
constellation	involvement
to accomplish	to vibrate
to harness	to repel
deliberate	a group of
implication	to reach, realize
to impact	to utilize
to peter	intentional, planned

3. Match the following words with their definitions.

virtue	any force that tends to retard or oppose motion
tapestry	strong desire to achieve something, such as success
alignment	something resolved or determined; decision
feat	to make certain or sure; guarantee
aspiration	the most distinctive element of a thing, the essence of a problem
resistance	to change or cause to change from a liquid or solid state to a vapour
resolution	a remarkable, skilful, or daring action
essence	alliance or union with a party, cause
to ensure	the quality or practice of moral excellence or righteousness
to evaporate	a heavy ornamental fabric, often in the form of a picture, used for wall hangings, furnishings, etc., and made by weaving coloured threads into a fixed warp

Strategy-driven Approaches to Organization Structure

Pre-reading task

- What do you know about functional, geographic and matrix organization structures?
- What is the difference between them?

STRATEGY-DRIVEN APPROACHES TO ORGANIZATION STRUCTURE

Functional specialization

Geographic organization

Decentralized business divisions

Strategic business units

Matrix structures

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Functional Organizational Structures (Traditional)



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2.3. Functional Structure

Salient points:

Functional structures typically work well for smaller and less complex organizations dealing with only one or a few products or services.

They also work best in relatively stable environments that allow organizations to pursue consistent strategies.

The major potential advantages include:

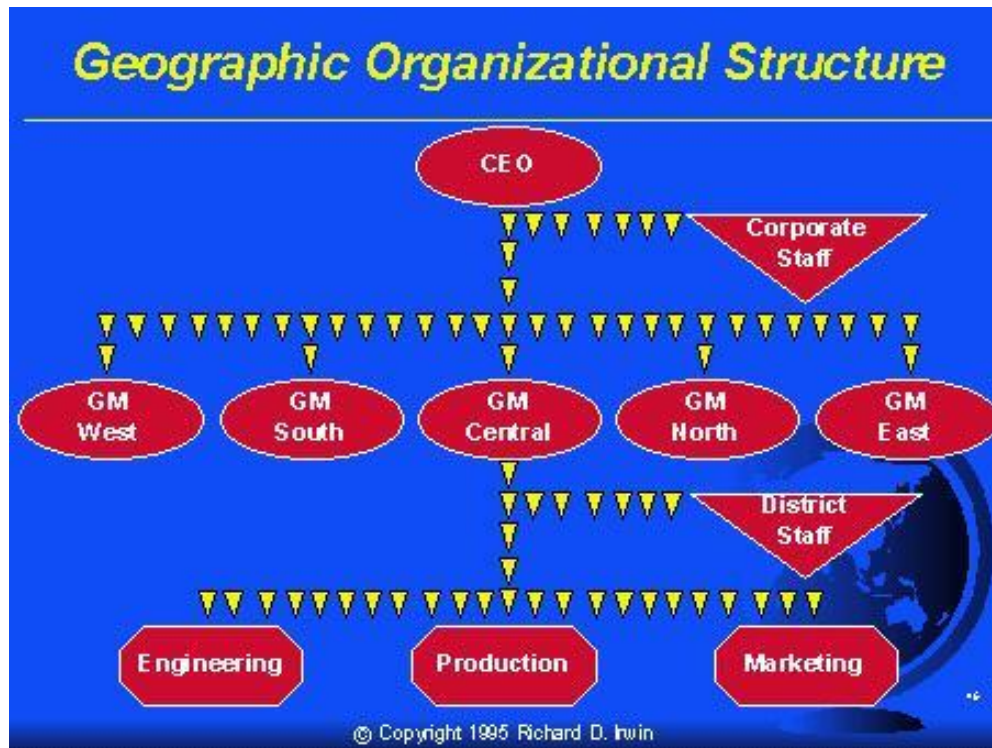
- economies of scale with efficient use of resources,
- task assignments consistent with technical training,
- high quality technical problem solving,
- in-depth training and skill development within functions,
- clear cut career paths within functions.

Major disadvantages of Functional Structure include:

- poor communication and coordination across functions,
- having too many decisions referred upward in the hierarchy,
- a loss of clear responsibility for product or service delivery, and slow innovation in response to environmental changes,

Moreover, one of the most serious disadvantages occurs when members of functional departments become overspecialized, develop self-centered, narrow viewpoints, and lose the total system perspective.

As a result, failure to communicate and extend support across department lines is common in such situations. This often slows decision making because problems must be referred up the hierarchy for resolution.



2.4. Divisional Structures

This is the kind of structure that is based on the different divisions in the organization. These structures can be further divided into:

Product structure – a product structure is based on organizing employees and work on the basis of the different types of products. If the company produces three different types of products, they will have three different divisions for these products.

Market Structure – market structure is used to group employees on the basis of specific market the company sells in. A company could have 3 different markets they use and according to this structure, each would be a separate division in the structure.

Geographic structure – large organizations have offices at different place, for example, there could be a north zone, south zone, west and east zone. The organizational structure would then follow a zonal region structure.

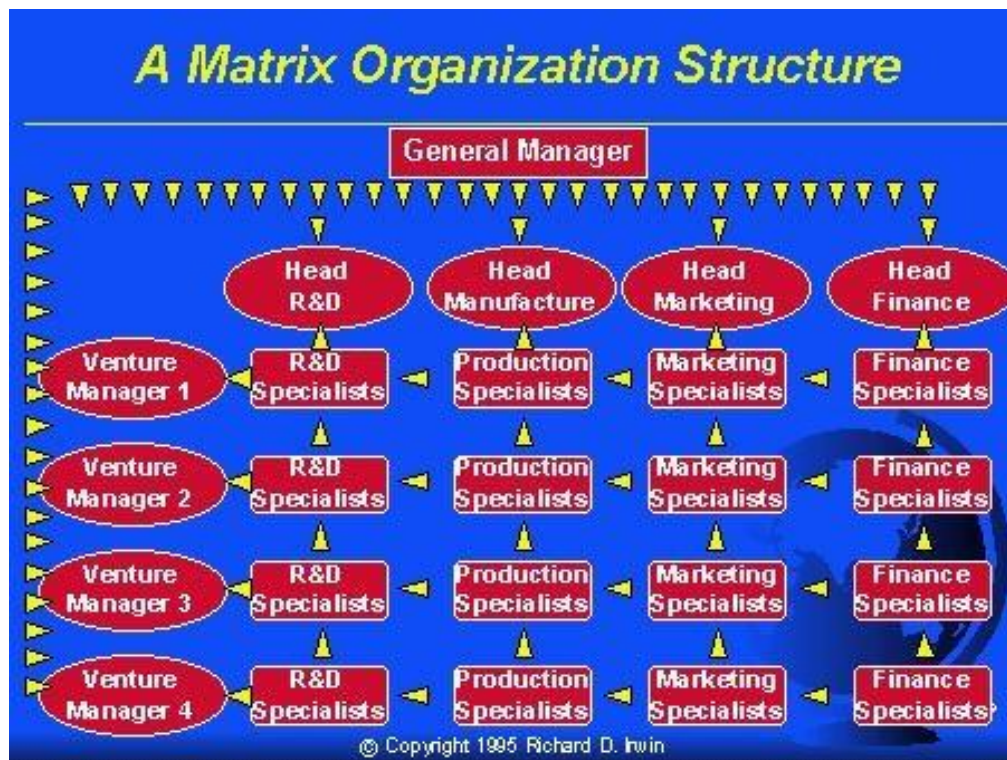
Divisional structures are popular among organizations with diverse operations cutting across many products, areas, and customers.

Major advantages of Divisional Structure include:

- greater flexibility in responding to environmental changes,
- improved coordination across functional departments,
- clear points of responsibility for product or service delivery,
- expertise focused on specific customers, products and regions,
- easier growth or reduction in size by adding or deleting divisions.

Major disadvantages of Divisional Structure are:

- they may reduce economies of scale, disperse technical competence and expertise,
- they even create unhealthy rivalries among operating units,
- they may also increase costs by duplicating resources and efforts across divisions and causing an overemphasis on divisional versus organizational goals.



2.5. Matrix Structure

This is a style of management where an individual has two reporting superiors (bosses) – one functional and one operational.

Matrix structures are often found in organizations pursuing growth in dynamic and complex environments.

Major advantages of Matrix Structure are:

- more interfunctional cooperation

The matrix provides a way of coordinating different functional contributions to serve specific program needs.

- flexibility

The matrix makes it easier to add, remove and change the focus of teams to reflect new program directions or basic changes in business size.

- customer service

The customer or client of a matrix structure always has a program manager available to respond to questions, provide status reports and address problems.

- better accountability

The matrix clearly identifies program managers who can be held accountable for performances results; this helps top managers stay informed about what is going on and why.

- improved decision making

The matrix forces decision making and problem solving down to the team level, where the best information exists.

- Improved strategic management

The matrix helps keep top managers free of routine decisions and enables them to devote their time to more strategic management concerns.

Major disadvantages of Matrix Structure include:

- power struggles, which may result from the two boss system;
- team members may become too focused on themselves and develop «groupitis» losing sight of important goals;
- often creates increased costs as overhead rises in the form of extra salaries for program managers.

Comprehension

1. Answer the following questions.

- 1) What is meant by functional structure?
- 2) What is meant by geographic structure?
- 3) What is meant by matrix structure?
- 4) Why is there a need for matrix structure?

2. Draw the organisation chart from the information provided (note that there are various ways of constructing an organisation chart).

The Managing Director (sometimes called the Chief Executive or President in the USA) is the head of the company. The company is run by a Board of Directors; each Director is in charge of a department. However, the Chairman of the Board is in overall control and may not be the head of any one department. Most companies have Finance, Sales, Marketing (sometimes part of Sales), Production, Research and Development (R & D) and Personnel Departments. These are the most common departments, but some companies have others as well. Most departments have a Manager, who is in charge of its day-to-day running, and who reports to the Director; the Director is responsible for strategic planning and for making decisions. Various personnel in each department report to the Manager. One example, present in almost all companies, is the Sales Representative, who reports to the Sales Manager.

3. Briefly explain some of the strengths and weaknesses of functional, geographic and matrix structure. Sum up the information to fill in the following chart.

Organizational structures

Advantages	Disadvantages

4. Use the Internet or some business dictionary to define the other approaches:

- a) decentralized business divisions;
- b) strategic business units.

Discussion

1. Using the chart and the definition of 'Traditional Structures' hold the debate among the group members defending or negating traditional approaches to organize:

"PROS" OF TRADITIONAL APPROACHES TO ORGANIZING

- Hierarchical structures make good strategic sense *when*
 - Activities can be divided into simple, repeatable tasks & efficiently performed in mass quantity
 - Important benefits to deeper functional expertise exist
 - Customer needs are standardized

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"CONS" OF TRADITIONAL APPROACHES TO ORGANIZING

- Hierarchical structures can be a liability *where*
 - Customer preferences shifting from standardized to customized products
 - Product life-cycles growing shorter
 - Flexible manufacturing replacing mass production
 - Customers want to be treated as individuals
 - Pace of technological change accelerating
- Major drawbacks
 - Lack of responsive customer service
 - Slow to adapt to changing conditions

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2.6. Traditional Structures

These are the structures that are based on functional division and departments. They are characterized by having precise authority lines for all levels in the management. Under types of structures the traditional structures are:

Line Structure – this is the kind of structure that has a very specific line of command. The approvals and orders in this kind of structure come from top to bottom in a line. Hence the name line structure. This kind of structure is suitable for smaller organizations like small accounting firms and law offices. This is the sort of structure that allows easy decision making, and also very informal in nature. They have fewer departments, which makes the entire organization a very decentralized one.

Line and Staff Structure – though line structure is suitable for most organizations, especially small ones, it is not effective for larger companies. This is where the line and staff organizational structure comes into play. Line and structure combines the line structure where information and approvals come from top to bottom, with staff departments for support and specialization. Line and staff organizational structures are more centralized. Managers of line and staff have authority over their subordinates, but staff managers have no authority over line managers and their subordinates. The decision making process becomes slower in this type of organizational structure because of the layers and guidelines that are typical to it, and lets not forget the formality involved.

Functional structure – this kind of organizational structure classifies people according to the function they perform in their professional life or according to the functions performed by them in the organization. The organization chart for a functional based organization consists of Vice President, Sales department, Customer Service department, Engineering or production department, Accounting department and Administrative department.

2. Compare traditional structures with modern trends in organizing. Can you explain the essence of each one?

CURRENT TRENDS IN ORGANIZING

- **NEW COMPONENTS** of strategy are driving a revolution in organization-building
 - ❖ Leaner, flatter, decentralized structures
 - ❖ Reengineering work processes to decrease fragmentation across functional lines
 - ❖ Process teams & cross functional work groups
 - ❖ Lean staffing of support functions
 - ❖ Partnerships with key suppliers & outsourcing
 - ❖ Empowerment
 - ❖ Electronic information systems
 - ❖ Accountability for results

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2.7. The Performance Management

Pre-reading task

- Should you downsize your business?
- Think of companies with a flat organizational structure.

Flatten the Pyramid

If your business is in financial trouble, then yes, you should consider downsizing. If a business fails, all employees will eventually lose their jobs. The purpose of downsizing is to help a business survive and as difficult as it may be to downsize, even the largest of companies routinely resort to this strategy to regain more solid financial footing.

In business terms downsizing (which is sometimes also called «downscaling») means reducing the number of employees on the payroll. This is accomplished through job cuts or layoffs. Some business experts further distinguish downsizing as specifically cutting jobs intended to be permanent cuts and consider «layoffs» temporary, where employees may eventually be rehired.

But no matter what you call it, letting employees go is a difficult business decision, and often emotionally hard on employers – and on employees.

Downsizing Because Your Business Grew Too Fast

There are many reasons a business may need to downsize. Obviously, a difficult economy is a big factor in why many businesses are now suffering, but a business that grows too rapidly may also need to downsize.

Rapid growth, without a solid business plan to handle growth, can spell disaster. An increase in revenue and sales also means an increase in expenses – including the need to hire new employees or obtain larger space for your business. If these costs are left uncontrolled and revenues decline, a business will soon encounter financial troubles even in the best of economies.

Keep Your Business' Growth in Check

To prepare your business for rapid growth, be sure that you update your business plan once a year and conduct feasibility studies to map out potential logistical and financial problems.

- **Market Feasibility:** How to prepare a description of your industry, current market, anticipated future market potential, competition, sales projections, potential buyers, etc.

- **Technical Feasibility:** Details how you will deliver a product or service (i.e., materials, labor, transportation, where your business will be located, technology needed, etc.).

- **Financial Feasibility:** Projects how much start-up capital is needed, sources of capital, returns on investment, etc.

- **Organizational Feasibility:** Defines the legal and corporate structure of the business (may also include professional background information about the founders and what skills they can contribute to the business).

Comprehension

1. Find the definition in a business dictionary:

Market Feasibility –

Technical Feasibility –

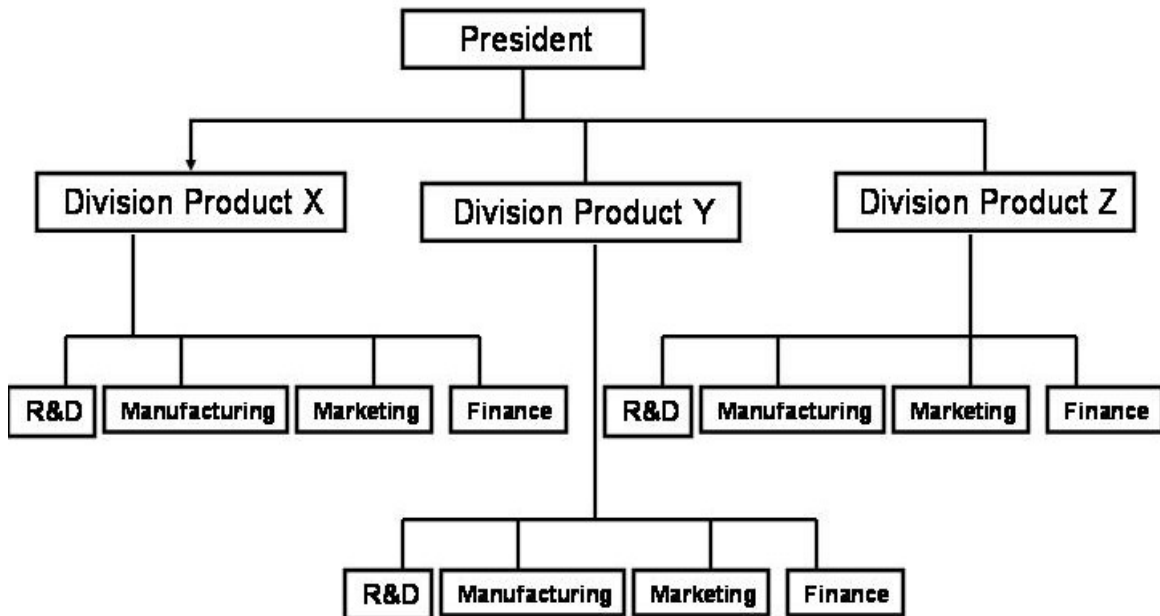
Financial Feasibility –

Organizational Feasibility –

2. Match the words from column A with the words from column B to form pairs of synonyms. Use them in sentences of your own.

A	B
revenue	expenditure
expenses	income
encounter	growth
increase	collide

3. Using the chart describe the company structure. Do you find it flat or large?



Self-directed Teams to Manage Incompetents

Pre-reading task

- What is the Performance Management?
- Would you like to be promoted to your level of incompetence?

Why?

- Somebody has to do it

Employees are often promoted to their level of incompetence. Often, those employees would like to step back to a position where they were successful but can't. Their ego may get in the way, the position

may have already been given to someone else, or the company may not know how to handle such a request. Smart companies recognize the damage done to their organization by leaving people in a position at which they are incompetent. They use Performance Management to move them sideways, if possible, or back down. If Performance Management doesn't work for you, or if you want out-of-the-box thinking, consider self-directed teams as an alternative.

- Self-directed teams

Self-directed, or self-managed teams are not new. Their utility in business situations is well documented. One aspect of the value of such teams that is often overlooked, however, is their ability to effectively manage the competency levels of the team members.

Self-directed teams are frequently created within traditional business organizations either to address cross-functional issues or to promote employee empowerment. They also are found in non-profit companies and in non-business organizations, such as social clubs. One of the more recent appearances of self-directed teams is in «virtual» corporations.

- «Virtual» corporations

«Virtual» corporations are formed when several individuals, or small companies, band together to pursue a business opportunity. Usually it is an opportunity for which that the individual or small company could not successfully compete on their own. This can be due to lack of specialized expertise or simply lack of size. By teaming with others, they can overcome their handicap.

These virtual corporations are a prime example of how self-directed teams manage incompetence. The teamings are usually short-term, like the business opportunities they pursue, but are often repeated frequently. A group of 10 individuals may have a long term understanding, which allows them all to work together smoothly. On any given team, a smaller number of group members may participate based on the opportunity. Which members participate changes frequently, depending on the needs of the group.

In cases like this, an individual or small company simply will not be included in those opportunities for which they are not qualified. The group self-selects the best members for the opportunity. Incompetents just are not selected.

If the team continues to select an incompetent, perhaps because he is the only one in the group with a specific area of knowledge, the group will not be able to compete as effectively. In time, they will either cease to exist or they will replace the incompetent with another individual with the level of expertise needed. Self-directed teams can function in this same manner within a company.

- Flexibility required

There are many requirements for a self-directed team to be successful. In terms of managing the competence levels of their members, however, the key requirement is flexibility. The team has to be given authority to add or remove team members. This does not have to be total authority. The company can, and should, place guidelines around the process. However, the team must be given sufficient latitude to adjust the composition of the team that they can achieve their objective. If they have this latitude, and if they are committed to achieving their objective, they will either exclude incompetent members or they will move them to a position where they can contribute.

- Flatten the pyramid

Self-directed teams are one way to flatten the pyramid. Others should be explored. The more we can remove the hierarchy from the organization structure, the less pressure there is on an individual to continue to seek promotion to «higher» levels, even to levels for which they doubt they are qualified. We also provide an opportunity for individuals to move laterally in their search for challenging, fulfilling work rather than always having to move "up". Finally, there is less resistance on the part of the individual to moving back down, and there are a greater number of options for the company that needs to move someone to a different position.

- Manage this issue

The flatter the pyramid, the greater the flexibility you have to manage. Don't create organizational levels that are not required. Take full advantage of self-directed and matrix teams in your efforts to flatten the pyramid. Not only will you get a more responsive organization, you will be able to limit the number of individuals who rise to their level of incompetence, only to get stuck there.

Organization leaders are responsible for creating a work environment that enables people to thrive. If turf wars, disagreements

and differences of opinion escalate into interpersonal conflict, you must intervene immediately. Not intervening is not an option if you value your organization and your positive culture. In conflict-ridden situations, your mediation skill and interventions are critical.

Comprehension

1. Answer the following questions.

- 1) What can be regarded as alternative to Performance Management?
- 2) What kind of organizations can self-directed teams appear in?
- 3) What is meant by «Virtual» corporations?
- 4) What is the key requirement for a self-directed team to be successful? What does it mean?
- 5) What advantages of flattening the pyramid are mentioned in the article?
- 6) According to the article what should you do in conflict situations?

Discussion

Do you agree with the actions to avoid a conflict (your personal ideas are highly appreciated)?

Actions to Avoid in Conflict Resolution

▪ Do not avoid the conflict, hoping it will go away. Believe, it won't. Even if the conflict appears to have been superficially put to rest, it will rear its ugly head whenever stress increases or a new disagreement occurs. An unresolved conflict or interpersonal disagreement festers just under the surface in your work environment. It bubbles to the surface whenever enabled, and always at the worst possible moment. This, too, shall pass, is not an option – ever.

▪ Do not meet separately with people in conflict. If you allow each individual to tell their story to you, you risk polarizing their positions. The person in conflict has a vested interest in making himself or herself

«right» if you place yourself in the position of judge and jury. The sole goal of the employee, in this situation, is to convince you of the merits of their case.

▪ Do not believe, for even a moment, the only people who are affected by the conflict are the participants. Everyone in your office and every employee, with whom the conflicting employees interact, is affected by the stress. People feel as if they are walking on egg shells in the presence of the antagonists. This contributes to the creation of a hostile work environment for other employees. In worst case scenarios, your organization members take sides and your organization is divided.

2.8. The Board of Directors: Responsibility, Role and Structure

Pre-reading task:

Consult the Longman Business English Dictionary to expand your vocabulary:

asset,
return,
profitability,
dividend,
stock split,
share repurchase programme,
financial statement,
acquisition and merger,
hostile takeover,
stock option.

Mention the phrase «board of directors» to the average investor, and they are likely to conjure up images of nicely dressed men and women standing around a mahogany table, smiling congenially. This is entirely understandable; many annual reports prominently feature glossy photographs of just such a scene. Now, ask the investor to describe the primary responsibility of the board of directors and very few will be able to give you a definitive answer.

Purpose, Authority and Responsibility of the Board of Directors

The primary responsibility of the board of directors is to protect the shareholders' assets and ensure they receive a decent return on their

investment. In some European countries, the sentiment is much different; many directors there feel that it is their primary responsibility to protect the employees of a company first, the shareholders second. In these social and political climates, corporate profitability takes a back seat the needs of workers.

The board of directors is the highest governing authority within the management structure at any publicly traded company. It is the board's job to select, evaluate, and approve appropriate compensation for the company's chief executive officer (CEO), evaluate the attractiveness of and pay dividends, recommend stock splits, oversee share repurchase programs, approve the company's financial statements, and recommend or strongly discourage acquisitions and mergers.

Structure and Makeup of the Board of Directors

The board is made up of individual men and women (the «directors») who are elected by the shareholders for multiple-year terms. Many companies operate on a rotating system so that only a fraction of the directors are up for election each year; this makes it much more difficult for a complete board change to take place due to a hostile takeover. In most cases, directors either:

- 1.) have a vested interest in the company;
- 2.) work in the upper management of the company;
- 3.) are independent from the company but are known for their business abilities.

The number of directors can vary substantially between companies. Walt Disney, for example, has sixteen directors, each of whom is elected at the same time for one year terms. Tiffany & Company, on the other hand, has only eight directors on its board. In the United States, at least fifty percent of the directors must meet the requirements of "independence", meaning they are not associated with or employed by the company. In theory, independent directors will not be subject to pressure, and therefore are more likely to act in the shareholders' interests when those interests run counter to those of entrenched management.

In General Electric's 2002 annual report, the issue of director independence was addressed: «At the core of corporate governance, of course, is the role of the board in overseeing how management serves the long-term interests of share owners and other stakeholders. An

active, informed, independent and involved board is essential for ensuring GE’s integrity, transparency and long-term strength. As a result of the 2002 changes, 11 of GE’s 17 directors are 'independent' under a strict definition, with a goal of two-thirds».

Committees on the Board of Directors

The board of directors’ responsibilities include the establishment of the audit and compensation committees. The audit committee is responsible for ensuring that the company's financial statements and reports are accurate and use fair and reasonable estimates. The board members select, hire, and work with an outside auditing firm. The firm is the entity that actually does the auditing.

The compensation committee sets base compensation, stock option awards, and incentive bonuses for the company's executives, including the CEO. In recent years, many board of directors have come under fire for allowing executives salaries to reach unjustifiably absurd levels.

Word Study

1. Study the diagram below indicating the executive structure of XYZ Ltd, and explain what you consider to be the responsibilities of all the people listed there.

BOARD OF DIRECTORS					
Sir J.Astley		R.E.Astley	J.Banks	C.Cox	M.N.Darwin
(Chairman)			(Managing)		(Chief Accountant)
SALES	MARKETING	RESEARCH	WORKS	PERSONNEL	ACCOUNTS
P.Evans	A.Fenton	R.Gould	C.Hayes	Ms J.Irvine	F.Jackson
(Sales Manager)	(Marketing Manager)	(Research Director)	(Works Manager)	(Personnel Manager)	(Chief Cashier)

Now answer these questions:

1. James Keeler is the foreman in the factory. Who is he directly responsible to?
2. Paula Lane has just been appointed Research Assistant. Which two people interviewed her?

3. A company must decide what people want, make it and sell it. Which three of the six managers listed above are primarily responsible at each stage?

2. Complete the following sentences using suitable words or phrases in italics.

managing director, colleague, junior executive, director, staff, supervisor, senior executive, employee, superior, middle manager, work force, subordinate

1. The group of executives working below the top managers are generally called

2. Valerie is an important person in our company. She is a member of the Board of

3. Peter, a recent university graduate, has been with the firm for a year. He is at present a ... and is being trained for a managerial position.

4. Their is expanding rapidly. They now have over 5,000 employees.

5. At least 50% of our have been with the company over ten years.

6. in an organisation generally have more fringe benefits than lower-level managers.

7. We are a small group in the Research and Development Department. Fortunately, I get on well with all my.... .

8. Our telephone operators work under the direction of a

9. I work under Mr. Brown. He's my

10. Sheila and Tom work under my authority. I am their boss and they are my

11. I am responsible for training and development.

12. A is a person of high rank in an organisation, usually next in importance to the Chairman.

3. This exercise is concerned with describing management hierarchy. The illustration below shows the organisation of RAF Inc. Study the organisation chart, then complete the paragraph which follows, using the correct form of an appropriate word or phrase from the box.



KAF Inc. is a building materials manufacturing company in Detroit. KAF ... 1 the Chief Executive Officer, 2 the Board of Directors, which ...3 four people. The staff in each of the four departments are 4 a Vice-President who is also on the Board. In each department, a managerial team of directors 5 the Vice-President. In the Sales Department, one director 6 exports, the other 7 domestic sales.

be responsible for, be in charge of, be supported by, support, be accountable to, consist of, be headed by

2.9. Business Entities. Types of Business Organizations

Pre-reading task

- What types of Business Organizations can you think of?
- Name some non-profit organizations in your country. Are they active? Are the charities important? Does the government encourage them?

Business Entities

A business entity is an entity that is a group of people organized for some profitable or charitable purpose. Business entities include organizations such as corporations, partnerships, charities, trusts, and other forms of organization. Business entities, just like individual persons, are subject to taxation and must file a tax return. Some business entities are exempt from federal income tax. These include non-profit charities, S-corporations, and partnerships. Business entities may be

subject to state income tax, depending on the laws of the state or states where they conduct business.

You incorporate your business in the state you conduct business in. If you live and work in Texas, for example, you would incorporate your business in Texas. If your business conducts business throughout the United States, you need to incorporate in the state where your headquarters will be. If you have a substantial business presence in another state, you may need to let that state know and file state tax returns or sales tax returns based on your business earnings in that other state. Businesses with substantial nationwide activity sometimes choose to be incorporated in Delaware or Nevada because of the business-friendly laws in those states. Even if you incorporate in Delaware or Nevada, you will still need to register your business in those states where you have an actual business location.

The various forms of organization are established by state law. There are a wide variety of business organizations recognized by the states. For example, a popular form of organization is the Limited Liability Company (LLC). The LLC is a state designation. At the federal level, an LLC is taxed as a partnership. If the LLC so chooses, it can be taxed as a corporation at the federal level. While there are a variety of designations at the state level, for federal tax purposes there are only 6 forms of business organizations:

- Sole Proprietor,
- Corporation,
- Partnership,
- S-Corporation,
- Trust, and
- Non-profit organization

Types of Business Structures

The following is a simple breakdown of some of the different types of business structures most commonly formed in the United States.

Sole Proprietorships

Sole proprietors are unincorporated businesses. They are also called independent contractors, consultants, or freelancers. There are no forms you need to fill out to start this type of business. This is the easiest form

of business to set up, and the easiest to dissolve. (An LLC with only a single shareholder, a so-called single-member LLC, is taxed as a sole proprietor.) For tax and legal purposes, the business is the owner. When the owner dies the business automatically ceases.

Advantages: Sole proprietors own the business and everything the business owns. They maintain control over the business, and there are no legal regulations that tell a sole proprietor how they must operate their business. Starting a sole proprietorship typically only requires obtaining a business license and business name registration.

Disadvantages: The owner of the business is liable for taxes and any legal issues that arise from operating the business. The owner may even be held personally liable in any judgments against the business. Because of liability issues, insurance premiums are high for sole proprietorships, and it is hard to get loans under the business' name.

Corporations

Corporations are incorporated businesses. Every form of business besides the sole proprietor is considered a separate entity, and this often provides a measure of legal and financial protection for the shareholders. The shareholders of corporations have limited liability protection, and corporations have full discretion over the amount of profits they can distribute or retain. Corporations are presumed to be for-profit entities, and as such they can have an unlimited number of years with losses. Corporations must have at least one shareholder.

All nonprofit corporations require a board of directors, officers and directors. Most corporations can also have shareholders and voting members (who usually pay dues).

Corporations can have their own bank accounts, assets, and even secure financing.

Advantages: Personal liability is usually limited to the amount an individual investor has invested in the corporation. Certain representatives of the corporation can sign for loans on behalf of the corporation, rather than having to personally co-sign for loans.

Disadvantages: Corporations are subject to regulations that do not apply to other types of business structures. Incorporating can be expensive, and founding documents require specific legal language. Since no one person owns a corporation, founders can lose control if a

board of directors or membership votes to change the way business is done.

The Limited Liability Corporation (LLC)

To establish an LLC you must also incorporate. It is one of the simpler ways to start a business, and is becoming one of the most popular ways to structure a business.

Advantages: The owners of an LLC are generally not personally liable for the LLC's debts. LLCs have the choice of paying taxes as a partnership, corporation, or sole proprietorship. For individuals who do not meet the criteria for an IRS «S» corporation, this may reduce taxes.

Disadvantages: Incorporating a business can be expensive and requires filing Articles of Incorporation with your Secretary of State. You may need an attorney to help you write your founding documents.

Partnerships

Partnerships are unincorporated businesses. Like corporations, partnerships are separate entities from the shareholders. Unlike corporations, partnerships must have at least one General Partner who assumes unlimited liability for the business. Partnerships must have at least two shareholders. Partnerships distribute all profits and losses to their shareholders without regard for any profits retained by the business for cash flow purposes. (LLCs are taxed as partnerships, unless they choose to be taxed as corporations.)

The Limited Liability Partnership (LLP)

An LLP is similar to a general partnership; however, in an LLP, each partner is not liable for the actions of other partners. If one partner dies, the LLP automatically ceases.

Advantages: LLPs do not need to have a board of directors or hold meetings. The LLP is not liable for taxes because income passes through to the partners, who are individually responsible for taxes. Partners are not liable for the actions of other partners.

Disadvantages: Many states do not recognize LLPs and those that do often limit LLPs to professionals (i.e., lawyers, accountants, architects, etc).

S-Corporations

S-Corporations have features similar to a partnership. An S-corporation must have at least one shareholder, and cannot have more than 100 shareholders. If any shareholder provides services to the

business, the S-Corp must pay that shareholder a reasonable salary. This salary is a separate payment from distributions of profits or losses.

Trusts

Trusts are usually formed upon the death of an individual and are designed to provide continuity of the investments and business activities of the deceased individual. We will not discuss trusts further.

Nonprofit and Charitable Organizations

There are many types of nonprofit organizations and each has its own unique filing requirements. In general, to set up a nonprofit, you must establish a board of directors and incorporate.

Nonprofits are corporations formed for a charitable, civic, or artistic purpose. Nonprofits are generally exempt from federal and state taxation on their income, and so they are often called "exempt organizations." Nonprofits have substantial responsibilities for reporting their activities, income, and assets to ensure that they are in compliance with federal and state laws governing charities.

Advantages and Disadvantages: The pros and cons of establishing a nonprofit vary considerably depending upon the type of organization you are creating. Tax-exempt organizations may be eligible for retail discounts, reduced postal rates, and can provide tax receipts to donors. Non exempt organizations may not give tax receipts.

Summary: There are many ways to legally establish your business. The easiest form of business to create is the sole proprietorship, which has the most personal liability risks. Corporations offer less exposure, but are more complicated and expensive to establish and run. LLCs are the easiest type of corporation to establish. Nonprofit organizations are corporations that may, or may not be, tax-exempt. As mentioned above, sole proprietors, S-corporations, and partnerships are taxed at the shareholder level. Corporations, however, are taxed at the corporate level.

Making the right decision about the legal and corporate structure of your business is critical to your long-term success. How you establish your business will affect ownership rights, your personal liability risks, and how you can operate the business.

Comprehension

1. Answer the following questions

1. What forms of business organizations are described in the article?
2. What is the easiest form of business to set up? Explain.
3. Are corporations incorporated or unincorporated businesses?

What does it mean?

4. How many shareholders at least must corporations and partnerships have?

5. What are trusts?

6. What are S-Corporations?

7. Would you like to be a sole trader (freelancer, self-employed)? Why?

8. Why is it so important how you establish your business (corporation, LLC, LLP and so on)?

2. Using the information from the text above, fill in the chart.

Type of business	Advantages	Disadvantages
Corporations		
Limited Liability Corporation (LLC)		
The Limited Liability Partnership (LLP)		
Sole Proprietorships		
Nonprofit and Charitable Organizations		

3. Discussion.

Which type of small business would you prefer to set up your own company?

4. Complete the following sentences with suitable forms of the words below (note that you don't have to use all the words!).

<i>authorize</i>	<i>authority</i>
<i>control</i>	<i>function</i>
<i>autonomy</i>	<i>innovate</i>
<i>innovative</i>	<i>delegate</i>
<i>delegation</i>	<i>initiative</i>

1. In many department store groups, buying and finance are two which are handled by Head Office.

2. Managers who like power find it difficult to responsibility.

3. To stay competitive, high technology firms must constantly or else their products become out of date.

4. When you delegate authority in a business, you lose a degree of over certain functions.

5. In some multinational organisations, subsidiaries are given a great deal of – they rarely have to consult Head Office.

6. firms often make the mistake of not concentrating enough on marketing.

7. In our factory, the General Manager is to spend up to \$1,000 a month on repairs and maintenance.

8. I like my staff to make decisions for themselves, but they seem afraid to show any

TEST

Multiple Choice

I. Complete the sentences by choosing from the words below.

1. The employees responsible for carrying out general office duties, filling in forms and keeping statistics are

a) clerks; b) accountants; c) supervisors.

2. The employees who sell a company's products are the sales representatives, usually known as

- a) vendors; b) renters; c) reps.

3. The employees who decide what to purchase, and who make the purchase of finished goods or components to be made into goods, are the

- a) choosers; b) procurers; c) buyers.

4. The employees who are responsible for seeing that the finished goods are well made are the

- a) packers; b) quality controllers; c) financial staff.

5. The clerical workers who use typewriters or word processors and who produce letters, memos or other documents, are

- a) secretaries; b) editors; c) copywriters.

6. The employees who check a company's financial affairs are the

- a) statisticians; b) accountants; c) counters.

7. The employees who are responsible for preparing checks, pay packets and payslips are the

- a) wages clerks; b) filing clerks; c) paying clerks.

8. The workers who process data, under the control of managers and supervisors, are the computer

- a) hackers b) operators c) screeners

9. The person who greets a visitor and tells him or her how to get to the right office is the

- a) manager; b) president; c) receptionist.

7. If they work to , the job might not be completed on time.

- a) rule;
- b) order;
- c) rules;
- d) regulation.

8. The increase will be on employees agreeing to a scheme to improve productivity.

- a) linked;
- b) connected;
- c) dependent;
- d) joined.

9. Union members were asked not to cross the line.

- a) boycott;
- b) strike;
- c) picket;
- d) boundary.

10. The union seemed powerless to stop the strikes.

- a) wildcat;
- b) mad dog;
- c) bald eagle;
- d) mad bull.

11. The employers tried a to force the staff to accept their terms.

- a) lock-up
- b) markup
- c) lockout
- d) knock-down

12. We've decided to recommend a half-day strike in support of our claim.

- a) voucher;
- b) token;
- c) backing;
- d) symbol.

13. As we agreed to arbitration, we'll have to accept the decision.

- a) voluntary;
- b) free;
- c) binding;
- d) party.

14. They voted to and try to prevent the factory from closing.

- | | |
|-------------|------------|
| a) set out; | c) sit in; |
| b) sit out; | d) set up. |

15. As the unions have concentrated on the lower-paid workers in previous negotiations, have been eroded.

- | | |
|-----------------|--------------------|
| a) differences; | c) demonstrations; |
| b) definitions; | d) differentials. |

Filling the Gaps

Strategic alliances

As companies seek to extend their reach, share risks, reduce costs or import knowledge, many of them decide to form strategic alliances. Considering that such alliances often fail, one may wonder whether this is due in part to a poor understanding of the management ...1 required to make them work.

According to a recent report, alliance managers have to be impartial. They must not be fiercely 2 to one company or 3. They must be able to tolerate different ways of doing things, and they also need to be willing to take risks and let things happen.

The report points out that the challenges 4 by alliances are different from mergers because they are temporary, involve 5 ownership and have fewer formal structures and little hierarchy.

Furthermore, many alliances are between past and present competitors, so it is crucial to build trust. Acceptability, face to face contact and personal example are needed, and there is no place for ...6 agendas.

It is also vital to know how to develop a 7 of employees, both specialists and managers, who are capable of working in various complex yet temporary 8. This, according to the report, become a key source of competitive 9.

1. a) expert; b) skills; c) science; d) capability.
2. a) committed; b) determined; c) indebted; d) destined.
3. a) mark; b) name; c) make; d) brand.
4. a) resulted; b) posed; c) made; d) caused.
5. a) divided; b) joined; c) shared; d) split.
6. a) concealed; b) invisible; c) disguised; d) hidden.
7. a) cadre; b) batch; c) caucus; d) party.
8. a) fields; b) dimensions; c) alignments; d) areas.
9. a) gain; b) force; c) advantage; d) value.

Indicate Where the Missing Words Belong

1) buying doubling

PoS, the Dutch shipping and energy group, yesterday cheered investors by almost earnings before interest and tax as it continued to absorb the cost of Danish rival Kron.

2) control stake

Lindcom has agreed to buy Kersta's in PanMobil for 120m euros in cash, which gives it the majority of the country's largest mobile phone company.

3) regulator shareholder

The stock market has accused KNG of denying other shareholders the premium attached to takeover bids, which becomes mandatory once an individual exceeds 25 % of a company's share capital.

4) rival swap

Gale, the telecommunications company bidding to buy group Gigacom for 9.5bn euros, have declared that negotiations ruled out the possibility of a share.

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Учебное издание

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Business English: Management and Company Structure

Практикум

Ответственный за выпуск *П.С. Кравцов*

Редактор *Ю.Л. Купченко*
Корректор *Т.Т. Шрамук*
Компьютерный дизайн *А.А. Пресный*

Подписано в печать 04.06.2010 г. Формат 60x84/16.
Бумага офсетная. Гарнитура «Таймс». Ризография.
Усл. печ. л. 2,94. Уч.-изд. л. 1,24.
Тираж 105 экз. Заказ № 1170.

Отпечатано в редакционно-издательском отделе
Полесского государственного университета.
225 710, г. Пинск, ул. Днепровской флотилии, 23.