

## **MODULE I/**

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### **UNIT 5**

#### **DOING BUSINESS IN EUROPE**

In Europe the most common challenge is not the content of the food, but the way you behave as you eat. Some things are just not done. In France it is not good manners to raise tricky questions of business over the main course. Business has its place: after the cheese course. Unless you are prepared to eat in silence you have to talk about something - something, that is, other than the business deal which you are continually chewing over in your head.

Italians give similar importance to the whole process of business entertaining. In fact, in Italy the biggest fear, as course after course appears, is that you entirely forget you are there on business. If you have the energy, you can always do the polite thing when the meal finally ends, and offer to pay. Then, after a lively discussion, you must remember the next polite thing to do – let your host pick up the bill.

In Germany, as you walk sadly back to your hotel room, you may wonder why your apparently friendly hosts have not invited you out for the evening. Don't worry, it is probably nothing personal. Germans do not entertain business people with quite the same enthusiasm as some of their European counterparts.

The Germans are also notable for the amount of formality they bring to business. As an outsider, it is often difficult to know whether colleagues have been working together for 30 years or have just met in the lift. If you are used to calling people by their first names this can be a little strange. To the Germans, titles are important. Forgetting that someone should be called *Herr Doktor* or *Frau*

*Direktorin* might cause serious offence. It is equally offensive to call them by a title they do not possess.

In Italy the question of title is further confused by the fact that everyone with a university degree can be called *Dottore* – and engineers, lawyers and architects may also expect to be called by their professional titles.

These cultural challenges exist side by side with the problems of doing business in a foreign language. Language, of course, is full of difficulties - disaster may be only in a country you are dealing with, the less likely you are to get into difficulties. It is worth the effort. It might be rather hard to explain that the reason you lost the contact was not the product or the price, but the fact that you offended your hosts in a light-hearted comment over an aperitif. Good manners are admired: they can also make or break the deal.

#### **Discussion**

1. What cultural challenges exist side by side with the problems of doing business in a foreign language? Why are they so important?
2. Can the amount of formality different nations bring to business be an obstacle in the process of only business or personal communication?
3. Germans do not entertain business people. Compare their behavior with that of representatives of other European countries.

## **UNIT 6**

### **BUSINESS IN AMERICAN SOCIETY**

Americans have what might be called a love-hate relationship with business. People tend to admire the drive and ingenuity of busi-

ness people and the material benefits of their endeavors. However, some people harbor an image of the business person as a greedy manipulator who will stop at nothing in the never-ending pursuit of profit.

Anyone who has ever seen an episode of the American television show “Dallas” has glimpsed an extreme caricature of business’ image. The show depicts manipulation and dealings in the Texas oil industry, as the members of a wealthy Dallas family connive and scheme against one another and against other business rivals. Such extremes rarely occur in the reality of U.S. business.

On the other hand, works that cast business people as heroes have also been produced. The 19th-century author Horatio Alger wrote a series of popular books for boys that played endless variations on a “rags-to-riches” theme. Alger’s heroes were young men who gained success in business by virtue of hard work and frugal living. Those same virtues are widely hailed as a path to success today. The lists of best-selling books often include works by successful business people relating their personal formulas for getting ahead.

Business organizations in the United States have been eager to spread the message of free enterprise to new generations of Americans. Through a variety of means, they carry their message into the schools and onto the television screens of the nation. One of many activities sponsored by United States businesses is a nationwide program called Junior Achievement. Local business people help high-school-age “junior achievers” to organize small companies, sell stock to friends and parents, produce and market a product (key chains, perhaps, or wall decorations) and pay stockholders a dividend. The same young people act as company officers, salespeople and production workers. The idea is to give young people a deeper appreciation to the role entrepreneurship plays in a capitalist society and to give them experience in business practices.

The values promoted by Junior Achievement are widely respected in American society. But sometimes business values come into conflict with other social values and business people feel themselves to be on the defensive.

Take the role of advertising as an example. In the eyes of the

business world and of many economists, advertising serves an indispensable function, it helps consumers to choose among competing products. Also, by spurring demand for products, it extends the possibilities of mass production and thus leads to economies of scale and to lower consumer costs. Indeed, advertising is sometimes depicted as “the engine of prosperity”. From another perspective, however, advertising goes against important social values. It promotes self-indulgence and thus counters moral and religious teachings that urge selflessness. It creates false “needs” and encourages waste.

This inevitable tension between business values and other social values often spills over onto the political stage, with the institutions of government struggling to resolve a point at issue. Should there be limits on the types of products that business people can advertise? Should advertisers be forced to mention the hazards as well as the attractions of a product such as cigarettes? Should advertisers be required to substantiate their glowing claims? The give-and-take of the democratic political process provides answers to such questions in a continuing process of adjustment and change—increasingly offering protection to the consumer against false or harmful advertising.

It would be difficult to overestimate the role of business and industry in underpinning the democratic political system in the United States. By spreading economic decision-making among many levels of society, the American economic system has helped to avoid the concentration of political and economic power in a few hands. By providing a constantly expanding “pie” of material wealth, business and industry have helped to smooth out the inevitable conflicts over how the “pie” should be divided. Political debate has generally focused on how to fine-tune the distribution of wealth, not on drastic proposals for change. This does not mean that all Americans are satisfied with things as they are; many are not. But thanks to the affluence provided by business and industry, Americans have been able to contemplate their differences with a certain detachment, largely avoiding the desperation and extremism that are

the enemies of democratic discourse.

### **ВЕДЕНИЕ БИЗНЕСА ПО-АМЕРИКАНСКИ**

Американцы одержимы идеей, которую считают правильной, и с миссионерским рвением пытаются обратить в свою веру других.

Выбирая американского работодателя, вы принимаете его идеологию;

- периодическая смена работы значит больше, чем новый проект время от времени. Однажды попав в производственную спираль, нужно быть готовым каждые два года менять должность. Коллеги и начальство тоже постоянно меняются;
- решения часто принимаются задолго до собрания (например, за разговором в кафе);
- форма подачи сведений для американцев священна. Они любят таблицы, из каждого доклада делают шоу. Кто мучает своих слушателей бесконечными колонками цифр, рискует вскоре быть прерванным и отправляется восвояси;
- американцев интересуют не проблемы, а их решения. По-этому каждый доклад должен содержать короткое определение ситуации и богатый каталог мер по ее решению. Минутный анализ проблемы не считается недостатком компетенции;
- фраза “пожалуйста, зови меня Бобом”, – совсем не означает, что шеф желает, чтобы ему “тыкали”. В американском языке существуют “ты – you” и “вы – you”. И даже если подразумевается первая форма, расслабляться не стоит. Американцы свободны в обращении, но в бизнесе – шкуру спустят;
- за ошибки начальство голову не снимает, а вот попытка скрыть их грозит увольнением. Тот, кто своевременно и в полной мере не проинформировал американского шефа о своем проколе, на следующий день может уже в офисе не появляться;
- “спрашивающий управляет”, – так звучит один из амери-

канских принципов менеджмента, и управленческий персонал действует согласно ему. Свободный тон, которым начальник, как бы между прочим, осведомляется о состоянии проекта, не должен вводить в заблуждение: отвечающему следует взвешивать каждое слово;

- критикуя своего подчиненного, американский босс ожидает, что тот будет его внимательно слушать и не станет сразу защищаться. Он рассматривает свою речь как сигнал, а не как наступление. Критиковать начальника не стоит;
- американское правило для управленческого персонала гласит: “Я должен, минимум, три раза в день себя скомпрометировать”. За этим стоит уверенность, что ошибки делает тот, кто принимает много решений и делает это быстро;
- “хорошо” еще не значит “достаточно хорошо”. Недостаточно просто нормально справляться со своей работой: американцы ожидают от карьериста инициативности и активности, выходящих за пределы поставленного задания;
- для многих европейцев американская критика может звучать как комплимент, особенно если речь идет об оценке работы. “Хорошо” означает, в лучшем случае, удовлетворительно, “очень хорошо”, – “вполне нормально”. И только “замечательно” – “действительно хорошо”.

**Discuss the following excerpt from an American Style Contract**

1. Should any circumstances preventing the complete or partial fulfillment by either of the parties of the obligations taken under this contract arise, namely: fire, floods, earthquake, typhoon, epidemics and other actions or force of nature, as well

as war, military operations; the time stipulated for the fulfillment of the obligations shall be extended for a period equal to that during which such circumstances will remain in force.

2. 2. If these circumstances continue for more than six months, each of the parties shall have the right to refuse in full or in part from any further execution of the obligations under this contract and in such case neither of the parties shall have right for reimbursement of any possible damages by the other party.
3. 3. The party for whom it becomes impossible to meet its obligations under this contract shall immediately advise the other party as regards the commencement and cessation of the circumstances preventing the fulfilment of its obligations.
4. 4. The delayed advice of the commencement or cessation of majeure circumstances exceeding 15 days will deprive the party of the right to refer to these circumstances at a later date.

## **UNIT 7**

### **CROSS CULTURAL ASPECTS OF MANAGEMENT**

*Being a good manager means being marketable in today's economy. It means that you have to develop your cross-cultural awareness and power of empathy (ability to see things through your partner's eyes). Every country has its own customs.*

While being a child or even a student many people don't care about their future, their position in life and the way they'll earn money. And then all of a sudden we face with a difficult problem – "How to find a well-paid and interesting job?". There are a lot of advertisements (job ads or want ads), but with half an eye you understand that you don't match all the needs required. So, you have to make some preparations before having an interview with

your prospective employer in order not to fail at once.

Employers look at three things: grade point average, leadership abilities, and work experience. In most cases, neither of the elements is more important than the other; it's a matter of balance. Most employers would rather interview someone with good grades who holds an office in a campus organization than a student with a perfect grade point average but no activities. Remember, the operative term is good grades. In today's tight market, work experience is a critical factor. Internships, practicum's and work-study jobs not only let you see first-hand what the field is like; they are also a powerful networking tool. Many students get offers at firms where they interned because the employer knows their work and how it fits into the company. Even if there are no positions available where you intern, you have met people who could be references for a similar job in another company.

And now some hints considering the interview itself, so called homework!

First, you have to recognize and rank your skills. Ask yourself some questions such as "Do you like meeting people?", "What kind of skills do employers rank highest?", "Would it be interesting for you to have this job?" Thus, the pleasure of your work should be divided between the employer and you, of course.

The second step is that you should bring your genuine interests to the interview job. Maybe you have some talents or things you are good at and enjoy doing best of all. They could be of a great help for you; people don't get tired of work if they are doing their favourite activities, but not simply work they are obliged to perform.

Furthermore, research the field of your interests. And choose your favourite. Continue with only a few of them. Try to concentrate on them and what could be done at work with their help.

Besides, you have to build your own network of contacts. For this you can use almost everything: books, calls, talks, newspapers,

friends and relatives. And of course the most valuable, it goes without saying, – the Internet. On the Web you can find a lot of sites concerning job offers and different ads.

## **DOING BUSINESS IN CHINA INTRODUCTION**

Negotiating and building effective relationships is vital to the success of Westerners conducting business in China. The relationship cultivated during the course of negotiations is often more important than the negotiated document. In this discussion we examine the differing cultural and organisational constraints facing Chinese and Western managers. These constraints are evident in the divergent attitudes to profitability, “outsiders” and group identity, managerial autonomy, the Chinese manager’s suspicions arising from inexperience, and general negotiating styles.

A good example of divergent perceptions relates to contract documentation. The Chinese may appear to accept a particular clause in a contract that is imposed on them during negotiations. Often, once the document is signed and negotiation pressure is removed, it will not be implemented. The type of negotiation that is successful and leads to implementation of the document is that in which both sides perceive that their needs and fundamental interests have been recognised.

## **BUSINESS ENVIRONMENT**

Often when many Australian and Chinese companies negotiate with each other, each will perceive the other to be smug, arrogant, complacent, arbitrary, and difficult to deal with. In their suspicion of each other they are likely to be so preoccupied in their search for the other side’s hidden agenda that they do not focus on issues at hand. One of the first tasks of negotiation is to identify and dispel these speculations or subjective barriers.

The Western manager soon discovers a dramatic difference between their Chinese partner’s approach and his own in terms of culture,

business goals, incentive and motivation. In addition, his Chinese negotiating partner may have limited or no decision-making power since approval of the project may rest with another authority.

The Western manager will also discover that he is going into an environment that is generally unfavourable for business investment. Therefore, it is necessary for them to do some “pioneering”, that is he has to carve out a favourable micro environment within that unfavourable macro environment to make their project succeed.

#### **A. Cultural Constraints**

There are cultural differences that impinge on doing business in China.

A. Profit may be perceived as Western exploitation. Many Chinese perceive that it is immoral for a foreign businessman to make money in China. Despite their acknowledgement that they expect a foreign investor to make a profit, if he does make money he becomes a subject of scandal and rumour. The Chinese will cite previous foreign domination and their country’s relative poverty to justify this view. We argue that unless foreign businessmen make a sufficient profit in China, the Chinese program to attract foreign investors will never work. Although there are thousands of joint ventures with some even operating at a profit, the amount of investment the Chinese have attracted thus far is only a tiny percentage of their goal.

During negotiations the Chinese will want to know the Western partner’s actual cost of manufacturing or his cost of operation in order to reduce his share to the least possible amount. Upon achieving that goal they will feel that they’ve done a good job for their country morally and for their side of the enterprise.

Unfortunately, this attitude jeopardises the success of joint venture investment. For example, a large American manufacturer sold 50 locomotives to China but in the end failed to make a profit from the operation. When the Chinese approached the American company for subsequent ventures, understandably its CEO was less than enthusiastic.

#### **B. Group Identity**

The distinction made between someone “in the group” and

someone "outside the group" often determines how a Chinese individual behaves in his relationships with others. Different codes of conduct may apply to relationships within his immediate group consisting of family, friends and work unit or company and relationships with "outsiders" including foreigners as well as other Chinese.

### **C. Lack of Managerial Autonomy**

Another barrier is the Chinese manager's fear that if a Western partner is financially successful he will be criticised for being overly generous, selling his national birthright, or accepting some form of bribe or favour for negotiating a 'reasonable' agreement. An example of this occurred when the CEO of a large American company hosted a banquet for a visiting Chinese Vice-Minister and his delegation to celebrate an agreement reached after a long week of negotiations. The Vice-Minister was noticeably glum and when he was asked why; he replied that he could already hear the comments that would be made upon his return. He would be accused of bowing to pressure and giving away more than necessary to the foreigners.

Therefore, in order to protect himself from potential criticism the Chinese partner will attempt to impose on his Western counterpart pre-set drafts of contracts and agreements. The Western manager should realise that he does not have to accept these pre-drafted documents.

### **D. Attitude toward success and failure**

The Chinese manager has different motivations and incentives from their Western counterpart. The Chinese manager personally gains very little if his negotiations for a joint venture with a Western company are successful. Instead his success may increase their workload and cause potential problems to his office. If negotiations for a joint venture fail, nothing happens to him either. They simply has to write a report to the authorities listing the factors involved in the failure. Therefore, they are motivated by the same aims and incentives as his Western counterpart who may benefit or suffer substantially depending upon the joint venture's success or failure.

### **E. Inexperience may lead to suspicion**

The Chinese manager's inexperience in international business and/or lack of knowledge of technology and business professionalism may lead to feelings of insecurity and vulnerability. Hence, the

Chinese manager will try to compensate for those feelings of inadequacy by “encircling and disarming” the Westerner in order to reduce their perceived unfair advantage. We call this the “CEO Syndrome” where the foreigner receives special treatment and is made to believe that he belongs to the “in-group”. She is met at the airport, taken to a luxurious hotel, wined and dined and informed that she is receiving preferential treatment because he is a special friend of China. In the course of this “treatment” she is likely to agree to all sorts of grandiose schemes. And because she is convinced that she has a special relationship with the Chinese, it is unlikely that he will pay attention to anyone who tells her about problems in China. Upon her return to corporate headquarters she will assign some manager to China to implement those plans. When that happens, the Western company is already operating at a disadvantage because it may be impossible for the manager to implement what the senior executive has promised.

#### **F. Western perceptions may hamper effective negotiations**

Perceptual barriers that originate with the Westerner may put them at a disadvantage. For example, the Westerner may overcompensate for his fear of committing a cultural blunder by not saying anything. While it is good to have an awareness of Chinese social norms, it is better to be direct. The Chinese are capable of discerning whether the foreigner is acting in good faith and whether he is a person of good will.

An understanding of cultural differences goes a long way in eliminating these barriers to effective communication. The key to successful negotiation lies in recognising that beneath these cultural constraints both sides have the same fundamental needs and interests.

#### **G. Basics of Negotiating**

It is important to be very firm on principle, including business ethics, issues related to profitability and corporate policy during negotiations. This provides some guarantee of the business venture’s success and helps teach the Chinese contemporary business methods. In terms of negotiating style, courtesy, respect and patience should be the rule at all times. Do not listen to people who

minimise problems. Almost every project will appear to have no problems on the first day of negotiations but issues will begin to surface during the course of meetings. When people state that it is impossible to achieve one's stated objectives, take a close look to determine the feasibility of those goals. If one's company is sound, has staying power and possesses goods or services that China needs, or if it can use China as a manufacturing base to export to other countries, there is a great likelihood of success if done in the right manner. Even if it is impossible to achieve one's original objectives, it still may be possible to craft something that is workable.

### **Contract Essentials**

The following components are essential in a contract and should not be compromised: 1) Method of payment and repatriation of profits. 2) A deadline for the two parties' investment contribution and the form the investment will take (this is very important because many joint venture partners end up with the realisation that the Chinese are not going to put up money). 3) Guarantees for financing, supplies, transportation facilities, quality control and access to the market because of basic problems in the infrastructure, e.g., power shortages, etc. It is necessary to check out each of these points independently and obtain assurances from the people actually in charge. 4) Type of goods and services to be produced or provided. 5) Feasibility study including cost of production, expenses and method of dividend distribution and exchange rate to be used. 6) Respective responsibility of management of the two parties. 7) Provisions to recover trademark and patents, and protection of technology after termination. 8) Trademark and patent protection.

### **Tips for a Successful Project**

Finding the right Chinese partner in the right location is the key to a successful joint project. It is ideal to find someone who is motivated by a genuine desire to accomplish something for his country or for future generations. This powerful motive exists in the minds of Chinese entrepreneurs, managers and progressive reformers

who approve these projects and should not be underestimated.

Establish a clear understanding with that Chinese partner about the nature of partnerships. Each participant must work in his own interests, but at the same time considers his partner's legitimate interests and avoids putting him in an untenable position.

It is important to submit one's proposal to the actual approval authority as quickly as possible. Typically, one meets with negotiators and managers who are not the final decision-makers. Determine the network of approval agencies and authorities that is appropriate for your project. Then contact the key person in each of those agencies and cultivate his understanding and acceptance of your project.

Send in the appropriate people. Professionalism is important, knowledge of technology is good but what is more important is someone who understands people and has good interpersonal skills.

Start small with something practical and learn how to do business successfully in China before tackling larger projects.

### **Conclusion**

Doing business in China is worthwhile despite the difficulties because China is the largest undeveloped market in the world. It is a market in which Australians have a distinct advantage because they are liked and welcomed in China. It is a market that will take a long time to develop but if people are there early they will gain a tremendous advantage over others who arrive later.

## **UNIT 8**

### **DOING BUSINESS WORLDWIDE GLOBAL CAREERS**

1. Before you read discuss these questions.
  - a) What qualities do you think a person needs in order to be a successful global manager? Some examples may be inde-

pendence, or an interest in foreign cultures. Try to think of others.

- b) What personal and professional skills do you need for a successful business career in your country, e.g. specialist training, knowledge of foreign languages, outgoing personality?

### **Reading tasks**

#### **A Understanding main points**

1. Which of the statements gives the best summary of the text on the opposite page ?

- a) A successful global manager needs many qualities.
- b) The qualities required to become a top manager differ from country.
- c) Many young managers are not interested in a global career.

2. Mark these statements T (true) or F (false) according to the information in the text.

- a) International experience is essential if you want a global career.
- b) Subsidiaries of global companies use the same criteria when promoting managers.
- c) The demand for global managers is increasing.
- d) Young managers want to work internationally.

#### **B. Understanding details**

1. Different qualities for career success are described for different cultures and nationalities. Match the qualities from the list below to the nationalities mentioned in the text.

- a) Good communication skills.
- b) Technical creativity.
- c) Ability to network.
- d) Professional competence.
- e) Entrepreneurial skills.
- f) Knowing how to work within a hierarchical structure.
- g) Good interpersonal skills.

2. Which national group considers communication and interpersonal skills to be more important – the British or the Dutch ?

3. According to Andre Laurent, German, British and French managers see organisations as different kinds of networks. What words does he use to define these networks in each case ?

Ideally, it seems a global manager should have the stamina (выносливость) of an Olympic runner, the mental ability of an Einstein, the conversational skill of a professor of languages, the detachment (отстраненность) of a judge, the tact of a diplomat, and the perseverance of an Egyptian pyramid builder. And that's not all. If they are going to measure up to the demands of living and working in a foreign country, they should also have a feeling for the culture; their moral judgement should not be too rigid; they should be able to merge with the local environment; and they should show no signs of prejudice.

**Thomas Aitken**

According to Colby Chandler; the former Chief Executive of Eastman Kodak Company, these days there is not a discussion or a decision that does not have an international dimension.

We would have to be blind not to see how critically important international experience is.

International companies compete with each other for global executives to manage their operations around the world. Yet what it takes to reach the top of a company differs from one country to the next. For example, whereas Swiss and German companies respect technical creativity and competence, French and British companies often view managers with such qualities as mere technicians. Likewise, American companies value entrepreneurs highly, while their British and French counterparts often view entrepreneurial behaviour as highly disruptive. Similarly, whereas only just half of Dutch managers see skills in interpersonal relations and communication as critical to career success, almost 90 per cent of their British colleagues do so.

Global management expert, Andre Laurent, describes Ger-

man, British and French managers attitudes to management careers as follows:

German managers, more than others, believe that creativity is essential for career success. In their mind, successful managers must have the right individual characteristics. German managers have a rational outlook; they view the organisation as a co-ordinated network of individuals who make appropriate decisions based on their professional competence and knowledge.

British managers hold a more interpersonal and subjective view of the organisational world. According to them, the ability to create the right image and to get noticed for what they do is essential for career success. British managers view organisations primarily as a network of relationships between individuals who get things done by influencing each other through communicating and negotiating.

French managers look at organisations as an authority network where the power to organise and control others comes from their position in the hierarchy. French managers focus on the organisation as a pyramid of differentiated levels of power. They perceive the ability to manage power relationships effectively and to “work the system” as critical to their career success.

As companies integrate their operations globally, these different national approaches can send conflicting messages to success-oriented managers. Subsidiaries in different countries operate differently and reward different behaviours based on their unique cultural perspectives. The challenge for today’s global companies is to recognise local differences, while at the same time creating globally integrated career paths for their future senior executives.

There is no doubt the new global environment demands more, not fewer, globally competent managers. Global experience, rather than side-tracking a manager’s career, is rapidly becoming the only route to the top. But in spite of the increasing demand for global managers, there is a potentially diminishing interest in global assignments, especially among young managers. A big question for

the future is whether global organisations will remain able to attract sufficient numbers of young managers willing to work internationally.

**D. Understanding meanings**

1. Choose the best explanation of the sentence “there is not a discussion or a decision that does not have an international dimension”?

- a) international issues are not often discussed when companies take decisions
- b) international issues must always be considered when taking a business decision

2. Choose the best explanation of the phrase “mere technicians” as it is used in the text?

- a) people who have some technical skills but no management skills
- b) people who are excellent engineers

**Vocabulary tasks**

- |                   |                                                            |
|-------------------|------------------------------------------------------------|
| 1. stamina        | a) ability to think quickly and intelligently              |
| 2. mental agility | b) physical or mental strength to continue doing something |
| 3. detachment     | c) ability to be polite and careful in what you say or do  |
| 4. tact           | d) determination to keep trying to do something difficult  |
| 5. perseverance   | e) not becoming involved in things emotionally             |

**B Word search**

Find a word or phrase in the text that has a similar meaning.

- 1. behaviour which prevents things from working normally (para 3)  
disruptive..... behaviour.....
- 2. managers who are ambitious (para 8)  
s..... -o..... m .....

3. clear directions that people can follow to move up in a company (para 8)

c..... p.....

4. push a manager's career into a dead end (para 9)

s..... -t.....

5. when interest is becoming less and less (para 9)

d..... i.....

### C. Prepositions

Match the verbs and prepositions as they occur together in the text,

- |                   |          |
|-------------------|----------|
| 1. based          | a) up to |
| 2. compete        | b) on    |
| 3. have a feeling | c) from  |
| 4. differ         | d) with  |
| 5. measure        | e) for   |

## UNIT 9

### DOING BUSINESS IN UKRAINE

Understanding the Ukrainian style of business and negotiations can have an essential impact on the success of your work in this country.

In many key positions you still will find the people who grew up with the old administrative style and bureaucracy. The business style can be described as Byzantine and not straightforward. The management directors rule with an iron fist and without their permission nothing can be done or decided.

High-ranking officers in state-owned industry and administration, particularly the older ones, can be very skeptical of new ideas and approaches. To convince them could be a hard job. Decisions can take much longer than in the West. Usually it makes no sense to put your counterpart under pressure. You had better try to find a

compromise and give your partner the feeling that decisions are made on the basis of partnership and mutual agreement.

Some general recommendations:

Usually business questions are not discussed on the phone but in face-to-face meetings.

It is difficult to arrange meetings a long time in advance. Usually Ukrainians plan their time-table for the week before Monday and they can change their plans very quickly. You can make a preliminary arrangement with your partner some days in advance, but you should confirm it once again the same day your meeting is scheduled.

At least on your first meeting with your counterpart you should be dressed business-like, conservative and smartly. Ukrainians have high expectations on the way western business people should dress and may judge you on this basis. A proverb says 'people meet you by the way you dress, and see you off by your intellect'.

When meeting people, shake everyone's hand firmly and look straight into their eyes. Tolerate smoking during the meetings since many Ukrainians are heavy smokers. If you wish to smoke it is advisable to ask for permission and never forget to offer them a cigarette.

You should have business card ready to exchange when you are introduced. Prepare a two-sided business card with one side printed in English or your own language and the reverse side in Ukrainian. Make sure you follow the official Tacis guidelines when printing business cards.

When you do not know the language try to say some words at least for your introduction in Ukrainian. You will be greeted very warmly and treated as a "member of the club".

Small gifts like pens, solar calculators or any similar tokens are a traditional part of the first greeting and are in part expected from you.

You should try to establish a contact that goes beyond simply doing business. If you are invited to dinner or lunch after the meeting or if your hosts suggest a city tour or shashlic picnic, you should accept.

Do not be surprised if your counterpart is late. It is still advisable to you to be in time, however.

Relax about time. Ukrainians tend to use a lot of time introducing themselves.

**Discussion**

1. Is the story written by a foreigner or by our countryman? Give your reasons.
2. Do you agree with all characteristics given in the text?
3. Can you explain why the Ukrainians change their plans so often.
4. What characteristics differ the Ukrainians from other nations?
5. What characteristics would you like to change and how?

## TEST III

### Defining management

Here are some definitions of management and the role of managers. Complete the sentences with words from the box.

assembling	controlling	financial (×2)	goals	human (×2)
information	innovation (×2)	leadership	leading	marketing
material (×2)	organization (×2)	organizing	planning (×2)	
process (×2)	resources (×2)			

1. Managers are responsible for 'the *process* of p \_\_\_\_\_, o \_\_\_\_\_, l \_\_\_\_\_ and c \_\_\_\_\_ the efforts of o \_\_\_\_\_ members and of using all organizational r \_\_\_\_\_ to achieve stated organizational g \_\_\_\_\_'.

(Mescon, Albert and Khedourie, 1985, quoted in Hannagan, 1998, p. 4)

2. "(Management is) getting things done by other people".

(Mary Parker Follett, 1941, quoted in Hannagan, 1998, p. 4)

3. “(Management is) the process of optimizing h \_\_\_\_\_, m \_\_\_\_\_ and f \_\_\_\_\_ contributions for the achievement of organizational goals”.

(Pearce and Robinson, 1989, quoted in Hannagan, 1998, p. 4)

4. A modern view of management, expressed by Sir Roland Smith, is that “Management should be based on \_\_\_\_\_, m \_\_\_\_\_ and risk”.

(quoted in Hannagan 1998, p. 5)

5. “All managers may be involved with the operational aspects of management but as they are promoted and develop, their role becomes increasingly one of p \_\_\_\_\_, i \_\_\_\_\_ and l \_\_\_\_\_”.

(Hannagan, 1998, p. 5)

6. Management is “the \_\_\_\_\_ of a \_\_\_\_\_ and using r \_\_\_\_\_ - h \_\_\_\_\_, f \_\_\_\_\_ and m \_\_\_\_\_, and i \_\_\_\_\_ - in a goal-directed manner to accomplish tasks in an o \_\_\_\_\_”.

(Black and Porter, 2000, p. 19)

## TEST IV

### Theory X and Theory Y

What do managers think of their staff? McGregor (1960) said there were two opposing views, Theory X and Theory Y.

***Read the text below, then answer the True/False questions.***

Theory X managers believe that people dislike work. Work is necessary because if you do not work you cannot live. People are naturally lazy. They prefer to be directed. So managers have to tell their subordinates what to do. Managers have to organize the workers and pressure them to do things. The manager’s job is to think about the goals of the organization then make workers realize the

goals. Subordinates want security. They want managers to organize and control everything. So Theory X managers are authoritarian. Managers are the bosses. They decide the goals and give orders. They direct everything, from the top down.

Theory Y is more or less opposite to Theory X.

Theory Y managers believe that people like work. Work is necessary because people want to work to feel happy. People are naturally industrious. They prefer to participate in decision-making. Managers discuss with their subordinates what to do. Managers organize communication channels with the workers and listen to their opinions. The manager's job is to establish the goals of the organization with the workers, so that together they can realize the goals. Subordinates want managers to involve them, to delegate decision-making, to allow them autonomy. Theory Y managers are team-oriented. They trust their subordinates. The organization is less hierarchical and more creative.

1. Theory X and Theory Y are theories of leadership. True/False
2. Theory X is a more traditional description of management/worker relations. True/False
3. Theory Y is typical in hierarchical top-down organizations. True/False
4. Theory Y managers tell workers what they want. Workers do it. True/False
5. Theory X managers are authoritarian. True/False
6. Theory Y workers are lazy and don't want to work. True/False
7. Theory X workers, work is natural. True/False
8. Theory Y working relationships are open, communicative and creative. True/False