MANAGING FOR SUCCESS

Reading, Reflection, and Critical Thinking

Liubov Kulik, Concept Development

Tatiana Artemenko
Liudmila Turinova

Экономический
факультет
МГУ
имени
М.В. Ломоносова

МОСКОВСКИЙ ГОСУДАРСТВЕННЫЙ УНИВЕРСИТЕТ
имени М. В. Ломоносова
Экономический факультет

Managing for Success

Reading, Reflection, and Critical Thinking

Kulik Liubov V.
Artemenko Tatiana V.
Turinova Liudmila A.

Москва
2026

УДК 811.111
ББК 81.432.1

Печатается
по решению Ученого совета экономического факультета
МГУ имени М. В. Ломоносова.

Под редакцией: доц. *Л. В. Кулик*
Ответственный редактор: *А. Р. Изилова*

Р е ц е н з е н т ы:

Миракян А. Г., кандидат экономических наук,
доцент МГУ имени М. В. Ломоносова

Кулик Л. В., Артеменко Т. В., Туринова Л. А.
Managing for Success. — М.: Экономический факультет МГУ имени М. В. Ломоносова, 2026. — 64 с. — URL: https://www.econ.msu.ru/elibrary/is/bef/#top
ISBN 978-5-907909-06-9

Учебно-методическое пособие *Managing for Success* предназначено для магистерских программ направления “Менеджмент”. Целью пособия является совершенствование навыков аналитического чтения широкого спектра текстов по специальности и их интерпретации, что способствует развитию навыков критического мышления. В качестве учебного материала используются новейшие аутентичные медийные ресурсы по наиболее актуальным управленческим проблемам.

Материал сгруппирован по четырем модулям: *Concept of Management, Personality in Business, Corporate Culture, Management in Digital Era,* каждый из которых завершается презентацией группового проекта.

УДК 811.111
ББК 81.432.1

ISBN 978-5-907909-06-9

Contents

Unit 1

Concept of Management.

Evolution of ideas

Idea in brief

Neither science nor the arts can be complete without combining their separate strengths. Science needs the intuition and metaphorical power of the arts, and the arts need the fresh blood of science.

A THINK CRITICALLY

➢ **Predict. Read the title and report your opinion to the class.**

1 Management: a Science or an Art?

The emphasis of twentieth-century management thought has been on making management a science. At every step toward this goal there has been *a continuing debate over* whether this is, in fact, possible.

Management scholar Luther Gulick states that management is becoming a science because it has systematically studied phenomena that have been organized into various theories and it «seeks to systematically understand why and how men work together systematically to accomplish objectives and to make these cooperative systems more useful to mankind.»

On the other hand, many experts contend that management is really an art, something that can only *be learned by experience* and performed well by those with a talent for it. Some practicing managers, including a number who are very successful, feel that scientific theories of management belong to the ivory towers of academia, not the real, everyday world of organizations.

The basis of science is the ability *to measure objectively the phenomena* being studied. Some aspects of organizations can be *quantified, measured, and analyzed precisely*. For example, it is not too difficult to determine the most efficient procedure for *performing a mechanical task*. The scientific management writers analyzed mechanical tasks with great success. This led some to believe management could become a true science.

The optimism was short-lived. People are not as simple as machines. One cannot stick a meter in a person's mind *to measure their response* to a proposed method of work. Moreover, managers deal not with individuals but with a group. There are so many social factors operating in a large group that it is difficult even to identify them. Therefore, in our opinion, management is still at least partially an art. Management should learn from experience and accordingly modify practices suggested by theory.

(Gulick L., abridged from *Management is a Science*)

B VOCABULARY 1 - 1

1. **From Text 1, write out the collocations in italics. Provide their Russian variant. Arrange them in T-chart.**

English collocation	Russian variant
1. a continuing debate over sth	
2. to accomplish objectives	
(to be continued)	

2. **Provide English variants for the phrases below:**

особое внимание управленческой мысли XXI в., с каждым шагом в направлении этой цели, систематически изучать явления, более полезный для человечества, многие эксперты полагают, основа науки, определять наиболее эффективный способ, анализировать весьма успешно, это позволило некоторым полагать, учиться на собственном опыте, модифицировать деятельность соответственно.

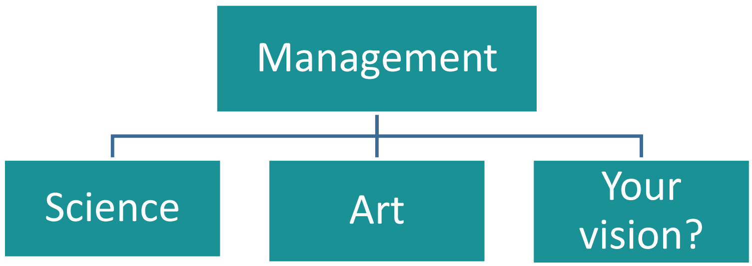
3. **Make up Russian sentences with the above given collocations. Offer them to your colleagues for translation.**

4. **Provide your understanding of the metaphor '*the ivory tower of academia*'.**

C COLLABORATE

Work in a group. Make up a flow chart reflecting different views upon management.

Use collocations from the T-chart in task B.



✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

D THINK CRITICALLY

➢ **Interpret. Work in a group.**

- From Reading 1 *"What Entrepreneurs can Learn from Artists",* (Supplement 3) add information to the flow chart above.
- Highlight the ideas most interesting for you and offer your comments.

➢ **Analyze. Scan the text below and identify pivotal management theories.**

2 Fundamental Management Theories and Concepts

Management theories have been developed and used since management first became a standard part of business practices. While older theories still hold relevant, new theories continue to be developed *to keep up with current trends* in business. Modern management is not a one-size-fits-all practice. Therefore, it is helpful to gain an understanding of management theories and their applications.

Certain management theories have *become integral to modern business practices.* There are three major classifications for management theories: Classical Management Theory, which centers around execution and maximizing production*;* Behavioral Management Theory, which *focuses increasingly on human elements* and viewing the workplace as a social environment, and Modern Management Theory which *builds on the previous two theories***.** Each of these classifications represents a different era in the evolution of management theories and contains multiple sub-theories.

The oldest management theory, ***Classical Management Theory*** focuses on the creation of standards *to increase production output.* Compensation is considered the primary motivation for employees. A manager practicing this theory would be focused on improving output and *rewarding high-performing employees* through wages or bonuses. There are three primary theories that comprise the Classical Management Theory: Scientific Management Theory, Administrative Management Theory and Bureaucracy Theory.

Scientific Management Theory is a very early management theory focused on *minimizing waste* and reducing production time. It was developed by Frederick Taylor, who attempted using a scientific approach to incentivize employee performance and reduce 'hit and trial' practices.

Administrative Management Theory, developed by Henri Fayol, considers management as a primary business activity and *provides detailed guidelines* for managers.

Developed by sociologist Max Weber, Bureaucracy Theory emphasizes unity and the formal authority of organizational hierarchies.

Increasingly complex industries and organizations gave rise to more human interests in the workplace, and satisfying the interpersonal needs of employees became more central to management. A manager practicing ***Behavioral Management Theory*** might motivate teamwork through *fostering a collaborative atmosphere.* There are two major theories that make up Behavioral Management Theory: Human Relations Theory and Behavioral Science Theory.

Human Relations Theory considers the organization as *a social entity,* with morale being considered *integral to employee performance*. Behavioral Science Theory combines elements of psychology, sociology, and anthropology and recognizes individuality and the need for managers to be sociable.

Modern Management Theory seeks to incorporate the need to navigate constant change and technology with human and traditional theories. A manager practicing Modern Management Theory might use statistics *to measure performance* and encourage cross-functional cooperation**.** Three major modern theories comprise Modern Management Theory: Quantitative Theory, Systems Theory and Contingency Theory.

Quantitative Theory arose out of the need for managerial efficiency during World War II to enhance military decision-making. Systems Theory views management as an interrelated component of the organization, each department being *part of an overall system*. Contingency Theory was developed by sociologist Joan Woodward who found that high performing organizations *make better use of technology*. This theory recognizes that effective managers must *be adaptable to unique situations* and circumstances.

Each management theory provides valuable insight into managerial requirements. There is no single model or theory that will work for every organization, thus, many modern organizations apply a combination of theories to succeed.

(Elkins, H., abridged from *Management Theories and Concepts at the Workplace)*

E VOCABULARY 1 - 2

1. **From Text 2, write out all collocations in italics. Provide their Russian variants. Arrange them in T-chart.**

English collocation	Russian variant
1. to keep up with current trends	
2. to become integral to modern business practices	
(to be continued)	

2. **Provide English variants for the collocations below:**

прежние теории все еще релевантны, определенные управленческие теории, сосредотачиваться на реализации и максимизации производства, рассматривать рабочее место как социальную среду, стимулировать деятельность сотрудников, межличностные потребности сотрудников, ускорять принятие решений, организации с высокой производительностью, давать ценное понимание управленческих потребностей.

3. **Make up Russian sentences with the above given collocations. Offer them to your colleagues for translation.**

4. **Explain and exemplify 'hit and trial' practices.**

F THINK CRITICALLY

➢ **Interpret. Work with a partner. Provide your reasoning on the following statements from Text 2:**

- Modern management is not a one-size-fits-all practice.
- Compensation is considered the primary motivation for employees.
- Human Relations Theory considers the organization as a social entity, with morale being considered integral to employee performance.
- Behavioral Science Theory recognizes individuality and the need for managers to be sociable.

➢ **Synthesize. Work in a group. Draw a flow chart for each management theory with corresponding sub-theories. Identify their key points of departure and put them in an appropriate box. Combine all theories into an overall framework.**

➢ **Analyze. Explain the minute differences within the major management theories.**

Classical Management Theories

__________	__________	__________

✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

Behavioral Management Theory

__________	__________	__________

✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

Modern Management Theory

__________	__________	__________

✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓

G PROJECT 1. Management Theories: Retrospect and Prospect

- **Complete** "Management Theories timeline" to reflect the rise and evolution of new management theories.
- **Provide more information** on the scholars who contributed to the development of managerial science (see Supplement 3, *"How modern organizations manage people: implementing management theories"*).
- **Brainstorming** (see Supplement 4, *"Guide to Management Ideas")*.
- **Draw a mind map** of the Project.

Management Theory Timeline

Date	Theory	Basic parameters
1911	Taylorism	
1930	Behavioral science	
1940-1950s	Idea of big corporations	
1960s	Organization management	
1970s-1980s	Situation management	
1980s-1990s	Cross-culture management	
2000s	Next society (P. Drucker)	
2010s	Flexible methodologies (Agile)	
2020s	Digital, remote management + CRM	
2030s	AI Management	

H Presentation Skills.

PREPARATION PROCESS: Open & Close
THE THROUGHLINE: What's your point? (Supplement 2, A-B)

Unit 2

Models of Success.

Personality in Business

Never do business with anybody you don't like.
If you don't like somebody, there's a reason.

George Claflin

A THINK CRITICALLY

- **Predict.** **Work with a partner. Compile a list of conditions necessary for business to succeed. Provide examples of outstanding business giants.**

- **Analyze.** **Scan the Text. From the list below, choose the appropriate title for each paragraph.**

A. Effectiveness and efficiency	***D. Defining success***
B. Implementation	***E. Productivity***
C. Survival	

1 Managing for Success

_______ 1. The desire to be successful is one most people share. But to decide what we must do to create success, we must first define what success is. If asked which organizations are successful, most people would mention the familiar business giants. But if we think about our definition, we see that size and profitability are not always criteria for an organization's success. An organization exists for a purpose: it is successful if it *accomplishes its objectives.*

________2. Some organizations deliberately plan to disband after accomplishing a specified set of objectives. But though often unwritten, surviving as long as possible is a primary objective of most organizations. That may be long indeed because organizations have the potential to exist indefinitely. The current record is held by the Roman Catholic Church, which has *operated continuously* for nearly 2000 years. Several governmental organizations in history survived hundreds of years. However, to remain strong and survive, most organizations periodically must select new objectives consistent with the *changing needs of the outside world*. Almost all businesses periodically offer new products or services to their customers.

_______3. For an organization to succeed in the long term—to survive and accomplish its objectives—it must be both effective and efficient. According to popular management writer Peter Drucker, effectiveness results from "doing the right things". Efficiency results from "doing things right". Both are equally important. All the successes described "did the right thing" by choosing an objective that *filled some important need* in the world. With Federal Express this was fast, reliable package delivery. Apple provided inexpensive, "friendly" computers. These organizations also "did things right." Federal Express management figured out how to deliver efficiently. RCA, in contrast, did the right thing by deciding to build computers because the demand for them clearly was increasing.

______4. Productivity at all levels of the organization *is critical to an organization's survival* and success in a competitive environment. Higher sales give the more productive organization more money to invest in resources such as better plants and technology, which may further *increase its productive advantage*. Managers decide what the organization's methods of producing output will be. Managers decide on the incentives the organization will use to motivate workers *to improve their productivity*.

_______5. Perhaps the most crucial point to keep in mind about managing for success is one a student and scholar of management often forgets. Management decisions, however *well-grounded in theory* and research, are only ideas, but the purpose of managing is getting work done through other people. A successful decision is one that is actually *implemented effectively and efficiently*. There are many *potential pitfalls* between making decision and implementing.

(M. Mescon et al., abridged from *Management: Individual and Organizational Effectiveness*)

B VOCABULARY 2 - 1

1. **From Text 1, write out collocations in italics. Provide their Russian variant. Arrange them in T-chart.**

English collocation	Russian variant
1. to accomplish objectives	
2. to operate continuously	
(to be continued)	

2. **In Text 1, find English variants for the collocations below:**

упоминать известных гигантов в сфере бизнеса, критерии успеха организации, первоочередная цель, существовать сотни лет, предлагать новые товары или услуги, преуспевать в течение долгого времени, успех в конкурентной среде, самый важный момент, принятие решения и его реализация.

3. **Make up Russian sentences/ situations incorporating the collocations above. Offer them to your partners for translation.**

C THINK CRITICALLY

- **Interpret. Develop the statements and illustrate them with examples. Make use of the vocabulary from T-chart.**

  a. Some organizations deliberately plan to disband after accomplishing a specified set of objectives.
  b. Several governmental organizations in history survived hundreds of years.
  c. Almost all businesses periodically offer new products or services to their customers.
  d. Effectiveness results from «doing the right things». Efficiency results from «doing things right».
  e. Higher sales give the more productive organization more money to invest in resources such as better plants and technology.
  f. A successful decision is one that is actually implemented effectively and efficiently. There are many potential pitfalls between making decision and implementing.

- **Synthesize. Drawing on Task A, expand the list of conditions for business to survive and succeed.**

2 Key Managerial Roles

Henry Mintzberg, a *renowned management theorist, identified 10 key managerial roles* that executives and managers must fulfill to *effectively lead their organizations.* These roles are categorized into three domains: Interpersonal, Informational, and Decisional.

1. Interpersonal Roles *involve interactions with people* inside and outside the organization.

Interpersonal	***Figurehead---*** symbolic head; obliged *to perform a number of routine duties* of a legal or social nature. ***Leader---*** responsible for the motivation of subordinates; responsible for staffing, training, and associated duties. ***Liaison---*** *maintains network of outside contacts* and informers who provide favors and information.

2. Informational Roles: managers in these roles collect, process, and share *information essential for decision-making.*

Informational	***Monitor---***seeks and receives special information *to develop thorough understanding of organization* and environment; emerges as nerve center of internal and external information of the organization. ***Disseminator---*** transmits information received from outsiders or from other subordinates to members of the organization; some information factual, some involving interpretation of diverse value positions of organizational influences. ***Spokesperson---*** *transmits information to outsiders* on organization's plans, policies, actions, results, etc., serves as expert on organization's industry.

3. Decisional Roles involve making *strategic* decisions that impact the organization.

Decisional	***Entrepreneur---*** *seeks new opportunities,* initiates 'improvement projects' to bring about change; supervises design of certain projects as well. ***Disturbance Handler---*** responsible for corrective action when organization *faces unexpected disturbances.* ***Resource Allocator---*** *responsible for the allocation of organizational resources* of all kinds – in effect the making or *approval of significant organizational decisions* ***Negotiator---*** responsible for *representing the organization at major negotiations.*

(H. Mintzberg, abridged from *The Nature of Managerial Work*)

D VOCABULARY 2 - 2

1. **From Text 2, write out collocations in italics. Provide their Russian variant. Arrange them in T-chart.**

English collocation	Russian variant
1. a renowned management theorist	
2. to identify key organizational roles	
(to be continued)	

2. **Provide English variants for the collocations below:**
обязанности юридического и общественного характера; мотивация подчиненных; ответственный за комплектацию кадров, их подготовку и сопряженные обязанности; интерпретация различных ценностных позиций, повлечь за собой изменения, наблюдать за разработкой определенных проектов.

3. **Make up Russian sentences incorporating the collocations given above. Offer them to your partners for translation.**

E THINK CRITICALLY

- Analyze **the text and identify 5 functions a top manager must fulfil.**
- Personalize. **Identify the roles and functions you perform at work.**
- Synthesize. **Match the function and the role which an executive performs at work.**

— distributes resources (budget, personnel)	***Figurehead***
— seeks new opportunities	
— represents the organization in ceremonial activities	***Leader***
— engages in high-stake negotiations	
— addresses unexpected challenges	***Liaison***
— motivates and directs the team	
— gathers and analyses information	***Monitor***
— sets the organizational tone	***Disseminator***
— drives organizational growth and improvement	
— shares information with the team and stakeholders	***Spokesperson***
— ensures goal execution	
— builds and maintains external networks	***Entrepreneur***
— signs documents	
— communicates policies and strategies to the public	***Disturbance Handler***
— ensures swift and effective problem-solving	***Resource Allocator***
— embodies company values	***Negotiator***

➢ **Personalize. Respond to the questions below assessing your business qualities according to four grades (A-D). Support them with facts and examples from your experience.**

A. Almost always	**B.** Sometimes	**C.** Rarely	**D.** Never

1. Do you feel confident of yourself when you start something new?
2. Do you always set realistic goals?
3. Can you do anything you dislike?
4. Do you easily come to consensus with your partners? friends?
5. Do you like to collaborate in a team? be part of a company?
6. Can you easily build communication with others?
7. Are you an optimistic person?
8. Are you inclined to always see positive aspects in things?
9. Can you say 'no' if you don't think something acceptable?
10. Do you easily accept criticism?
11. Is your self-esteem high enough?
12. Do you feel well in solitude?
13. Do you easily adapt to a novel situation?
14. Do you have sense of humor?

3 How Personality Profiling can Lead a Business to Success

When a team works in harmony wonderful things happen: productivity increases, creativity is unleashed, and problem-solving is reignited. This comes from everybody being in flow, enjoying a more profound knowledge of one another, and playing to their strengths.

By utilizing personality profiling, team leaders and team members can have a much deeper understanding of which tasks are best suited to which individual. And this understanding goes far beyond looking at whether someone is good at project work or creative writing or finances, it actually digs deeper to look at what it is that makes each person tick. *Are they an ideas' person, motivated by creating new projects, or are they a detailed person who will find any pain points in any process in minutes? Are they people who are brilliant at engaging and motivating others?* These are the details that will really make your team and your company fly.

A deeper understanding of not only themselves but also others around them will help to alleviate friction in a team which can cause issues with performance and will invariably lead to losing key members to competitors. *A better understanding of how each other tick can go a long way in creating cohesion and can enable greater staff retention.*

When offering personality profiling within a business, it gives the leaders an overarching view of where and how to efficiently place their staff. No CEO undertakes all roles simultaneously, they find people who have the skills they lack and surround themselves with a team that can overcome any challenge. Personality profiling is far more useful than simply categorizing staff members by job role. It works to actively gel teams together and create cohesion. When everybody understands each other better, and tasks are assigned to those who are best placed to complete them, people are happier and more tolerant, and conflict is avoided. In business, knowledge is power, and an empowered team that works in flow is the best asset a business can have.

(Roger J. Hamilton, abridged from
How Personality Profiling Can Lead a Business to Success)

F THINK CRITICALLY

- **Interpret the concept of 'personality profiling'.**
- **Infer. Read the excerpts in italics and offer your reasoning from personal experience.**
- **Evaluate the effect of utilizing personality profiling for: (a) a leader (b) a team.**

G Project 2. Outstanding Personality in Business

- **Brainstorming.** Discuss various aspects of the problem and multiple approaches to it (Supplement 4, Reading 3, 5).
- **Mindmapping.** Identify the Focus and core points of the Project.
- **Formulate** the thesis statement of the discussion.

*"Thesis statement is the value judgement
the author makes about the subject"*
D. Nunan. Introducing Discourse

H Presentation skills.

THE TALK: to read or not to read? (Supplement 2, C)

Unit 3

Build Your Corporate Culture

Idea in brief

Much of corporate culture is rooted in unspoken behaviors, mindsets, and social patterns. Confounded by this, many leaders either ignore culture or relegate it to HR, where it becomes a secondary concern for the business. This is a missed opportunity.

1 The Leader's Guide to Corporate Culture

Strategy and Culture are among the primary levers *at top leader's disposal* in their never-ending quest to maintain organizational viability and effectiveness. Strategy offers a formal logic for company's goals and orients people around them. Culture expresses goals through values and beliefs and *guide activity through shared assumptions* and group norms.

Strategy provides focus for collective action and decision-making. It relies on plans and sets of choices to mobilize people and can often be enforced by both *concrete rewards for achieving goals* and consequences for failing to do so. Culture, however, is a more elusive lever, because much of it is anchored in *unspoken behaviors, mindsets, and social patterns.*

Defining Culture. Culture is the *tacit social order* of an organization: It *shapes attitudes and behaviors* in wide-ranging and durable ways. Cultural norms define what is encouraged, discouraged, accepted or rejected within a group. When properly *aligned with personal values,* drives, and needs, culture can unleash tremendous amount of energy toward a shared purpose and *foster an organization's capacity to thrive*. The academic literature on the subject is vast. Our review of it *revealed many formal definitions* of organizational culture and a variety of models and methods for assessing it.

We have *identified eight styles* that apply to both organizational cultures and individual leaders. Researchers at Spencer Stuart have studied and *refined this list* of styles across both levels over the past two decades.

(B. Groysberg, abridged from *Harvard Business Review*, 2024)

A VOCABULARY 3 – 1

1. **From Text 1, write out collocations in italics. Provide their Russian variant. Arrange them in T-chart.**

English collocation	Russian variant
1. at top leader's disposal	
2. to guide activity through shared assumptions	
(to be continued)	

2. **Provide English variants for the collocations below:**

поддерживать жизнеспособность и эффективность организации; выражать цели через ценности и убеждения; неуловимый/скрытый рычаг; приниматься или отвергаться группой; стимулы и потребности; методы оценки культуры; относиться как культуре организации, так и к отдельному руководителю; за последние два десятилетия.

3. **Make up Russian sentences/situations incorporating the above given collocations. Offer them to your colleagues for translation.**

B THINK CRITICALLY

➢ **Infer. Identify the basic elements of each lever and offer your interpretation of them.**

The primary levers of organizational viability and effectiveness

↙ ↘

STRATEGY	CULTURE
✓	✓
✓	✓
✓	✓

➢ **Analize. Read the excerpt on eight culture styles and choose the appropriate heading for each:**

Authority	*Caring*	*Enjoyment*	*Learning*	*Order*
	Purpose	*Results*	*Safety*	

2 Eight Distinct Culture Styles

__________*focuses on relationship and mutual trust.* Work environments are warm, collaborative, and welcoming places where people help and support one another. Employees *are united by loyalty*; leaders emphasize sincerity, teamwork, and positive relationship.

___________is exemplified by idealism and altruism. *Work environments* are tolerant, compassionate places where people try to do good for the long-term future of the world. Employees are united by a focus on sustainability and global communities; leaders *emphasize shared ideas* and contributing to a greater cause.

___________ is characterized by exploration, expansiveness, and creativity. Work environments are inventive and open-minded places where people *spark new ideas* and explore alternative. Employees are united by curiosity; leaders emphasize innovations, knowledge and adventure.

___________is expressed through fun and excitement. Work environments are lighthearted places where people tend to do what makes them happy. Employees are united by playfulness and stimulation; leaders emphasize *spontaneity and a sense of humor.*

___________ *is characterized by achievements and winning.* Work environments are outcome-oriented and merit-based places where people aspire *to achieve top performance.* Employees are united by *a drive for success;* leaders emphasize goal accomplishment.

____________*is defined by decisiveness, and boldness.* Work environments are competitive places where people *strive to gain personal advantage.* Employees are united by strong control; leaders emphasize confidence and dominance.

_____________is defined by planning, caution and preparedness. Work environments are predictable places where people *are risk-conscious* and think things through carefully. Employees are united by a desire to feel protected and *anticipate change;* leaders emphasize being realistic and *planning ahead.*

______________*is focused on respect,* structure, and shared norms. Work environments are methodical places where people tend *to play by the rules* and want to fit in. Employees are united by cooperation; leaders emphasize shared procedures and time-honored customs.

The eight styles can be used to diagnose and describe highly complex and *diverse behavioral patterns* in a culture and to model how likely an individual leader is *to align with that culture.*

(Boris Groysberg et al., abridged from *Harvard Business Review,* 2024)

C VOCABULARY 3 - 2

English collocation	Russian variant
1. to focus on relationship and mutual trust	
2. be united by loyalty	
(to be continued)	

1. **From Text 2, write out collocations in italics. Provide their Russian variant. Arrange them in T-chart.**

2. **Provide English variants for the collocations below:**
упор на устойчивом развитии; исследовать альтернативы; работа, ориентированная на результат; объединяться за счет жесткого контроля; все тщательно продумывать; желание чувствовать себя защищенным; стремиться соответствовать; проверенные временем традиции.

3. **Make up Russian sentences/ situations and offer them to your peers for translation.**

D THINK CRITICALLY

➢ **Personalize. Choose the culture style you appreciate most. Characterize and exemplify its basic parameters in terms of (1) work environments (2) employees (3) leaders.**

3 Integrated Culture: The Framework

Eight characteristics emerge when we map culture along two dimensions: how people interact (independence to interdependence) and their response to change (flexibility to stability). The spatial relationships are important. Proximate styles, such as *safety* and *order,* or *learning* and *enjoyment,* will coexist more easily than styles that are far apart on the chart, such as *authority* and *purpose*, or *safety* and *learning* (Fig.1).

Inherent in the framework are fundamental trade-offs. It is common to find organizations with cultures that emphasize both *results* and *caring,* but this combination can be confusing to employees. In contrast, a culture that emphasizes *caring* and *order* encourages a work environment in which teamwork, trust and respect are paramount. The two styles are mutually reinforcing, which can be beneficial but can also present challenges.

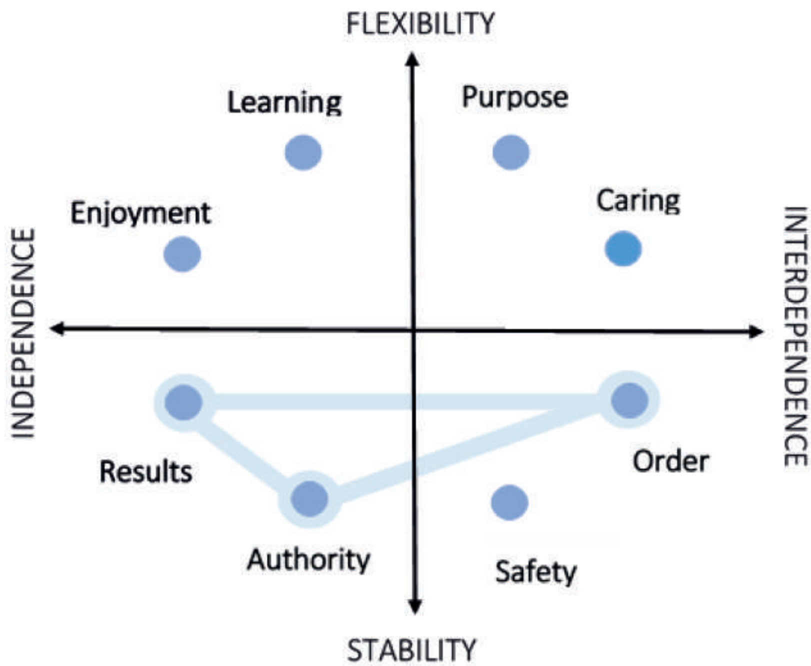


Figure 1. Foundations of company culture profile

E THINK CRITICALLY

➢ **Evaluate. In your group, discuss the benefits and challenges of the following trade-offs:**

a. caring & authority

benefits:

challenges:

b. purpose & enjoyment

benefits:

challenges:

c. safety & caring

benefits:

challenges:

e. learning & results

benefits:

challenges:

f. order & learning

benefits:

challenges:

➢ **Interpret & personalize. On a scale of 1-5, rate how well each of these statements describe your organization.**

What's Your Organization's Cultural Profile?

The organization is focused on:	The organization feels like:	TOTAL
Collaboration and mutual trust	A big family	CARING
Compassion and tolerance	An idealistic community or cause	PURPOSE
Exploration and creativity	A dynamic project	LEARNING
Fun and excitement	A celebration	ENJOYMENT
Achievement and winning	A meritocracy	RESULTS
Strength and boldness	A competitive arena	AUTHORITY
Planning and caution	A meticulously planned operation	SAFETY
Structure and stability	A smoothly running machine	ORDER

➢ **Communicate. Compare your rankings with your colleague's and discuss the following questions.**

- What do you like most about the current culture?
- What behaviors and mindsets might you evolve?
- How effective are your organization's leaders at role modeling the culture?
- What are the characteristics of people who are most successful in your culture?
- When new people don't succeed in your culture, what is the most common reason?

(Boris Groysberg et al., abridged from *Harvard Business Review,* 2024)

4 Integrated Culture: Leader Statements

Top leaders and founders often express cultural sentiment within the public domain, either intentionally or unintentionally. Such statements can provide important clues to how these leaders are thinking about and leading their organizations' cultures.

F THINK CRITICALLY

- **Infer. Read the quotes of eminent businessmen about their companies companies. Specify the culture style characteristic of the company. Provide the reasoning for your choice.**

____________**Disney**
"It is incredibly important to be open and accessible and treat people fairly and look them in the eye and tell them what is on your mind."
– Bob Iger, CEO

__________________ **SEC**
"Rule making is a key function of the commission.
And when we are setting the rules for the securities markets, there are many rules we, the SEC, must follow."
– Jay Clayton, chairman

__________________**Huawei**
"We have a 'wolf' spirit in our company.
In the battle with Lions, wolves have terrifying abilities.
With a strong desire to win and no feeling of losing, they stick to the goal firmly, making the lions exhausted in every possible way."
– Ren Zhengfei, CEO

________________**GSK**
"I've tried to keep us focused on a very clear strategy of modernizing ourselves."
– Sir Andrew Witty, former CEO

______________ **Whole Foods**
"Most of the greatest companies in the world also have great purposes.... Having a deeper, more transcendent purpose is highly energizing for all of the various interdependent stakeholders."
– John Mackey, founder and CEO

__________________**Tesla**
"I'm interested in things that change the world or that affect the future and wondrous new technology where you see it and where you're like 'Wow, how did that even happen?'"
– Elon Musk, cofounder and CEO

__________________ **Lloyd's of London**
"To protect themselves, businesses should spend time understanding what specific threats they may be exposed to and speak to experts who can help."
– Inga Beale, CEO

_________________ **Zappos**
"Have fun. The game is a lot more enjoyable when you're trying to do more than make money."
– Tony Hsieh, CEO

G Project 3. Shape Your Organization's Cultural Profile

- **Collaborate. In a group, draw a triangle which would reflect the cultural profile of the organization you would dream to work for.**
- **Examine the company's founding and heritage, its values, subcultures, and leadership style.**
- **Compare benefits of this alignment and possible challenges.**

H Presentation Skills.

VISUALS IN A PRESENTATION:
What you've got to know about slides (Supplement 2, D).

Unit 4

Management in the Digital Era

A THINK CRITICALLY

- **Analyze. Scan the Text. Identify the major business trends that companies will have to follow in order to survive.**

1 The Biggest Business Trends Everyone must be Ready for Now

With the general *global economic downturn* predicted to get worse before it gets better, companies are likely to remain cautious when it comes to spending and investing in radical new ideas. However, there are a number of technological and societal trends that are simply too big to ignore or *put off until better days*. These are the areas where we can expect to see continued innovation and investment. This is because business trends today are largely driven by technology. However, as we develop a better understanding of technology – artificial intelligence (AI) being the obvious example – we also understand that it is not the only trend. This will *lead to new perspectives on* what makes us human.

Generative AI Everywhere. The Boston Consulting Group asserts that "to be an industry leader in five years, you need a clear and *compelling generative AI strategy* today." AI and machine learning have been making waves for more than a decade and are thoroughly *integrated into many of the products and services* we buy from major companies.

Soft Skills and The Human Touch. As it becomes increasingly feasible to automate technical aspects of work – coding, research, or data management, for example – the ability *to strengthen soft skills* becomes critical. For this reason, organizations are increasing their investment in developing and *nurturing skills and attributes* such as emotional intelligence, communication, and thought leadership.

The Skills Solution. We have been hearing about the skills shortage for several years now. Changes in *hiring practices* that emphasize selecting candidates with the specific experiences and skills needed for a role, rather than qualities such as educational attainment or age, will continue to be a strong trend. We will also continue to see increased *investment in training and upskilling,* particularly around disruptive technologies such as generative AI and skills that will be in demand in an AI-driven economy.

Sustainable Business. One driver is clearly customer demand, as research continues to show that consumers increasingly prefer companies with a solid commitment to *reducing their environmental footprint*. On the other hand, as the green economy grows, we are learning that green solutions often *lead to bottom-line growth*. We will also get better at *spotting greenwashing,* where companies pay lip service to environmentalism *to divert attention from* environmentally unfriendly practices.

The Data Economy. Data is an *increasingly valuable business asset*. More companies will have streamlined their operations and *improved their customer offerings* by taking a strategic approach to their data. As a result, they will be ready to take the next step - monetizing data itself to drive new business opportunities.

To conclude, an important goal is to ensure that an organization is protected from any threat. That could mean cyber-attacks, economic downturns, environmental events, war, global pandemics, or *the emergence of a disruptive new competitor*. It is what we have learned from companies that have survived and even *thrived in turbulent times*. Overall, the future is never certain, and *building resilience to any threats* that might emerge will be a key business trend.

(Bernard Marr, abridged from *the Forbes*)

B VOCABULARY 4 – 1

1. **From Text 1, write out collocations in italics. Provide their Russian variant. Arrange them in T-chart.**

English collocation	Russian variant
1. global economic downturn	
2. to put off until better days	
(to be continued)	

2. **Explain and exemplify the meaning of the idiom 'to pay lip service'.**

3. **In Text 1, retrieve all the collocations with the word 'environment' and its derivatives.**

4. **Make up Russian sentences with these collocations and offer them to your peers for translation.**

C THINK CRITICALLY

- Interpret. **Develop the statements below and illustrate them with real-life examples.**
  - **a.** Companies are likely to remain cautious when it comes to spending and investing in radical new ideas.
  - **b.** Business trends today are largely driven by technology.
  - **c.** Changes in hiring practices that emphasize selecting candidates with the specific experiences and skills needed for a role, rather than qualities such as educational attainment or age, will continue to be a strong trend.
  - **d.** Consumers increasingly prefer companies with a solid commitment to reducing their environmental footprint.
  - **e.** We will also get better at spotting greenwashing, where companies pay lip service to environmentalism to divert attention from environmentally unfriendly practices.
  - **f.** Companies will be ready to take the next step - monetizing data itself to drive new business opportunities.
- Interpret. **Describe the way companies rely on human potential and soft skills in the age of artificial intelligence.**

2 Four Keys to Marketing in the Digital Era

The new digital era is transforming marketing as we know it. Digital transformation affects every part of an organization and its marketing. In today's digital era, consumers have a completely different journey than they used to.

The new model is called the customer decision journey, a term coined by McKinsey & Co. Now a customer can spot a friend with a new product on networks, then decide to buy it based on hundreds of customer reviews on Ozon, or TripAdvisor. Therefore, if customers are finding out about their products from each other, what are the steps marketers can take?

Privatize customer-centricity. This was number one in traditional marketing and still is number one in the digital era. Focus on your customer's major 'headaches' rather than their needs. Spend a day in lives of your customers to find out how to make their life easier, better, cheaper. Give your customers more instead of cheapening the offer. And do not just focus on customer satisfaction — build retention and loyalty.

Meet customers wherever they go. Examine how much time consumers spend online and where, based on research by IMD Professor Misiek Piskorski, author of the book "A Social Strategy", a study of how companies profit from social media. According to Misiek, Pinterest users are 70% female and nearly a third of them have a household income over $100,000 per year. Almost half are over 35 years old, and on average they spend 16 minutes on Pinterest per day. Therefore, digital marketers need to know where their customers are spending time online and meet them there.

However, being on the most popular social media platforms in your sector is not enough; companies need to be on as many websites, apps and channels as they can where their customers are spending the most time.

Let somebody else do the talking. While you cannot be everywhere, let your customers be your ambassadors. In some sectors, like mobile phone service, for example, word of mouth still reigns supreme. In a survey cited by Misiek, 40% of the people polled said that they chose their service provider based on recommendations by family and friends. Only 1% chose their provider based on a recommendation from social media. This means that if your customers are satisfied or delighted, they are likely to recommend your product to those around them.

Master the experience stage. The best way to turn happy customers into ambassadors online is to make them feel great and special about using your products. Companies like Nike have used digital technology to really enhance the post purchase experience for their customers, increasing their loyalty and making them more likely to be brand advocates.

It is crucial to decide whether your company is on the right path or you need digital transformation. More than ever, to become an effective marketer in the digital era, you need to think like your customers, go where they go, let them do the talking and improve their experience.

(Dominique Turpin, abridged from
IMD Business School for Leadership and Management Courses)

D THINK CRITICALLY

- **Evaluate. In a small group, discuss the four steps in the customer decision journey. Choose the one you think most effective. Support your choice with examples.**
- **Infer. Describe the changes organizations need to introduce to become more digitally efficient.**

3 Digital Business Transformation, the Game Changer

The explosion in the use of digital technologies is changing the dynamics of competition in many industries. But digital business transformation (DBT) is about more than an increased use of devices and software or going paperless. It is also about the organizational changes needed for digital technologies to bring about material improvements in corporate performance.

Digital business transformation is change built on technology rather than on other potential drivers of transformation, such as political or economic factors. The technologies involved can vary over time, as well as by industry and geography. But currently the four technologies most commonly associated with DBT are those gathered in the acronym AMPS. The acronym stands for **analytical tools and applications**, **mobile tools, platforms to build shareable digital capabilities,** and **social media.** These are the technological tools firms are using to become more digitally efficient.

Let us study how Burberry, Starbucks and Novartis took separate but successful approaches to Digital Business Transformation.

From tired brand to digital powerhouse. By 2006, Burberry's brand had lost much of its sparkle; its British heritage and luxury outerwear products, pricing and store design were inconsistent and outdated. To regain control, Burberry turned to digital. The company redesigned its website, revamped its stores and fully engaged in social media. It also rejuvenated the workforce, trained in-store staff to use digital tools such as iPads and launched various online campaigns.

Using digital to transform customers' experience. Like Burberry, Starbucks was also experiencing difficulties in the mid-2000s. Sales were declining, and it had to close many stores. Starbucks CEO Howard Schultz wanted to transform customers' in-store and online experience. The company named a head of digital ventures, a new position, whose first move was to offer free Wi-Fi in Starbucks stores. Starbucks's DBT was led by customer insight and business change. Most of its solutions used existing technologies such as Wi-Fi, mobile payments and social media, but it successfully integrated these technologies to improve customer engagement and operational efficiency.

Changing the sales model. Novartis, like other pharmaceutical companies, had a rigid selling model, but had no idea of which drug was being used or when. First the company equipped its sales representatives with iPads. Then it introduced a technological device called Launchpad that completely changed the selling model. In parallel, Novartis extended use of a flexible cloud-based customer relationship management (CRM) system, with digital tools and content that let the sales force engage doctors in more meaningful discussions about Novartis products. The digital transformation is changing the operating culture of Novartis's pharmaceuticals division. It has improved customer interaction and raised both the morale and the daily productivity of the sales force.

The kind of organizational change pursued by these companies challenged the status quo. It required strong leadership and vision to see the threat of disruption and to push through the inevitable resistance. Technological change is also challenging. AMPS technologies require new skills and technologies and, often, large capital expenditure. Companies have to develop new systems and competencies, some of which are at odds with the organization's prevailing culture and practices in IT and marketing.

(Donald A. Marchand, abridged from
IMD Business School for Leadership and Management Courses)

E THINK CRITICALLY

- **Interpret. Decode the acronym AMPS and exemplify each of its ingredients.**
- **Expand your knowledge. Find more examples of DBT in business.**

F Project 4. New Trends in Business

- **Brainstorming.** Discuss various aspects of the problem and multiple approaches to it. (Supplement 3, Reading 4, 5, 6)
- **Mindmapping.** Identify the Focus and core points of the Project.

G Presentation Skills.

ON STAGE: Voice and Presence (Supplement 2, E)

Supplement 1

Oral Brief Framework

1. General characteristics of the work

The author	examines/ studies/ considers/	the current state of... the nature and origins of ...
	addresses	topical questions such as ... the most crucial issues of...
The paper/ article/ publication/ study	contains/ provides/ concerns/ presents	a detailed description of ... a detailed analysis the most up-to-date information on ... a refined analysis of ...
	reveals/ treats	the gap between ... the modern approach to ...
	points out	that ...
	focuses on	new trends in ...

2. Aims and objectives of the paper

The main/ primary/ central	aim/ objective/ task/ target/	of the paper/ article/ publication **is**	to assess/ analyze/ compare

3. Structure of the work

The article/ publication	consists of/ falls into/ may be divided into	... logical parts: an introduction with a..., a survey of..., study of the major aspects of....
The first part/ section	examines/ studies/ emphasizes/ introduces	the functioning of ... the essential points of ... the importance of ... the concept of ...
In conclusion **the** article/ **the** author	illustrates/ stresses/ highlights/ points out	the correlation between... the consequences of ... the reasons for ... ... the importance/ relevance of ...

4. Tools of Analysis

The publication	is based on	the concept offered by... the results of prior studies ... the theory elaborated by ... the method developed by ...
The method applied in the study	rests on/ provides an answer to	the recent findings in ... the long-standing questions of ...
The given/ proposed/ applied	technique/ methodology/ approach	throws light on ... develops ... was put forward/ proposed by ... aims to distinguish between ...

5. Major findings/ conclusions

Preliminary/ final/ relevant	findings/ results/ conclusions/ outcomes	are summarized in ... confirm the hypothesis of... provide evidence for ... confirm/ reject the statement that ...
The author	comes to the conclusion / makes a conclusion/ criticizes the outdated/ controversial view on ...	
In conclusion	**the** article summarizes: principles/ approaches/ techniques it may be stated that ... it should be noted that ...	

6. Critical assessment

- *positive*

The paper/ article/ publication/ report	**is**	clearly and logically developed well-structured a comprehensive view concerning ... an important contribution to... an exhaustive study of...

- *negative*

The author	fails to demonstrate ...
The paper/ survey/ study	lacks careful examination of... lacks clear-cut supporting evidence needs a more comprehensive analysis of...

Supplement 2

Presentation Skills

A PREPARATION PROCESS: Open & Close

1. Your first words really do matter.
2. Show a compelling slide, video or object. The best **opening hook** – glorious, impactful or intriguing picture.
3. Spark curiosity! The obvious way is to ask a question. **A surprising question.**
4. Every talk needs mapping – a sense of where you're going, where you are, and where you've been.
5. How many notes will you need to refer to? – **A single hand-held note card.**
6. By having the notes at a distance from you, you'll avoid the temptation of looking down at them every instance.
7. Never end with a video. **End with you!**
8. An elegant closing paragraph, followed by a simple "thank you", offers the best shot to your efforts.

B THE THROUGHLINE: What's your point?

1. Try to express your throughline in **no more than 15 words.**
2. What's the precise idea you want to build inside your listeners?
3. If you rush through multiple topics in summary form, they don't work!
4. What is their takeaway?
5. The key is to present just one idea, thoroughly & completely. **A single big idea!**

C THE TALK: To read or not to read?

2 variants

write out the talk in full (be read, memorized or a combination of the two)	have a clearly worked out structure & speak in the moment

Scripted talk & hand-held notes

1. Know the talk so well that it doesn't sound scripted.

2. Refer to the script but compensate by looking up during each sentence: you're in **speaking mode**, not in **reading mode.**

3. Condense the script in bullet points & express each point in your own language in the moment.

4. Talks should not feel like writings read aloud**.**

5. Use a set of hand-held 10 x 20 cm cards, which you simply page through one by one.

6. A good approach is **one card per slide** that includes the transition text to the following slide.

NO READING!
That's the only way to stay warmly connected to the audience!

D VISUALS IN A PRESENTATION: What you've got to know about slides

1. The main purpose of visuals can't be to communicate words; **your mouth is perfectly good at doing that**. It's to share what it cannot do so well: photo, video, animation, key data.
2. ... a compelling **fit between what you tell & what you show!**
3. Limit each slide to **a single core idea**.
4. Some minimize the number of slides, cramming a ton of data onto each one.
5. A complex slide that might take 2 min to explain could be replaced with 3 or 4 simpler slides that you can click through in the same amount of time.
6. ...a slide with dozens of elements – the audience has to decide whether to focus on your words, your slides, or both.
7. Some fill their slides with the same words they utter. There is no value in simply repeating in text what you are saying on stage.
8. Words on the screen are fighting your presentation, not enhancing it.
9. The audience reads ahead of speaker, and by the time he covers a specific point, it feels old hat.
10. Slide teases the audience's curiosity & makes your words more interesting, not less.
11. Gently ask speakers **to delete, delete, delete.**

Having no slides at all is better than BAD slides!

E ON STAGE: Voice & Presence

1. Key takeaway – **Variety!** Many speakers give a talk in which every sentence has the same vocal pattern! There are no pauses or changes of pace. The biological effect of this is hypnotic. It simply puts your audience to sleep.
2. It's great to vary your pacing: **Slow down – Speed up!**
3. There're 2 ways of losing the audience: going too fast is by far the rarer of the two. Going too slowly is actually the bigger problem.
4. You should plan to speak at your **natural, conversational speed.**
5. You don't have to walk around at all.
6. Constant pacing can be tiring to watch. **Pacing punctuated by stillness** can be powerful.
7. Find a mode of being on stage which doesn't detract from what you're saying.

(Chris Anderson, abridged from *TED Talks*)

Supplement 3

Further Reading

READING 1 What Entrepreneurs can Learn from Artists

"Good business is the best art." And a number of business thinkers and leaders have begun to embrace the arts as an integral part of business — from the management team to operations to customer service.

John Maeda, the president of the Rhode Island School of Design (RISD) and author of the book *Redesigning Leadership*, predicts that artists will emerge as the new business leaders and cites RISD graduates Joe Gebbia and Brian Chesky, co-founders of Airbnb, as prominent examples.

How do artists think and behave? Here are 12 traits that any individual who aspires to make his or her mark on the world should emulate:

1. Artists are "neophiles." They are in love with novelty and have an insatiable appetite for finding and creating new connections, for inventing and reinventing, even themselves. Art means changing the meaning of things or creating new meanings. That's exactly what innovation is all about.

2. Artists are humanists. They are experts of the "human condition" and observe human desires, needs, emotions, and behavior with a sharp, discerning eye and a high degree of empathy.

3. Artists are craftspeople. They "think by making" and unite the "hand and the head," as sociologist Richard Sennett describes it. Nike's Fuelband, for example, integrates software and hardware, and is an expression of our society's growing demand for self-managed, preventive healthcare.

4. Artists are like children. "Every child is an artist. The problem is how to remain an artist once we grow up," Pablo Picasso famously said. Artists retain a child's unique sense of possibility and wonder. Innovators should, too. It may sound paradoxical, but innovations are always nostalgic. The most meaningful of them, although seemingly all about novelty and the future, reconnect us with a basic human quest or even our childhood dreams.

5. Artists rely on their intuition. It may seem counter-intuitive, but intuition is ever more important in the age of Big Data, because it is the only feature that is faster and deeper than the massive flow of real-time information. Nothing comes close to intuition as innovators seek to anticipate trends and make decisions swiftly.

6. Artists are comfortable with ambiguity. By design, they often deal with things that are not measurable and can't be easily quantified. Innovators, too, should value what may not be easily captured in quantitative terms.

7. Artists thrive under constraints. They often have to work within very structured formats and meet scarce resources with ingenuity. In fact, these constraints might even stimulate their creativity. Inspired by the phenomenon of *Jugaad* in India, innovation gurus like Navi Radjou have popularized and globalized the concept of "frugal innovation" Frugal innovation has become the new hallmark for the art of creating maximum value with minimal resources.

8. Artists are conduits and not "masters of the universe." Most artists – painters, sculptors, writers, filmmakers, or musicians – will admit that they derive their inspiration from a spiritual sphere that goes beyond their individual creativity and skills. This applies to innovators, too. Whether they're spiritual or not, humility suits them well as the social web and its wave of crowd-based collaborations have rendered the myth of the lone genius obsolete.

9. Artists are passionate about their work. In fact, their work and life are impossible to separate. That doesn't mean that innovators need to be workaholics, but they should base their ideas on deep beliefs. Innovation is a leap of faith, and innovators need to be believers. Like artists, they will often face rejection, but if an idea is not worth fighting for, it might not have been the right one in the first place.

10. Artists are contrarians. Artists can see the "cracks through which the light gets in," as the old adage goes. Likewise, great innovators come up with solutions to problems because they see what is missing. They are eccentric, which means they literally view things from the fringes. Both artists and innovators see the world as it could be. They look upon our world, as Proust would say, with "fresh eyes."" to be "ultimately right" as Kathryn Schultz wrote in her book, *Being Wrong***.**

Like art, true innovation has the potential to make our lives better. It connects and reconnects us with deeply held truths and fundamental human desires; meets complexity with simple, elegant solutions; and rewards risk-taking and vulnerability.

However, businesses must refrain from designing innovation as a mere process. That is perhaps the golden rule that artists and innovators have in common: new ideas of worth will only come to those who allow ample space and time for those new ideas to develop in the first place.

(Tim Leberecht, from *Fortune*)

READING 2 The Art of Management

Business has much to learn from the arts

ARTISTS routinely deride businesspeople as money-obsessed bores. Every time Hollywood depicts an industry, it depicts a conspiracy of knaves. Think of *"Wall Street"* (which damned finance), *"The Constant Gardener"* (drug firms), *"Super Size Me"* (fast food), *"The Social Network"* (Facebook) or *"The Player"* (Hollywood itself). Artistic critiques of business are sometimes precise and well-targeted, but often they are not, as those who endured Michael Moore's *"Capitalism: A Love Story"* can attest.

Many businesspeople, for their part, assume that artists are a bunch of pretentious wastrels. Bosses may stick a few modernist drawings on their boardroom walls. They may go on corporate jollies to the opera. They may even write the odd cheque to support their wives' bearded friends. But they seldom take the arts seriously as a source of inspiration.

Managers' reading habits often reflect this nonsense attitude. Few read deeply about art. *"The Art of the Deal"* by Donald Trump does not count; nor does Sun Tzu's *"The Art of War"*. Some popular business books rejoice in their barbarism: consider Wess Robert's *"Leadership Secrets of Attila the Hun"* or Rob Adams's *"A Good Hard Kick in the Ass: the Real Rules for Business"*.

But lately there are welcome signs of a thaw on the business side of the great cultural divide. Business presses are publishing a series of luvvie-hugging books such as *"The Fine Art of Success",* by Jamie Anderson, Jörg Reckhenrich and Martin Kupp, and *"Artistry Unleashed"* by Hilary Austen. Business schools such as the Rotman School of Management at the University of Toronto are trying to learn from the arts. New consultancies teach businesses how to profit from the arts.

Mr. Anderson & co. point out that many artists have also been superb entrepreneurs. Tintoretto upended a Venetian arts establishment that was completely controlled by Titian. He did this by identifying a new set of customers (people who were less grand than the grandees who supported Titian) and by changing the way that art was produced (working much faster than other artists and painting frescoes and furniture as well as portraits). Damien Hirst was even more audacious. He not only realised that nouveau-riche collectors would pay extraordinary sums for dead cows and jewel-encrusted skulls. He upturned the art world by selling his work directly through Sotheby's, an auction house. Whatever they think of his work, businesspeople cannot help admiring a man who parted art-lovers from £70.5m ($126.5m) on the day that Lehman Brothers collapsed.

Studying the arts can help businesspeople communicate more eloquently. Most bosses spend a huge amount of time "messaging" and "reaching out", yet few are much good at it. Their prose is larded with clichés and garbled with gobbledegook. Half an hour with George Orwell's *"Why I Write"* would work wonders. Many of the world's most successful businesses are triumphs of story-telling more than anything else. Marlboro and Jack Daniels have tapped into the myth of the frontier. Ben & Jerry's, an ice-cream maker, wraps itself in the tie-dyed robes of the counter-culture. But business schools devote far more energy to teaching people how to produce and position their products rather than how to infuse them with meaning.

Studying the arts can also help companies learn how to manage bright people. Rob Goffee and Gareth Jones of the London Business School point out that today's most productive companies are dominated by what they call "clevers", who are the devil to manage. They hate being told what to do by managers, whom they regard as dullards. They refuse to submit to performance reviews. In short, they are prima donnas. The arts world has centuries of experience in managing such difficult people. Publishers coax books out of tardy authors. Directors persuade actresses to lock lips with actors they hate. Their tips might be worth hearing.

Corporations chasing inspiration

Studying the art world might even hold out the biggest prize of all—helping business become more innovative. Companies are searching through the world for new ideas (Procter and Gamble, for example, uses "crowdsourcing" to collect ideas from the general public). They are also trying to encourage their workers to become less risk averse. In their quest for creativity, they surely have something to learn from the creative industries. Look at how modern artists adapted to the arrival of photography, a technology that could have made them redundant, or how William Golding (the author of *"Lord of the Flies")* and J. K. Rowling (the creator of Harry Potter) kept trying even when publishers rejected their novels.

If businesspeople should take art more seriously, artists too should take business more seriously. Commerce is a central part of the human experience. More prosaically, it is what billions of people do all day. As such, it deserves a more subtle examination on the page and the screen than it currently receives.

(abridged from *The Economist*)

READING 3 How Modern Organizations Manage People: Implementing Management Theories

Management theories are concepts surrounding recommended management strategies, which may include tools such as frameworks and guidelines that can be implemented in modern organizations. Throughout history, companies have been putting different management theories into practice. Not only have they helped to increase productivity but they have also improved the quality of services. Some of the most popular management theories that are applied nowadays are systems theory, contingency theory, Theory X and Theory Y, and the scientific management theory.

American mechanical engineer Frederick Taylor, who was one of the earliest management theorists, pioneered the ***scientific management theory.*** He and his associates were among the first individuals to study work performance scientifically. Taylor's philosophy emphasized the fact that forcing people to work hard was not the best way to optimize results. Instead, Taylor recommended simplifying tasks so as to increase productivity. Since then, the scientific management theory has been practiced worldwide. The resulting collaboration between employees and employers evolved into the teamwork that people now enjoy.

Systems management offers an alternative approach to the planning and management of organizations. The ***systems management theory*** proposes that businesses, like the human body, consists of multiple components that work harmoniously so that the larger system can function optimally. According to the theory, the success of an organization depends on several key elements: synergy, interdependence, and interrelations between various subsystems. Employees are one of the most important components of a company. Other elements crucial to the success of a business are departments, workgroups, and business units.

The main concept behind the ***contingency management theory*** is that no one management approach suits every organization. There are several external and internal factors that will ultimately affect the chosen management approach. The contingency theory identifies three variables that are likely to influence an organization's structure: the size of an organization, technology being employed, and style of leadership.

Fred Fiedler is the theorist behind the contingency management theory. Fiedler proposed that the traits of a leader were directly related to how effectively he led. According to Fiedler's theory, there's a set of leadership traits handy for every kind of situation. It means that a leader must be flexible enough to adapt to the changing environment.

Douglas McGregor is the theorist credited with developing these two contrasting concepts. More specifically, these theories refer to two management styles: the authoritarian (***Theory X***) and participative (***Theory Y***).

Theory X holds a pessimistic view of employees in the sense that they cannot work in the absence of incentives. Theory Y, on the other hand, holds an optimistic opinion of employees. The latter theory proposes that employees and managers can achieve a collaborative and trust-based relationship. For instance, large corporations that hire thousands of employees for routine work may find adopting this form of management ideal.

One of the reasons why managers should be interested in learning management theories is because it helps in maximizing their productivity. Ideally, the theories teach leaders how to make the most of the human assets at their disposal. Thus, rather than purchase new equipment or invest in a new marketing strategy, business owners need to invest in their employees through training.

It can be seen in Taylor's scientific management theory. As mentioned earlier, Taylor proposed that the best way to boost workers' productivity was by first observing their work processes and then creating the best policies. Another area where management theories have proven to be useful is in the decision-making process. Max Weber proposed that hierarchical systems encourage informed decision-making.

For a long time, theorists have been researching the most suitable forms of management for different work settings. This is where management theories come into play. Although some of these theories were developed centuries ago, they still provide stable frameworks for running businesses.

(abridged from *Corporate Finance Institute*)

READING 4 Four Keys to Marketing in the Digital Era

The new digital era is transforming marketing as we know it. Digital transformation affects every part of an organization and its marketing. In today's digital era, consumers have a completely different journey than they used to.

The new model is called 'the customer decision journey', a term coined by McKinsey & Co. Now a customer can spot a friend with a new product on networks, then decide to buy it based on hundreds of customer reviews on Ozon, or TripAdvisor. Therefore, if customers are finding out about their products from each other, what are the steps marketers can take?

Privatize customer-centricity. This was number one in traditional marketing and still is number one in the digital era. Focus on your customer's major 'headaches' rather than their needs. Spend a day in lives of your customers to find out how to make their life easier, better, cheaper.

Meet customers wherever they go. Examine how much time consumers spend online and where, based on research by IMD Professor Misiek Piskorski, author of the book "A Social Strategy", a study of how companies profit from social media. According to Misiek, Pinterest users are 70% female and nearly a third of them have a household income over $100,000 per year. Almost half are over 35 years old, and on average they spend 16 minutes on Pinterest per day. Therefore, digital marketers need to know where their customers are spending time online and meet them there.

Let somebody else do the talking. While you cannot be everywhere, let your customers be your ambassadors. In some sectors, like mobile phone service, for example, word of mouth still reigns supreme. In a survey cited by Misiek, 40% of the people polled said that they chose their service provider based on recommendations by family and friends. Only 1% chose their provider based on a recommendation from social media. This means that if your customers are satisfied or delighted, they are likely to recommend your product to those around them.

Master the experience stage. The best way to turn happy customers into ambassadors online is to make them feel great and special about using your products. Companies like Nike have used digital technology to really enhance the post purchase experience for their customers, increasing their loyalty and making them more likely to be brand advocates.

It is crucial to decide whether your company is on the right path or you need digital transformation. More than ever, to become an effective marketer in the digital era, you need to think like your customers, go where they go, let them do the talking and improve their experience.

(Dominique Turpin, abridged from
IMD Business School for Leadership and Management Courses)

READING 5 Marketing Mix: From 4Ps to 9Ps

Marketing Mix Concept. The marketing mix comprises strategic activities that help differentiate a brand from its competitors, meet evolving customer demands, and eventually, grow revenue. According to Philip Kotler, "*Marketing Mix is the set of controllable variables that the firm can use to influence the buyer's response*.

These 'variables' are traditionally defined in marketing by 4Ps – **product**, **price**, **place of distribution**, and **promotion**.

But today, there are many other 'variables' that need to be addressed in the marketing mix in order to create a solid strategy. These other variables/components/elements are added to the traditionally defined marketing activities to accommodate the new age needs and trends.

The concept of the marketing mix developed by Borden covers 12 broad ingredients. He defines them as Elements of the Marketing Mix of Manufacturers'.

Modern marketers also have to offer a smooth transition from marketing to sales. As technology has paved the way for digital marketing, marketers can promote products through the following digital channels: Email marketing, Social media marketing, Search engine marketing, Content marketing. The 4Ps are still being used today by major brands such as Burger King, Coca-Cola, etc.

The 7P's of Marketing. The 7Ps are mostly used today instead of the 4Ps as they are more refined to cater to the modern needs of customers who demand personalization and transparency from brands they know.

These three elements of the extended marketing mix model include: **People, Process, Physical Evidence**. That is why modern organizations give a lot of importance to customer relationship management platforms such as HubSpot CRM. With good customer service, even with AI-driven chatbots, maintaining relationships with customers becomes easy and creates a good perception of a brand.

The 9th Ps of Marketing. It was Larry Steven Strode who introduced the 9P's of Marketing back in 2007. The two other crucial components of marketing mix aim to offer macroscopic and microscopic views to marketing efforts: **Presentation** (presenting any of the components of the marketing mix in a strategic manner); **Partners.** Brands can focus on offering consumers how the brand is felt or experienced in a positive light. One such activity is Corporate Social Responsibility (CSR). Joint ventures can help businesses expand and acquire more customers.

Thus, this is how the marketing mix elements has evolved over the decades. All of these nine components can help a brand determine its path to success.

(Syed Aquib Ur Rahman, abridged from *Marketing Mix*)

READING 6 Using the '9 P's Marketing Mix' to Up Your Marketing Strategy

'The 9 Ps marketing mix' offers an organized structure that you can use to plot out the steps of your marketing strategy in a way that makes each step along the journey seem like less of a climb unto themselves. It is a detailed process, and something to keep in mind when thinking about your marketing strategy.

Planning & Research. The first ‘P’ is planning. Planning for your audience means more than knowing who would most benefit from your products or services, though. It means knowing what they’re interested in, where you can reach them, the type of competition your offerings have, how you can surpass the competition, etc.

Product. Your ‘product’ is any of your goods and services offered. This ‘P’ is useful to determine what your branding is going to look like. This is all important to think about when determining how your product is going to look. If your ‘product’ is a little more nebulous, this ‘P’ should impact how your website looks.

People. This is the step where you can really start thinking about who your product is for. Build out some buyer personas. Pull together a collection of shared characteristics that you believe your ideal customers to have. This determines your target market. These are all points that should not only inform who you’re marketing to, but *how* you should be marketing to them.

Price. Pricing is where you get to determine the value of your product. This is obviously an important ‘P’ in the 9 Ps marketing mix, for a number of reasons.

The number attached to your product does a little bit of marketing in its own right. Your pricing holds a lot of power and can be the difference between your buyers thinking of you as a value and a scam.

Promotion. This ‘P’ focuses on the methodology with which you’ll communicate your products to your target audience. This encompasses every method of communication, from direct marketing to personal selling, content marketing, outbound marketing, email marketing.

Place/Distribution. This is the step where it’s crucial to think about convenience for your customer – if it’s difficult for them to acquire your product, they may seek an alternative.

Partners/Strategic Alliances. These are all brands that brought their messaging together to reach a wider audience at a hugely successful scale. This is a strategy that typically works when brands have similar corporate philosophies – but collaborating with another, similar brand can be an extremely powerful way of expanding your marketing reach.

Presentation. This is your opportunity as a marketer to deliver every ‘P’ that you’ve pulled together thus far into a compelling narrative to share with your stakeholders, investors, purchasers, customers, and whoever else will listen. Think about what kind of emotions your brand elicits and present that through your marketing materials.

Passion. This is the ‘P’ that’s really driving us all to be marketers – we’re passionate about our products, how they can help people, how we present our ideas and materials, and how can we come up with a plan to see it all come to fruition.

Believing in the product you’re marketing leads to a deeper understanding of the message you’re trying to get across, which makes us better marketers. Being excited about something and being able to convey that excitement adds a level of authenticity to your communication that’s infectious.

The 9 Ps marketing mix is one of the more detailed strategies that you can employ to ensure that you’ve aligned every part of your marketing appropriately to save yourself some headaches down the line, from a skeleton outline of your plan, right down to the platforms and methods you'll use to distribute your messaging.

This brings up another interesting point. None of these Ps are set in stone. Everyone's needs are different, and you may find that you need to omit a step here or there to replace it with something different. As long as you have a plan of action in place, you're ahead of the game, and can start to reap the benefits of a properly laid out marketing strategy.

(from Clickback.com)

Supplement 4

Guide to Management Ideas

READING 1 Brainstorming

Brainstorming is a rather dramatic name for a semi-structured business meeting whose chief purpose is to come up with new ideas for business improvement. It is loosely based on belief in a sort of psychological synergy: that a creative meeting can throw out something more than the sum of its parts, more than the sum of the ideas in the participants' heads.

To be most effective, brainstorming sessions require a trained facilitator and some basic ground rules. Without a facilitator, such sessions can degenerate into an effort to find as many negative things as possible to say about each new idea. Ultimately, the idea is cast aside and the group prepares to give the same treatment to the next one.

Formalised brainstorming is based on three basic rules:

- Participants should be encouraged to come up with as many ideas as possible, however wild they are.
- No judgment should be passed on any idea until the end of the session.
- Participants should be encouraged to build on each other's ideas, putting together unlikely combinations and taking each one in unlikely directions.

For those wishing to try out brainstorming, there are a number of helpful hints.

Identify a precise topic to be discussed.

- If there are more than ten participants split the discussion into smaller groups.
- Make each group choose a secretary to record the ideas that are thrown up.
- Explain clearly the three basic rules above.
- Storm away with ideas, with the secretary listing all those that come up.
- Establish criteria for selecting the best ideas, then evaluate each idea against these criteria.
- Outline the steps needed to implement these best ideas.

Brainstorming is said to have been popularised as a management technique in the early 1940s by Alex Osborn, an American advertising executive. He defined brainstorming as "a conference technique by which a group attempts to find a solution for a specific problem by amassing all the ideas spontaneously thought of by its members". He had four rules: no criticism of ideas; go for a large number of ideas; build on each other's ideas; encourage wild and exaggerated ideas.

At one time the technique was widely used within corporations to help come up with new product ideas or to devise radically new manufacturing processes. The results of brainstorming, however, have frequently been deemed inadequate. Totally unstructured sessions rarely work. But even when basic rules are followed, the results are often disappointing.

Research has suggested that individuals working on their own generally come up with more original and higher-quality ideas. But groups come up with more ideas as such, even though they may be of inferior quality. Groups also go on being productive for much longer; individuals on their own tire easily and dry up. Open-ended group discussions have been found to be particularly helpful in evaluating ideas rather than in generating them. Group feedback seems to be especially useful in this process.

(abridged from "Selected Gurus and Ideas", *the Economist Guide*)

READING 2 Branding

Originally, branding was the placing on animals (usually by burning) of an identifying mark. In a business context, branding refers to the imposing of a distinctive identity, a brand, on goods and services. Philip Kotler, author of *Marketing Management,* a standard textbook, defines a brand as: "A name, term, symbol or design (or a combination of them) which is intended to signify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors."

Firms have recognized the power of brands for many years. One of the most fertile periods for their creation was the 1880s and 1890s, when the names of both Kodak and Kellogg first appeared in shop windows. Their inventors stumbled across a fact not fully recognized until much later: that two of the most powerful elements in a product's name are the guttural sound (and especially the "k" sound) and alliteration (repetition of the same consonant). Think of Pepsi and Coke; Marmite and Google.

Firms with international ambitions must be careful when inventing new brand names. Brillo, a well-known British scouring pad, has a hard time in Italy because Brillo, in Italian, means sozzled. When Chrysler introduced its Nova car into Mexico it forgot that in Spanish no va means "it doesn't go".

Of the ten most valuable brands in the world, as calculated by consultants Interbrand in 2007, no fewer than seven were American. The exceptions were Nokia (in fifth place), Toyota (sixth) and Mercedes-Benz (tenth).

Branding bestows a number of benefits:

- **It reassures consumers about the quality of the product.** This allows the producer to charge a premium over and above the value of the basic benefits provided by the underlying product.

The ability of powerful brands to grab a bigger share of consumers' wallets than lesser-known competing products can give them great value. When Philip Morris bought Kraft, a food company, in 1988 it paid four times the value of Kraft's tangible assets. Most of the 75% spent on intangible assets represented the value of Kraft's powerful brands. When Nestle bought Rowntree it paid more than five times the book value of Rowntree's assets. Most of that extra (almost £2 billion) was the cost of Rowntree's well-known names, such as Polo, Kit Kat and After Eight.

The confidence that consumers gain from a well-known brand is particularly useful when they do not have enough information to make wise choices about goods and services. Thus, western travelers seek out global brand names when buying drinks and cigarettes, for example, in far-flung corners of the earth. And online shoppers, uncomfortable with the multitude of choices presented to them, often revert to familiar brands.

- **It provides an enduring platform on which to develop other businesses.** Brands have considerable staying power. Of the top 50 packaged goods brands in the UK, for instance, fewer than ten have been created in the past 20 years. New products can be launched under the same umbrella brand while old ones are gradually withdrawn from the market.

When a branded product becomes number one in its market category it is called a brand leader. One American study found that brand leaders on average achieve dramatically higher returns on investment than secondary brands.

When companies have a valuable brand, they often attempt to stretch it by attaching it to other products and services. One example is the Mars chocolate confectionery brand, which has been successfully transferred to an ice-cream product. There is a theory, however, that brands can be stretched too far. The expectations that are built up in consumers by one branded product have to be delivered continually by all products bearing the same brand name.

READING 3 Cherry-picking

The idea of cherry-picking applies in a number of business contexts. It refers, for example, to customers who ignore products that are bundled together by a manufacturer (who in the process may disguise cross-subsidies between high-margin and low-margin components of the bundle). Such customers prefer to bundle their products together for themselves, selecting the best value (that is, cherry-picking) from each category of component.

An obvious example is the purchase of music systems. Manufacturers sell music sets, made up of an amplifier, a tuner, an iPod docking station, a cd player and speakers. But many music enthusiasts choose to assemble their own sets, buying their amplifier, cd player, speakers and so on, each from a different producer. Manufacturers try to discourage this by making the price of the complete set competitive. But earnest cherry-pickers can usually find discounted components that enable them to assemble something cheaper.

The term cherry-picking is also applied to the behavior of new entrants into old industries, firms which try to choose their customers carefully. By calculating which consumers are profitable (and appealing to them while ignoring those who are not) such a firm can sometimes rapidly gain market share. In some cases, cherry-pickers are successful only because traditional firms in the industry do not actually know who their profitable customers are.

Service industries are particularly vulnerable. It is more difficult for them to measure the profitability of individual customers and customer segments. So they are never quite sure which they want to keep and which they want to get rid of. Successful cherry-pickers leave an industry's incumbents with the least profitable customers. They also push up the price to those consumers who are not attractive to them. In car insurance, for example, cherry-picking in the UK pushed up the price prohibitively for young male drivers, the highest-risk group.

A bunch of new airlines set about cherry-picking when deregulation of the skies in Europe and the United States allowed them into the market. Within limits, they were able to choose which routes to operate on. They were unencumbered with the obligations that the traditional national carriers had had to bear in the interests of government policies on transport and/or regional development.

In banking and insurance, cherry-picking newcomers were able to undermine the business of old-timers in just a few years at the end of the 20th century. Firms such as Direct Line, a British Telesales insurance business, rapidly won market share by focusing on a narrow (profitable) segment of the market and avoiding costly traditional distribution channels.

The success of cherry-picking emphasizes something known as the survivorship bias: the tendency of business analysts to judge the past by the record of relatively long-term survivors, ignoring those who drowned or came and went in the meantime.

READING 4 Clustering

Clustering is the phenomenon whereby firms from the same industry gather together in close proximity. It is particularly evident in industries like banking. Banking centers in cities such as London and New York have thrived for centuries. Hundreds of banks cluster there, close together and within easy walking distance of each other. This makes it easier for customers to choose between them, and might be thought to act against each individual bank's best interests.

Economists explain clustering as a means for small companies to enjoy some of the economies of scale usually reserved for large ones. An isolated greenfield site in a depressed region where government grants are plentiful may bring a young company immediate benefits. But in the longer term the young company may be better off squeezing itself onto an expensive piece of urban real estate in close proximity to a significant number of its competitors.

By sticking together, firms are able to benefit from such things as the neighborhood's pool of expertise and skilled workers; its easy access to component suppliers (Toyota's suppliers generally cluster round the mother company's factories, wherever they may be); and its information channels (both formal ones like trade magazines and informal ones like everyday gossip in neighborhood bars). In early industrialized England clusters were common. Staffordshire was the home of many potteries - so many that the region is still known today as “the Potteries”. The town of Nottingham was home to many lace makers, Luton to hatters, and so on.

Modern high-tech clusters often gather round prestigious universities on whose research they can piggyback. Silicon Valley is near Stanford University, for example, and similar high-tech clusters are gathered around mit near Boston in the United States and around Cambridge University in the UK.

One of the most famous clusters is that of the Hollywood film industry. When the big movie studio system broke up in the 1930s it fractured into a large number of what were essentially small specialist firms and freelancers. Clustering around Hollywood allows each of these small units to benefit as if it had the scale of an old movie studio, but without the rigidities of the studios’ wage hierarchy and unionised labour.

In some cases, the ancillary services that grew up to service industrial clusters have remained in position and developed into vibrant new industries long after their original client industry has faded. Near Birmingham in the UK, for instance, the cluster of car-industry service firms that grew up when that city was a force in the industry has become an important element in the development of Formula One and other specialist vehicle businesses.

That clustering is not a phenomenon whose time has passed is demonstrated by California’s Silicon Valley. New it and internet firms continue to gather there in spite of the high prices of local property and the danger of earthquakes. Ironically, they find that much of the most valuable information that they obtain comes not electronically but from face-to-face meetings.

Michael Porter, a professor at Harvard Business School, has looked recently at this seemingly paradoxical revival of industrial clusters. In theory, he says, location should no longer be a source of competitive advantage in an era of global competition, rapid transport and high-speed telecommunications. The world’s increasingly global businesses should by now be above and beyond geography. Yet, clearly they are not.

Porter gives several (non-silicon) examples, including the wine-growing industry in northern California and the flower-growing business in the Netherlands. The Netherlands would not be the natural first choice for anyone starting a flower-growing business today were it not for the fact that the business is already there. This is a huge competitive advantage for a new entrant, who can benefit from such things as the sophisticated Dutch flower auctions, the flower-growers’ associations and the country’s advanced research centers.

READING 5 Corporate governance

The debate over how companies are best governed is at least as old as companies themselves. That there is no one best system of governing them is suggested by the fact that the world's greatest companies have grown up under a number of very different regimes: Toyota in Japan, Johnson S Johnson in the United States, Daimler-Benz in Germany and Marks and Spencer in the UK, for example.

The differences between the regimes fall into four main categories:

- **Accounting.** Drawing up a company's accounts and getting an out- side auditor to verify them is essential. It enables investors to find out what managers are doing with their money. However, accounts prepared under different countries' rules can produce very different results. Using British or American rules (which might be expected to be reasonably similar) can make a difference of as much as 50% to a company's net profit. Even within a single country's set of rules there is plenty of room for interpretation (and exaggeration). Any one accountant is unlikely to come up with exactly the same figure for a company's profit as any other. So essential is auditing to the health of the capitalist system that there are (relatively) free-market economists who believe that this imprecision (and scope for private enterprise) argues for handing over the auditing function to government or, at least, to a government-supervised agency.

- **Company boards.** The biggest distinction here is between Germany and the rest of the world. The German system has two boards – a supervisory board and a management board - their different roles explained largely by their names. Other countries have only one. But that one can still vary greatly in its composition and its powers. American boards are often stuffed with cronies of the CEO. French boards generally include someone who is or was a senior politician. German management boards, by law, must include workers' representatives.

- **Company bosses.** "A fish", as the old proverb has it, "rots from the head." Good governance depends crucially on the attitude of the company's boss. "Manifestations of lax corporate governance, in my judgment, are largely a symptom of a failed CEO, said Alan Greenspan, when chairman of America's Federal Reserve Board. "Once you as CEO go over the line, then people think it's okay to go over the line themselves," said Lawrence Weinbach, chairman of Unisys, a big American computer-software firm.

Different countries put different controls on CEO. In the United States, they are given a free rein to run things much as they like. In the UK, public companies often separate the role of chairman and chief executive, giving (in theory) a heavy counterweight to the CEO's otherwise unbridled ambition. In Germany, CEO's are watched carefully by the supervisory board. In France, they tend to be watched by the government.

- **The rewards.** In Europe and Japan, managers' rewards consist largely of salary and bonuses. Until recently, this was the case in America too. But then the idea arose that if managers were rewarded a bit like shareholders they would behave in ways that were more advantageous to those shareholders.

Giving senior managers shares and share options in their companies was the main way that this was achieved. But it has given rise to some gross excesses. The average American top executive takes home about 400 times the pay of his organization's lowest-paid worker. The comparable figure in Europe and Asia is about ten times.

After the corruption at companies like WorldCom, Enron and Tyco, America tried to tighten up on governance with the introduction of the Sarbanes-Oxley Act, which imposed onerous new reporting requirements on companies. But the jury is still out as to whether governance in the United States is improving. Are the accounts and the rewards more fair? Are bosses and boards better controlled?

(Tim Hindle, abridged from *the Economist Guide to Management Ideas and Gurus*)

TEXT CREDITS

1. Gulick, Luther H. Management is a Science. *Papers on the Science of Administration*, Routledge, 2003;

2. Elkins, Hashaw. Management Theories & Concepts at the Workplace. *Houston Chronicle, Small Business.* Retrieved from https://smallbusiness.chron.com/management-theories-concepts-workplace-17693.html;

3. Mescon, Michael H., Albert, Michael, & Khedouri, Franklin. Management: Individual and Organizational Effectiveness, 3rd ed., Harper & Row, 1988;

4. Mintzberg, Henry. The Nature of Managerial Work. Harper & Row, 1973;

5. Smith-Gillespie, A. Business Model Innovation and Strategies for Sustainable Growth, *The Economist,* July 2013.

6. Turpin, Dominique. Four Keys to Marketing in the Digital Era, *IMD Business School,* February 2022.

7. Groysberg, Boris et al. The Leader's Guide to Corporate Culture, *Harvard Business Review, Special Issue,* 2024.

8. Leberecht, Tim. What Entrepreneurs Can Learn from Artists. *Fortune,* December 21, 2012.

9. The Art of Management: Business Has Much to Learn from the Arts. *The Economist,* February 17, 2011. Retrieved from: https://www.economist.com/business/2011/02/17/the-art-of-management.

10. Management Theories – How Modern Organizations Manage People, *Corporate Finance Institute*.

11. Marr, Bernard. The 5 Biggest Business Trends for 2025 Everyone Must Be Ready for Now. *Forbes,* September 30, 2024.

12. Marchand, Donald A. Digital Business Transformation: The Game Changer, *IMD Business School,* 2018.

13. Hamilton, Roger J. How Personality Profiling Can Lead a Business to Success, *Startups Magazine.*

14. Anderson, Chris. TED Talks: The Official TED Guide to Public Speaking, *Houghton Mifflin Harcourt,* 2016.

15. Syed Aquib Ur Rahman. Marketing Mix: From 4Ps to 9Ps. Retrieved from: https://www.shiksha.com/online-courses/articles/marketing-mix/.

16. Using the 9 Ps Marketing Mix to Up Your Marketing Strategy, *Clickback.com.* Retrieved from: https://clickback.com/blog/9-ps-marketing-mix/.

17. Hindle, Tim. The Economist Guide to Management Ideas and Gurus, *Profile Books,* 2012.

Электронное издание сетевого распространения.
Формат 84×108/16. Печ. л. 4,0. Опубликовано 01.02.2026.
Издательство «ЭФ МГУ имени М.В. Ломоносова»;
www.econ.msu.ru; +7 (495) 939-17-15

Кулик Л. В., Артеменко Т. В., Туринова Л. А.

Managing for Success

ISBN 978-5-907909-06-9

9 785907 909069 >