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«ВЫСШАЯ ШКОЛА ЭКОНОМИКИ»

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Учебное пособие
Для студентов экономических специальностей

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Text 1
Peter Drucker: 1909–2005

An Appreciation by Geoffrey Colvin

"WE ARE PETER AND GEOFF," SAID PETER DRUCKER, AND he wasn't asking me, he was telling me. I was about to introduce him at a management conference. He had been through it all countless times before and understood that I would never presume to call a 91-year-old man by his first name, especially not a great man whom I revered. But in conversation we would be on a first-name basis, he insisted. I'm not sure I ever did bring myself to call him Petcr. I think 1 just avoided calling him anything.

When it came to Drucker, who died Nov. 11 at the age of 95, the world suffered from Great Man syndrome, but he did not. He was justly lauded and adored as the greatest management thinker and writer of all time, but he wasn't interested in any of that. Whenever I encountered him, as I did into his 90s, I found a man who was smiling, cheerful, and funny. His hearing and sight were going fast, yet he wasn't old. I don't know how you get to be ninety-something without growing world-weary, but he did it.

That means he was guaranteed fun to talk to on any subject. As it happened, we had something in common, since Drucker had been a journalist as a young man in Germany. He thus had license to be scathing on the topic, as he was also when it came to management consultants who are low on substance but high on marketing pizzazz, of which there are always a few. He had a brilliant line that skewered both groups: "The reason reporters call these people guru, is that they're not sure how to spell 'charlatan.'"

Drucker simply didn't care about the conventional view on any management topic, since he had thought them all through and knew where he stood. Yet I was still surprised by the vehemence with which he disdained the modern vogue for exalting leadership, as distinct from paltry old management. It infuriated him, though he was too polite to say so unless you asked him about, which I did. His reasoning was extremely simple: "The three greatest leaders of the 20th century were Hitler, Stalin, and Mao. If that's leadership, I want no part of it."

There were many things Drucker wanted no part of. Big universities, for instance. He scorned them all to remain at tiny Claremumt College - payback, perhaps, for the scorn they'd heaped on him early in his carer. Economists dismissed his work as cheap sociology. Sociologists had no use for business. And Drucker was dismissive of them all. "No economists were interested in organizations," he explained in a 2001 interview with my colleague Jerry Useem. The field "was based on the asinine assumption that organizations act like individuals. They don't." Here, Drucker had sensed a huge opportunity. Like any great entrepreneur - "somebody who creates something new," as he once defined the term - he was raiding these older disciplines to create one that didn't yet exist. Physics sprang from Newton, economics from Adam Smith. And Peter Drucker became the undisputed father of management - the discipline devoted to the study of organizations

Drucker's career was so productive for so long - his first U.S. book was in 1939, his last Harvard Business Review article in 2004 - that he pretty well ran the table on management topics. James Thurber once told how disconcerting it was for him as a humorist to light on an excellent subject, only to find, as he often did, that Robert Benchley had written a shorter and funnier piece about it 20 years before. The situation for us management writers is far worse. Think of virtually any hot topic in business today other than the Internet - global competition, executive pay, the rise of information and services - and odds are that Drucker wrote about it with extraordinary perception, probably before 1970. It's one thing to talk about the rise of the "knowledge worker." It's another thing to predict it in 1959.

I once mentioned a particular debt to him, noting that in writing a piece for PORTUNE's 70th-anniversary issue I had relied on his work about the evolution of management. He reminded me that he had been the editor of FORT'UNE's tenth-anniversary issue. Henry Luce had spotted him - Drucker was just 30-and asked him to oversee the issue on short notice. It was apparently a rude shock. "We had two months to go," Drucker recalled. "Absolutely nothing had been done." No wonder he liked to make fun of journalists.

When Drucker and I - excuse me, Peter and I - were done chatting on that stage, I stepped forward to introduce him. He was to my left, seated, since he couldn't stand up for the hour his talk would last. Nor was his hearing good enough to understand anything I was saying at the podium. He would begin speaking when he saw me leave the stage and heard the applause for him.

I reminded the audience that on each of the two previous mornings I had introduced a Nobel Prize winner in economics. Now it was time for Drucker. Of course there isn't any Nobel Prize in management thinking and writing. But as I explained on that morning, it's probably just as well - because if there were, it would have been won every year by the same man.

Fortune

I. Find in the text:

Допускать, осмеливаться; почитать кого-либо; заставить себя сделать что-либо; страдать; обожать; слух зрение, иметь что-то общее с кем-либо, приводить в негодование, обоснование, презирать кого-либо (что-либо), жизнерадостный, традиционный взгляд на что-либо; предположение; посвятить кому-либо (чему-либо); актуальная тема..

II. Explain the following:

His hearing and sight were going fast, he was ninetysomething, to grow world-weary, to have license to be scathing on the topic, to be low on substance, to be high on marketing pizzazz, to be on a first-name basis.

III. Answer the questions:

1. Why did Peter Drucker want to be called by his first name?
2. Was it easy for the author to be on a first-name basis with Peter Drucker? Why?
3. How is Peter Drucker characterized by the author?

4. What was Peter Drucker's attitude to conventional view on management topics?
5. Why did he scorn big universities?
6. Can we call him an entrepreneur? Why?
7. Why is Peter Drucker considered to be the greatest management thinker of all time?

IV. Comment on the statements:

1. I avoided calling him anything.
2. The world suffered from Great Man syndrome, but he did not.
3. I don't know how you get to be ninetysomething without growing world-weary, but he did it.
4. He was guaranteed fun to talk to on any subject.
5. Some management consultants are low on substance but high on marketing pizzazz.
6. "The three greatest leaders of the 20th century were Hitler, Stalin, and Mao. If that's leadership, I want no part of it."
7. Think of virtually any hot topic in business today other than the Internet - and odds are that Drucker wrote about it with extraordinary perception, probably before 1970.
8. It's one thing to talk about the rise of the "knowledge worker." It's another thing to predict it in 1959.
9. It is probably just that there isn't any Nobel Prize winner in management thinking and writing.

V. Speak on the points:

1. Peter Drucker's personality.
2. Peter Drucker – the greatest management thinker of all time.
3. Peter Drucker's career.

Text 2
So You Want to Hire the Beautiful. Well, Why Not?

In times past, stewardesses were often attractive women, which added to the pleasure of many heterosexual male air travelers. Gradually, sine a 1971 lawsuit against Pan Am, however, stewardesses have become flight attendants, who are much less likely to be attractive and are sometimes male.

Many people view these changes as progress. Instead of pandering to the tastes of straight male customers airlines now largely ignore such traits as sex, age, marital status, and appearance and focus instead on qualifications and seniority. Is it not a good thing if flight attendants are selected by job skills, meaning the ability to serve people well and to carry out safety procedures efficiently, and not at all on physical appearance?

I would say no. I believe the only meaningful measure of productivity is the amount a worker adds to customer satisfaction and to the happiness of co-workers. A worker's physical appearance, to the extent that it is valued by customers and co-workers, is as legitimate a job qualification as intelligence, dexterity, job experience, and personality.

Almost everyone can recognise that severing the link between wages and intelligence would reduce efficiency or lower the gross national product because brain power would not be allocated to its most productive uses. Yet outcomes based on intelligence are clearly unfair in the sense that, by and large, smarter people end up richer, and being smart is to a considerable extent a matter of luck. If one wanted the government to redistribute resources from smart to stupid people, then one would have to believe that the benefits from this redistribution would exceed the resulting losses in national product.

The same reasoning applies to physical appearance. This trait is highly valued in some fields, and reducing its importance to employment and wages would effectively throw away national product. The outcomes are also unfair, in the same sense as they are for intelligence. An interference with the market's valuation of physical appearance is justified only if the benefits from the redistribution of resources from more attractive to less attractive people are greater than the losses in overall product. Thus, it makes no sense to say that basing employment and wages on physical appearance is a form of discrimination, whereas basing them on intelligence is not. The two cases are fundamentally the same.

Most people (and the law) accept this approach to beauty for movie and television personalities and modeling. Obviously, there would be a great less of national product if the government were to dictate that Cindy Crawford had to be replaced by me in all of her commercials. But the difference between glamour fields and others in terms of the role of physical appearance is merely a matter of degree. If the government stays out, the market will generate a premium for beauty based on the values that customers and co-workers place on physical appearance in various fields. Probably the market will allocate more beauty to movies, television, and modeling than to assembly-line production and economic research. I have no idea how much beauty the unfettered market would allocate to flight-attendant jobs or CEO positions. But whatever the outcomes, are the judgments of government preferable to those of the marketplace?

Some solace can be taken from last fall's Hooter's settlement, which allows the restaurant chain to continue to limit its service staff to attractive young women. Physical appearance remains legally as a "bona fide occupational qualification" in this business. Of course, economic reasoning would imply that physical appearance is always a bona fide worker characteristic as long as customers and co-workers think so.

UGLY STATS. Research studies, such as host by Daniel S. Hamermesh and Jeff E. Biddle in the 1999 American Economic Review, indicate that the wage differential between attractive and ugly people is about 100 for both sexes. The differential is substantially greater for women if one considers outcome in the marriage market. Less attractive, or at least obese, women are much less likely to marry than non-obese women and tend to have husbands with sharply lower earnings. Some researchers have greeted these findings with regret.

To really address this hard fact of life, ugliness would have to be protected as a disability under the Americans with Disabilities Act, and the act would have to be extended to the marriage market. After all, what could be more unfair than the tendency of attractive people to obtain higher-earning mates? Perhaps a better idea than this new intervention would be for the government, to stay out of the beauty business.

I. Find in the text:

Судебное разбирательство, рассматривать изменения как прогресс, игнорировать, быть несправедливым в смысле…, в значительной степени, вопрос удачи, превысить итоговые потери в отечественном производстве, то же обоснование относится к…, высоко цениться, вмешательство в…, не иметь смысла, принять подход, вопрос степени, стоять в стороне от…, ценить что-либо, встретить открытие (находку) с сожалением, распределять интеллектуальные ресурсы, быть оправданным, перераспределять ресурсы, каковы бы ни были результаты, рыночная оценка.

II. Explain the following:

To select people by job skills, to be a legitimate job qualification, to allocate brain power to its most productive uses, the market will generate a premium for beauty, bona fide occupational qualification.

III. Answer the questions:

1. Why do airlines now ignore such traits as age, sex, marital status and appearance?
2. Does the author view these changes as progress? Why?
3. What reasoning does the author provide to defend his point of view? Do you share his opinion?
4. Are smart people always richer than others? Prove it
5. In what fields is physical appearance valued more highly? Why?
6. Do you view the link between salary and physical appearance a form of discrimination?
7. What does economic reasoning concerning the problem of physical appearance imply?
8. What examples does the author give in the marriage market? Do you support this view?
9. What ideas does the author express in the last paragraph? What emotions does he want to convey?

IV. Comment on the statements:

10. Physical appearance of employee is a measure of productivity.
11. Being smart is to a considerable extent a matter of luck.
12. A worker’s appearance is as legitimate a qualification as intelligence and experience – so the government should butt out.

13. Severing the link between wages and intelligence would reduce efficiency.
14. Outcomes based on intelligence are clearly unfair because being smart is to a considerable extent a matter of luck.
15. The difference between glamour fields and others in terms of the role of physical appearance is a matter of degree.
16. Less attractive, or at least obese, women are much less likely to marry.
17. Less attractive women tend to have husbands with sharply lower earnings.
18. The tendency of attractive people to obtain higher-earning mates is unfair.

V. Speak on the points:

1. Hiring by appearance is a form of discrimination.
2. The link between salary and intelligence.
3. A worker's physical appearance is a measure of productivity on the market.
4. The role of appearance on the marriage market.
5. The government should stay out of the beauty business.

Text 3
Decision making
Jim Collins on Decision Making

When he's not out scaling mountains (he's a world-class rock climber), author Jim Collin seats, drinks, and sleeps business. So when FORTUNE senior writer Jerry Useem (a sometime Collins collaborator) asked him to discuss the art of decision-making, he got so into the idea that he pored over 14.years of research and interviews he had amassed in the course of writing his business blockbusters Built to Last and Good to Great. Then, in a series of conversations, he and Useem explored the intriguing insights he had gleaned from analyzing the processes behind key decisions in business history. For example, lasting excellence in corporations seems to stem less from decisions about strategy than decisions about people, and seeking consensus is not the way to make the tough calls. Here are edited highlights of their talks.

What were the surprises when you reexamined your research through the lens of decision-making?

We tend to think that decisions are very much about "what." But when I look at my research notes and I look at interview transcripts from the executives we've interviewed, one theme that comes through is that their greatest decisions were not "what" but "who." They were people decisions.

Why are people decisions so important?

Fundamentally, the world is uncertain. Decisions are about the future and your place in the future when that future is uncertain. So what is the key thing you can do to prepare for that uncertainty? You can have the right people with you.

Let's take a non-business case and a business case to illustrate the importance of the people piece. In 1978, Jim Logan and his partner, Mugs Stump, became the first people to climb the Emperor Face of Mount Robson in the Canadian Rockies. And to this day, everybody else who's tried the face has either died or failed on the route. When I asked

Logan, "Why were you able to do the Emperor Face?" he said, "Because I made the single most important decision, I picked the right partner."

He told me that there was this one place, the "death zone," and once they went above it, they really couldn't retreat. They were going to either summit or die—no going back. They didn't know what they were going to find beyond that point, and they didn't know what the weather was going to be. And so, therefore, what's your greatest hedge against uncertainty? Having people who can adapt to whatever the mountain throws at you.

Give us the business example.

Let's take the story of a company heading into a very uncertain world: Wells Fargo in the late 1970s. Everybody knows the storm of deregulation is going to hit. But nobody knows precisely how it's going to shake out. When is it going to hit? What exact form is it going to take? What impact is it going to have on the banking industry? Dick Cooley, chief executive of Wells Fargo at that time, was very clear with us when we did our research. He said, in essence, I did not know what we were going to have to do to prevail through deregulation, because it was an uncertain set of contingencies. Too many of them. But I did know that if I spent the 1970s building a team of the most capable executives possible, they would figure out what to do when deregulation hit. He couldn't lay down a plan for what was going to happen, because he didn't know what was going to happen. So his decision was actually a bunch of decisions about getting the people who could deal with whatever deregulation turned out to be.

Okay, but once you have great people in place, you still have to make decisions.

Great decisions begin with really great people and a simple statement: I don't know. The research evidence on that is very clear—that the leaders who ended up setting things in place that produced extraordinary results over time, and a series of great decisions over time, really were very comfortable saying "I don't know" until they knew.

And really, they were just being honest. I mean, which is best? Lying—meaning saying you don't know when you've already made up your mind? Or presuming to know when you don't and therefore lying to yourself? Or speaking the truth? Which is, "I don't yet know, but I know we have to get it right."

How do you say that without looking irresolute? Don't people expect leaders to say clearly, "Here's where we're headed"?

That's the typical thing that happens in companies. The CEO has already made a decision, and his definition of leadership is to get people to participate so that they feel good about the decision he's already made.

What's wrong with that?

For one thing, you're ignoring people who might know a lot that would be useful in making the decision. You're accepting the idea that because you're in the CEO seat, you somehow know more or you're smarter than everyone else. But what you're really doing is cutting yourself off from hearing options or ideas that might be better.

How do you create the kind of atmosphere where information flows freely?

You have to recognize that your position can be a hindrance to getting the best information. And so can your personality. My own greatest enemy is my personality—I can convince the people on my team of a point of view. I'm older than they are. I've done more research than they have. I know more than they do. I can influence them perhaps too much and therefore not get the best answers. So when we were "doing the research for Good to Great, I built a culture that began with disagreements, that set people up to disagree with each other and disagree with me.

I tried to increase what I call my questions-to-statements ratio. I learned this from the Good to Great leaders we were studying. They were just marvelous at igniting dialogue and debate with Socratic questions. And I tried to make heroes out of those on my team who identified flaws in my thinking. At the next meeting I might say, "I really want to give Leigh or Brian or Stefanie credit. She really pushed my thinking, and I wasn't looking at this right."

I looked for people with a streak of irreverence and independent thought. One of my favorite researchers is a young man who went to Princeton, majored in medieval literature, and then joined the Marine Corps. Now, that's independent thinking. I wanted him on my team because he's not going to care what I think.

The really critical part came in designing the research so that for every piece of the puzzle—for every case, every analysis—someone on the team knows that piece as well as I do or better. This was a key mechanism to reduce the odds that my authority and strong personality would override the evidence.

Does having that kind of team make it harder to reach consensus?

I really want to underscore something. This is not about consensus.

You mean it depends on conflict?

That's the key. What we found in companies that make good decisions is the debate is real. When Colman Mockler at Gillette is trying to decide whether to go with cheaper, disposable plastic razors or more expensive ones, he asks marvelous questions. He's Socratic. He pushes people to defend their points of view. He lets the debate rage. And this is, by the way, not an isolated case. We found this process in all the companies we studied, when they made a leap to greatness. The debate is real. It is real, violent debate in search of understanding.

And then in the end, the leader makes the call?

Yes. It's conflict and debate leading to an executive decision. No major decision we've studied was ever taken at a point of unanimous agreement. There was always some disagreement in the air.

Doesn't that make it hard to carry out the decision?

Our research showed that before a major decision, you would see significant debate. But after the decision, people would unify behind that decision to make it successful. Again, and I can't stress this too much, it all begins with having the right people—those who can debate in search of the best answers but who can then set aside their disagreements and work together for the success of the enterprise.

Okay, so creating a debate is crucial. What are some other ingredients of great decisions?

Most people start with the outside world and try to figure out, How do we adapt to it? Greatness doesn't happen that way. It starts with an internal drive. And there's a really key question with big decisions: What is the truth of this situation? There are three parts to this question. The first is internal: What are our real core values and our real aspirations? I mean, what do we really stand for? What do we really want to get done? What is internally driving us? I believe that it is the internal imprint that drives all the action. Everybody harps about "It's all about responding to the outside world." But the great companies are internally driven, externally aware.

So the first question is, What is really driving us internally? The second question is, What is the truth about the outside world? And in particular, What is the truth about how it operates and how it is changing?

And the third question is, When you intersect our internal drive with external reality, what's the truth about what we can distinctively contribute potentially?

Now, let's look at Boeing's decision to build the 707. What are the factors? First, you have the values of Boeing, which had to do with "We're adventurers, for goodness' sake. We like doing big, adventurous things. We'd rather not be in business than not do that." And second, the aspiration to make Boeing even greater than it was. Those are internal drives. They had nothing to do with adapting to the outside world.

But the second question—What was the truth about the outside world and how it was changing?— well, the war was over. There wasn't going to be as much demand for bombers. And there was a major change in technology, from propellers to jets. And the demand for military aircraft was going to decline relative to demand for commercial aircraft. So that's how the outside world was changing.

<u>On to</u> question No. 3: What could Boeing do better than anyone else in the world? Well, they had jet technology. They'd been building those big strato bombers, the B-47 and the B-52. They had experience, so they knew they could build a large-scale jet. Boeing confronted the truth, internal and external, and grasped that it could make a distinctive impact by bringing the world into the Jet Age — and that's when Bill Allen pulled the trigger on the 707.

We've been talking about big decisions, but there's a lot more to running a business than making one life-or-death decision, right?

No decision, no matter how big, is any more than a small fraction of the total outcome. Yes, some decisions are much bigger than others, and some are forks in the road. But as far as what determines outcomes, the big decisions are not like 60 of 100 points. They're more like six of 100 points. And there's a whole bunch of others that are like 0.6, or 0.006. They add up to a cumulative result. Business schools have regrettably taught us that it's all about the singular case decision. And when you and I write, we like the dramatic moment of decision.

Right. So-and-so leaned back in his chair, looked out the window, and said, "Should I do X or Y?"

But that's not the way life really happens. Yes, there are pivotal decisions, but it's really the stream of decisions over time, brilliantly executed, that accounts for great outcomes.

What elements of a leader's psychology, or the company's psychology, affect decision-making?

One big factor is, Do you believe that your ultimate outcomes in life are externally determined — "I came from a certain family, I got the right job"? Or do you believe that how your life turns out is ultimately up to you, that despite all the things that happen, you are ultimately responsible for your outcomes?

Consider the airline industry, and think of all the events and factors outside managerial control that have hit it since 1972: fuel shocks, interest rate spikes, deregulation, wars, and 9/11. And yet the No. 1 performing company of all publicly traded companies in terms of return to investors for a 30-year period from 1972 to 2002 is an airline. According to Money magazine's retrospective look in 2002, Southwest Airlines beat Intel, Wal-Mart, GE—all of them! Now what would have happened if the folks at Southwest had said, "Hey, we can't do anything-great because of our environment"? You could say, "Yeah, the airline industry is terrible. Everyone in it is statistically destined to lose money." But at Southwest they say, "We are responsible for our own outcomes."

Are you saying that you can control your own destiny with good decisions?

Not entirely. Luck is still a factor. But overall our research is showing that the primary factors reside more inside your control than outside. Yes, the world throws a lot at us, but the fundamental assumption needs to be like Southwest's—the ultimate responsibility for your destiny lies with you. The question is not what the world does to you but how you make an impact on the world. Decision-making is ultimately a creative act.

So it's hard to make good decisions if you don't really think they're going to make that much difference in the end. What else counts?

Our research shows one other variable to be vitally important for both the quality of decisions and their implementation. Look at Andy Grove deciding to abandon memory chips at Intel, Bill Allen and the Boeing 707, Reg Jones choosing Jack Welch to run GE, Darwin Smith selling the mills at Kimberry-Clark, Jim Burke standing firm in the Tylenol crisis, Tom Watson Jr. and the IBM 360. Those leaders were very clear that their ambition was for the long-term greatness of the company. And where decisions can go awry is when there's ambiguity or confusion about what you are really making decisions for—yourself or the company. 'Why should people throw their full creative energies into a decision that is ultimately about you?

Can you give us a preview of your current project?

My colleague Morten Hansen, formerly a professor at Harvard and now at Insead, and I conceived a simple question: Why do some prevail in brutally tur-bulent environments, while others do not? How do you retain control over your destiny when you are vulnerable to an environment that seeks to rip that control away from you or where you are statistically destined to fail? Think of it this way: If you wake up at Everest base camp and an unexpected storm hits, you'll probably be fine, but if you're high on the mountain when that storm hits, you just might die. Morten and I believe leaders increasingly feel they are high on the mountain, facing storms they never anticipated. We want to know, How do you build greatness anyway?

And the answer is?

We're early in our research, and we don't yet know. But one thing we're learning is a great relief to me, because I'm so hard on myself. You can make mistakes, even some big mistakes, and still prevail. That’s a wonderful thing to know. You don't need a perfect hit rate. You might need to go four out of five on the really big ones, and there are some killer gotcha mistakes from which you can't recover, but you don't have to go five out of five. And I didn't know that before.

I. Find in the text:

Интригующее открытие, искать консенсус, освещать, через призму чего-либо, неопределенный, проиллюстрировать, неопределенное стечение обстоятельств, не иметь ничего общего с чем-либо (кем-либо), отложить разногласия, сделать что-либо правильно, быть склонным думать, записи наблюдений, быть уязвимым.

II. Explain the following:

To stem from, to seek consensus, to have the right people, uncertain set of contingences, to figure out, to look irresolute, unanimous agreement, to debate in search of the best answers, core values, internal drives, to have nothing to do with, to account for, decisions go awry, ambiguity

III. Answer the questions:

1. What do you know about the author of the article?
2. What is the message of the article?
3. What non-business example does the author give? Why?
4. What is the greatest hedge against uncertainty according to the author?
5. Is honesty important while making decisions? Why?
6. What is the typical thing in companies about decision-making? What's wrong with that?
7. Why does Jim Collins say that position of a leader may be a hindrance of getting the best information?
8. Why does the author try to increase his 'questions-to-statements ratio'?
9. What people does he welcome in his team?
10. Why does he push people to defense their point of view?
11. Do they reach consensus? Why?
12. Why is debate crucial?
13. How does greatness begin?
14. What are some other ingredients to great decisions?
15. What elements of a leader's psychology affect decision making?
16. Can a person control his destiny with his decisions?
17. Are your outcomes in life externally or internally determined?
18. How do people build greatness according to the author?

IV. Comment on the statements:

1. The greatest decisions are not "what" but "who".
2. Great decisions begin with really great people and a simple statement: "I don't know."
3. My own enemy is my personality.
4. I tried to increase my questions-to-statements ratio.
5. I looked for people with a streak of irreverence and independent thought.

6. He lets the debate rage.
7. It is internal imprint that drives all the action.
8. It’s really the stream of decisions that accounts for great outcomes.
9. The primary factors reside more inside your control than outside.
10. Luck is still a factor.
11. And where decisions can go awry is when there’s ambiguity or confusion about what you are really making decisions for yourself or your company.
12. You don’t need a perfect hit rate.

V. Translate:

1. Если руководитель принимает решения самостоятельно, не прислушиваясь к мнению своих подчиненных и коллег, это означает, что он игнорирует других людей, считая себя самым умным, и лишает себя возможности получить новые идеи и предложения, которые могут быть действительно полезными для компании.
2. Должность и личность руководителя может быть препятствием на пути получения наиболее ценой информации, т. к. он всегда сможет убедить своих подчиненных в своей точке зрения и оказать влияние на людей своей властью и авторитетом.
3. Чтобы получить действительно честную и ценную информацию, необходимо создать среду, способствующую свободному обмену мнениями, чтобы люди не боялись выражать несогласие не только с другими людьми, но и с руководителем.
4. Необходимо, чтобы в команде были лучшие люди, которые могут спорить, высказывать разные точки зрения; но как только решение принято, необходимо отложить разногласия и объединиться для осуществления общей цели и достижения общего успеха.
5. В лучших компаниях руководители избегают оказывать давление на людей своей властью при обсуждении проблемы; напротив, они приветствуют независимых, свободно мыслящих людей, которые могут предложить нестандартные инновационные идеи.
6. Не отрицая важности такого фактора, как среда, и наличия такого элемента, как удача, Джим Коллинз считает, что основная ответственность за судьбу человека лежит на самом человеке, и в его убежденности, что это действительно так.

I. Speak on the points:

1. The importance of people decisions.
2. Decision making is ultimately a creative act.
3. The importance of creating a debate.
4. The influence of a leader's psychology on decision-making.
5. Control of a person’s destiny with good decisions.

Text 4

Can Nike Still Do It Without Phil Knight?

(Part I)

Now that Knight has stepped down, it's up to new CEO Bill Perez to channel one of the most inscrutable, contradictory, and inspirational leaders around.

By DANIEL ROTH

I had been warned that the interview would be a crapshoot. On some days Phil Knight opens up; on others he barely says a word. I got lucky. On this gray January morning the founder of Nike was willing to talk. Perhaps Knight felt nostalgic: He had just finished his last official day as CEO of the company he had built from scratch some 40 years earlier, and this was his first - and so far only - extensive interview. Or perhaps he just wanted to talk. No one ever really knows with Knight; they just take what they can get. Tinker Hatfield, a 24-year Nike veteran, told me that when he goes to Knight with a question, sometimes Knight doesn't even answer. (Tinker says he simply treats that as a yes.) Whatever the reason, Knight happily ruminated on the highs and lows of his career; he reminisced about the joys of building his company, about the hunt for a successor, about the athletes he had signed - good and bad - and about the people he had managed - well and not so well. He talked, haltingly, about the death of his son last May. Knight, famous for wearing his sunglasses just about everywhere - even inside the buildings on Nike's 176-acre campus in Beaverton, Ore. - kept the Nike shades off, though they were always within his reach on the table in the small conference room.

There was only one question that got shot down, and it came as we were wrapping up. "May I see your office?" I asked. Knight didn't speak; he simply shook his head. "You don't want to show it?" Again, he shook his head. It wasn't a surprise. Few employees, let alone an outsider, have ever been in Knights office. One executive who works closely with Knight told me he hadn't been in there in almost a decade. The only thing that anyone seems to know about the sanctum is that Knight fashioned it in a Japanese style. So Japanese, in fact, that inside the office of the man who controls the most powerful shoe company in the world, пo shoes are a1lowed. Not even Nikes.

Knight has always been one of the oddest of the FORTUNE 500 CEOs, a man who seems to embody exactly the opposite of what his creation extols. Hidden behind those sunglasses, he's an inscrutable presence in a company that mastered making multimillionaire athletes seem accessible. He's an introvert who loves attending big sporting events, an accountant by training in a company that values great salespeople and designers, an advertising pioneer who introduced himself to his ad agency with "I'm Phil Knight, and I don't believe in advertising."

And yet in spite of - or because of - those quirks, he has created a company that most any other CEO would drool over. Just check the scorecard (and at Nike a sports analogy is never far from anyone's lips): In the past four years the company has grown from $9.5 billion to what is expected to become a nearly $14 billion design and marketing machine by its year-end this May. About 40%o of a11 branded athletic footwear sold in the U.S. is made by Nike; the next biggest player is Reebok, at 13%. With Nike's stock at a recent $87 - up 75% in the past two years - its $23 billion market cap is more than three times that of Adidas, the No. 2 seller of sneakers in the world. An investor who bet $1,000 on this odd company with the droopy check-mark logo when it went public in 1980 (and reinvested dividends) would now be holding $64,000. Knight's own stock - he controls 27% of the company - is worth $6.2 billion, making him one of the richest men in the world.

But now Nike finds itself at a major crossroads. Knight has ceded the reins to Bill Perez, the former CEO of consumer goods company S.C. Johnson, just as Nike's growth seems hard to sustain. With the U.S. market for high-end athletic footwear now mature, Perez will have to find new markets to tackle. What's more, he comes in knowing that Knight has stepped back from active supervision of the company twice before. Both times the company has foundered, forcing him to return. If Perez wants Knight's retirement to be permanent this time - and he does - he's got his job cut out for him.

The hardest part isn't the business challenge; Perez has built S.C. Johnson's multiple brands over the years and sold them around the globe, and at Nike he has a deep bench to rely on. Instead, it's the management challenge. The ultimate delegator, Knight has bred legions of executives who have interpreted his silences and nods as freedom to do their own thing and take the company in new directions.

One competitor likens Nike's internal structure to the Winchester Mystery House, the Victorian mansion in San Jose loaded with staircases to nowhere, false passageways, and doors that open on walls. "Basically I started selling Tiger shoes in 1964, so it's been 40 years that the company has grown around my idiosyncrasies," says Knight. "They don't even know that they're idiosyncrasies anymore, and of course neither do I." If Perez is to succeed at growing Nike and steering it into new areas, he'll first have to learn what makes Nike tick. And that means figuring out what exactly makes its founder - whose management tools will never be taught in Management 101 - so successful.

"What the hell is this?" asks Knight, grabbing Tinker Hatfield's brown imitation-suede jacket by the zipper. Hatfield holds the title of vice president of special projects, and he's revered inside the company as the designer of multiple Air Jordans. He and I are sharing a booth in the Boston Deli, the sports-bar-cum-cafeteria in Nike's Joan Benoic Samuelson Building, named after the runner who took gold in the first Olympic women's marathon in 1984.

"It's a Jordan jacket!" says Hatfield, flashing it open to show a lining bearing a collage of images from Michael Jordan's career.

"Is it one of a kind?" asks Knight.

"No, no. They're going to sell these."

With that, Knight laughs and walks off. Tinker cakes the ribbing in stride. For one, Knight - despite his position at the top of this apparel company - is far from a sartorial role model. On this day he's wearing a T-shirt covered by a stained pinstriped blazer, too-long jeans, and a pair of beat-up Cole Haans (a brand that Nike owns). His pale blond hair is so unruly that it looks as if he has just come in from running sprints. In a hurricane. The other reason Tinker isn't fazed by Knight's jokes or general cluelessness about the product is that Knight is not the kind of CEO who has ever made it his place co know everything going on in the company.

What Knight actually does every day in his role managing Nike, in fact, is mostly a mystery. When employees tell stories about him, they call him a father figure, a leader, a visionary. Howard White, the VP of the Jordan brand, calls him a genius. Yet when I ask for specifics - about what exactly Knight did or said to help Nike out of a jam, to inspire them, or to come up with some big idea - the talk turns hazy. At any major turning point for Nike, it's as if there's a Knight-shaped hole in the room - he's there, but doing what?

Even people who work with him most closely are often unable to come up with answers. Mark Parker and Charlie Denson are the co-presidents of the Nike brand and have both worked at the company since 1979, Parker starting in design and Denson in retail. I asked Denson how often he met with Knight during the past few years. "Once a week," he says. Then he pauses. "And we probably did that twice a month." To Parker, that's part of Knight's genius: He gives his people freedom to breathe. "I wouldn't call him a directive CEO in terms of 'Hey, we should be doing this, that, or this other thing’," says Parker. Indeed, Parker says that when PowerPoint presentations are passed around or market data is discussed, Knight "sort of checks out." Parker also tells a story about visiting one of Wal-Mart's famous Saturday-morning meetings with Knight. As Lee Scott, Wal-Mart's CEO, ran through just about every detail of his company's operations, Parker turned to Knight and said, "It's a little different there]." To which Knight replied: "You're damn right!"

If Nike were simply surfing a decadeslong sports boom, it would be possible to argue that Knight is the luckiest entrepreneur alive: He found a market and rode it. Case closed. But it’s not that simple. The company has survived periods of intense growth and others of retreat, in which Wall Street, the press, and competitors assumed that its best days were behind it. But Knight managed to right the ship each time. And he did it by acting against his nature. Knight is not a people person in anyone's book. And yet he manages to do three things better than just about anyone in the business: hire good people, shuffle them around, and inspire them.

Knight's story starts with the latter. At the University of Oregon in the 1950s, he was an accounting major, but more important, he was a middle-distance runner on the outstanding truck team coached by Bill Bowerman. Bowerman at the time was already legendary for his toughness and dedication; he regularly cobbled his own running shoes at home and gave them to the team. When Knight graduated he kept thinking about better shoes. At Stanford Business school he wrote a paper arguing that there might be a good business in importing and selling Japanese running shoes in the U.S., where most runners wore expensive German-made Adidases or Pumas. In 1962, Knight took a trip to Japan and persuaded the company that made Tiger shoes - now known as Asics - to make him its first U.S. distributor. He invented the name of the new company on the spot - Blue Ribbon Sports - and on his return signed Bowerman as his co-founder.

In the early years Knight kept day jobs, first as a CPA with Price Waterhouse, then as an accounting professor at Portland State. He also started to develop the management style that would define his reign over the next 40 years: finding people who cared about the product and letting them handle the details. He dealt with finance, Bowerman designed shoes, and the first employee, Jeff Johnson, managed the company's retail store in Santa Monica, creating ads and stationery on his own and rarely communicating with Knight. Another early employee (and Knight's former student) was Penny Parks, who helped keep the company's books. Knight started dating her when she was 19 and married in 1968 and quickly had the first of three children.

Then Knight started an empire. When, in 1971, his Japanese supplier tried to take over his business, Knight broke away. He paid a local graphic artist $35 to come up with the swoosh, worked out a deal with a supplier, and named the new brand Nike after the Greek goddess of victory - a name Johnson had literally dreamed up one night. Knight was now taking on entrenched brands, and he kept the company thinking like an underdog. He hired people he liked hanging out with: Nike's early management meetings were rowdy, drunken affairs known internally as 'buttfaces' When fights broke out among his men - and they were mostly men - Knight would rarely interrupt. He liked to see the passion. He was equally hands-off about direction: "Sell shoes," Knight told Rob Strasser, one of his top lieutenants, when he sent him to start a European division in 1981, according to Swoosh, the unauthorized account of Nike's early days, written by Strasser's wife and sister-in-law. It was easy then: Running was hot, sneakers were a fashion item, and Nike made the ones everyone wanted.

Knight figured he could easily leave the company in the hands of others for a while. "I'm splitting from this turkey farm," he told longtime employee Bob Woodell in the spring of 1983 before taking an extended trip through China. "I want you to be president" Within months, the jogging craze ebbed and the aerobics craze began. Nike pooh-poohed the trend and kept focused on running and basketball. Mistake. Upstart Reebok snagged the new market, and Nike's U.S. revenues dropped 6% in two years, to $730 million in 1985. Knight realized he had the wrong management in place. In the fall of 1984 he returned and took over from Woodell. Over the next few years most of Knight's earliest employees, including Woodell, left, many feeling they had been frozen out. Others were hit by Black Friday, the December 1986 day when Nike laid off 10% of its U.S. employees. By 1988, Knight noted in his letter to shareholders, "all of the vice presidents listed on the 1981 annual report have left." He set out to rebuild the company with a new team.

It worked. By mid-1997, Nike had become a giant, controlling over 40% of the U.SS footwear market - and Knight was spending less and less time at Nike's Oregon campus. Tom Clarke, a longtime product developer who had been president since 1994, found himself running the company. Why did Knight check out again? He won't say, and people in the company say only that he was spending more time attending sporting events. Soon Nike hit the rocks. It failed to spot the slowing of demand for $100-plus sneakers among U.S. consumers, got caught in the Asian economic meltdown, and reacted slowly as college kids switched from sporting Nikes to accusing the company of running sweatshops. Revenues, which had more than doubled to $9.2 billion between 1994 and 1997, stagnated, slipping to $9 billion in 2000.

By 1999, Knight was back; in May 2000 he shunted Clarke off to head up new business ventures and retook the role of president himself. He revived the company not by rolling up his sleeves and building shoe molds in the design lab, nor by dreaming up new ads or slogans. Instead Knight did what he does best: find and motivate talented people, then let them do their thing. He brought in outsiders, stars like Mindy Grossman from Ralph Lauren to run apparel. Don Blair from Pepsi to be the CFO, and Mary Kate Buckley from Disney to head up new ventures.

I. Find in the text:

Чувствовать ностальгию, с самого начала, какова бы ни была причина, поиск последователя, в пределах досягаемости, не говоря о…, обставить (офис) в японском стиле, заставить кого-либо вернуться, понять (интерпретировать) молчание как свободу делать по-своему, лестница в ‘никуда’, почитать, специфика, «выправить» корабль, вдохновлять, жесткость, преданность, править, заниматься деталями, назвать что-либо в честь богини победы, удариться о скалы, восстановить компанию, засучить рукава.

II. Explain the following. What does the author mean by saying?

1. On some days Phil opens up.
2. No one really knows with Knight.
3. He reminisced about the hunt for a successor.
4. Knight has ceded the reigns to Bill Perez.
5. One competitor likens Nike’s internal structure to the Winchester Mistery House, the Victorian mansion in San Jose loaded with staircases to nowhere, false passageways, and walls that open on walls.
6. He gives his people freedom to breathe.
7. Knight managed to right the ship again.
8. You can hear a pin drop when he speaks.

III. Answer the following questions:

1. Was it easy for journalists to agree about an interview with Phil Knight? Why?
2. What did Phil Knight’s office look like? What did his subordinates know about his office?
3. Why didn’t Phil Knight allow anyone to see his office?
4. How does the author characterize Phil Knight?
5. Why did Knight call his company Nike?
6. Why is Phil called the ultimate delegator? Give examples.
7. What three things does Phil manage to do better than just about anyone in the business?
8. What do you think about his management style?
9. What people did he like to hire?
10. What mistake did the company make under the guidance of Bob Woodwell in 1983?
11. How did Phil Knight manage to regain the company’s position on the market?

12. Why did he spend so much time attending sporting events? Was it beneficial for the company?
13. Why did Nike hit the rocks?
14. How did Nike revive the company?

IV. Comment on the statements:

1. Whatever the reason, Knight happily ruminated in the highs and lows of his career.
2. No one ever really knows with Nike.
3. Inside the office of the man who controls the most powerful shoe company in the world, no shoes are allowed. Not even Nikes.
4. Knight is a man who seems to embody exactly the opposite of what his creation extols.
5. He's an introvert who loves attending big sporting events.
6.
7. He is an advertising pioneer who introduced himself to his ad agency with "I'm Phil Knight, and I don't believe in advertising".
8. At any major turning point for Nike, it's as if there's a Knight-shaped hole in the room – he's there, but doing what?
9. Soon Nike hit the rocks.

Text 5
Can Nike Still Do It Without Phil Knight?
(Part II)

He didn't leave longtime executives completely alone, however. He liked to shuffle them around. That habit created what Nike calls its "matrix": the accidental internal structure that forces people to answer to more than one boss. For example. a basketball-shoe marketer reports not just to the head of basketball but also to the heads of U.S. marketing and overall footwear – and, more informally, to anyone who wants to weigh in. As Knight moved executives here and there, someone who was a boss one day could find himself a subordinate to his former charges the next. Rotating titles meant there might be half-a-dozen people in the company who had served in any one position, giving them license to critique the performance of the newcomer. In this setup employees learn quickly that the only way to get things done is to come up with ideas and build alliances. Brashly making demands won't get you far.

And forget trying to work a backdoor to Knight. His reluctance to take a stand is well known. Knight puts people in positions to make decisions, not to come to him. Anytime his hand is forced, he likes to hedge by using a standard disclaimer. "I reserve the right to change my mind tomorrow." Says Don Murray, a management consultant in Eugene. Ore., who has worked closely with Knight and Nike for a dozen years: "People who don't get the culture don't stick around very long. They know they don't fit. That's it."

In the wrong hands this management style - can it even be called that? - could easily lead to chaos. Twenty-five thousand employees selecting their jobs, answering to multiple bosses, and taking cues from a quiet, distant guy at the top seems a sure recipe for entropy. But it isn't. And that gets back to Knight's ability to inspire, to successfully tap into athletes' desire to strive for something higher - to satisfy not just themselves but fans, coaches, teammates. He does it by bringing in heroes.

This is not as corny as it sounds. Nowhere does the study, the worship, of heroes have as much resonance as in sports. And Nike is teeming with employees who played at elite competitive levels. Parker ran cross-country at Penn State; Denson was a free safety and defensive back for Utah State; the VP of communications and the VP of global footwear played college hoops; the global director of basketball played football at Stanford; the global director of football played in the NFL. Enrique Washington, a firmer Nike recruiter (and an 800-meter runner at Seton Hall), says that the company didn't always look for athletes, but having the athlete's drive and mindset was a must. "Most people had some passion in basketball or running. It helps with the message - not necessarily to be an athlete, but to embrace it," says Washington, now a partner at recruiting firm Generator Group in Portland. These are people who grew up with posters over their beds of the best in their fields. At Nike's college-style campus - whose outdoor passageways Knight has lined with plaques commemorating the likes of linebacker Lawrence Taylor and Welsh footballer Ian Rush, and whose buildings he has named after such greats as Tiger Woods and Nolan Ryan - they feel right at home.

But to remember the most important person they're working for, all anyone has to do is glance at the name of the road that leads into the empire: Bowerman Drive. There is no more important to Knight - and subsequently to Nike - than Bill Bowerman. Knight turned his coach, who never played any sort of executive role after co-founding Nike, into everyone's coach. New employees at Nike get a book of maxims. No. 11 is "Remember the man." You can guess who that is. It's quite a legacy: Bowerman started America's running craze practically singlehandedly with his 1967 book Jogging, and in 1970 he invented Nike's famous waffle sole by pouring a liquid rubber compound into his wife's waffle iron.

Tough, relentless, the coach everyone wanted, Bowerman was the guy whom Nike people, including Knight, were working to please. "Maybe next to my parents I've been more influenced by him than by any other human being," says Knight. "I think about him from time to time, at odd moments. I remember walking out of a team meeting with Jimmy Grelle (a star runner on Oregon's exceptional team). He said, `You look around that room, and you wouldn't think this would be one of the best track teams in the world, would you'?' That was true. It was just guys. But [Bowerman] really did get in your mind that you could be the best in the world."

When Bowerman died in 1999 at the age of 88, his stature at Nike only grew. In this decentralized company, where self-managing is the best way forward, Bowerman is a god, and Knight is the self-anointed priest channeling his words. Liz Dolan, former VP of global marketing, once approached Knight for some help on a complicated problem. Instead of giving suggestions, Knight offered up a Talmudic tale: Once during college he had asked Bowerrman for some advice in improving his running times. Bowerman replied, "Triple your speed." "That's the kind of advice you get from Phil," says Dolan, now a host of the Satellite Sisters syndicated radio show.

"He is less likely to sit down and break it down for you. He believes you can figure it out... He focuses more on talking to you one-on-one to get the best out of you rather than setting corporate strategy per se."

Though he detests public speaking - "I still get real nervous when I go in front of more than two people," he says - Knight drops in like a corporate Knute Rockne to give pep talks when his company needs them most. When he speaks he sends shivers through the crowd. And what Knight talks about is the company, the people who started it, the trials and successes, the internal heroes. In early 1999, when he returned from his year-plus absence to turn the company around, he called an allemployee meeting. As more than 1,500 people packed the basketball courts on the third floor of Nike's Bo Jackson Fitness Center, Knight reminded them of the company's heritage, explained that they had been down before but had come back, and said that it was time to "elevate their game." At the end he apologized for being gone, and he started to choke up.

"I'll never forget that speech," says Andrew Black, former general manager of Nike's U.S. equipment business and now the CEO of Virgin Mobile Canada. "He inspired you to such a level that you just knew you wanted to do more for him than you were doing before. He challenged us all to really get focused. He's the kind of leader - you can hear a pin drop when he speaks. He had the whole place giving him a standing ovation for quite a while when he finished."

If this company is able to run itself so well on autopilot - or at least with the pilot only lightly manning the controls - then what would make Knight step down? Certainly not the board: His ownership stake sees to that. But Knight realized that Nike needs inspiration to succeed, says a recruiter involved with the process - and that he won't have the energy to provide it forever. To hear Knight tell it, it was a decision based purely on logic: "The focus wasn't me," he explains. "The focus was what's best for the company. And obviously, man is mortal, so basically we're going to have a new CEO some day, and when is that time? I was getting into my 60s when I started looking around saying, 'What do we do?'"

Those who work closely with him say the decision was much harder. Knight is known more for wearing his emotions on his rumpled sleeve - Parker says over the years he's seen Knight cry "countless times" when inspired by an athlete or employee - than for taking an actuary's approach to business. And this was no easy call. "It's a tough process, and it took Phil some time," says Ralph DeNunzio, former CEO of Kidder Peabody and a Nike director. "He knows it's the right thing to do." Adds Parker: "This has been torturous for him."

Knight started the search in 2001, but his early steps were tentative at best. At the beginning all he wanted was an executive VP, maybe a chief operating officer, who, if things worked out, would possibly step into the CEO slot. He told Gerry Roche, the senior chairman of search firm Heidrick & Struggles, to find him that person. Then, in typical Knight form, he left the details to others. Roche combed through candidates, with director DeNunzio flunking about half before their names even got to Knight. About 18 months ago Roche told Knight that he had to make this a CEO search; there was по way to get the best candidates otherwise. It was time for Knight to face the fact that he'd have to give up the title, the office, everything.

Now came the hard part. What the search committee wanted was someone who wouldn't try to fix a company that was working. They wanted a Knight-plus: someone who would fit into the culture, not try co change it; someone who would keep honoring the Founding Fathers of Nike, not govern by numbers; someone with passion. And yet they also needed someone with skills that folks already at Nike didn't have, such as the ability to manage multiple brands - otherwise why go outside? They also needed a CEO who could relate to competitive sports - and even better, participate seriously in them. One candidate was about to be handed to DeNunzio until Roche tossed off the question: What do you do on Saturdays when not working? Play golf? Tennis? The candidate replied that he did store checks. Do you play anything? asked Roche. The reply: I'm big on bridge, and I do store checks. "He's a good person but didn't make the cut," says Roche. The search kept on at its leisurely pace.

Last May, though, that all changed. Knight's oldest son, Matthew, was scuba diving in El Salvador, visiting the country on a mission for the charity he worked for, when his equipment malfunctioned. The 34-year-old died in the waters of Lake Ilopango, leaving behind a wife and two sons. Knight and his wife, Penny, were devastated. In a note to his staff, Knight told them that instead of sending him condolences, they should make a point of spending more time with their own families. "I wasn't a good enough manager, really, is what it comes down to," says Knight. "You have to manage your time [as a parent], and it's a pretty tough balance. It's a hard balance, and when the kid's not there anymore, you can't make up for it." Those working on the CEO search noticed an immediate change. "It made him realize that there is a clock running and a calendar running, and that life is unpredictable," says one person who asked to remain anonymous.

Knight took the summer off. Soon after he returned, the search committee decided it had a winner: the 57-year-old Perez. He was a marathon runner, but more important, he came from a company that had a similarly inward-looking culture. S.C. Johnson, which makes products like Windex and Raid, constantly holds itself up as a family company, revering the five generations of Johnsons who shaped it over the years. Perez knew what culture means - he had joined S.C. Johnson in 1970 and never left - and he knew how co-manage multiple brands.

Perez and Knight met for the first time in February 2004 at a hotel in Palm springs. The two spent an hour in a cafë outside drinking Diet Pepsis. Perez showed up in a sport coat and slacks, Knight in jeans and sandals. Both introverts, they spent a big chunk of the time talking sports. Later the topic turned to culture, at both Perez's shop and Knight's. "I looked at how he'd fit in," says Knight. "I looked at that very hard." On another meeting, when the two, along with Penny, flew to Los Angeles, Perez's introspective, almost shy personality made Penny remark that he reminded her of Phil. In late September, Knight met with Perez and his wife at their home in Racine, Wis., and flew back on Knight's private plane - with the certainty that Perez was it.

Finally, on Jan. 24, someone other than Knight got a good long look inside his office. Knight had already vacated it for his successor, boxing up the accumulated paraphernalia of 14 years in that particular space: the custom-crafted Nikes that propelled Michael Johnson to a gold medal in the 2000 Olympics, loads of University of Oregon and John McEnroe gear. His new home as chairman is in the Mia Hamm Building, two floors above what Nike calls its Innovation Kitchen - a secretive place, locked down to outsiders, where designers dream up the next new Air or Shox. It's a fitting location for Knight, who has worked in mystery and privacy to create the company that has come to dominate the world of sports so completely that it's hard to believe that basketball, running, football - any of it - existed without the Swoosh.

Not that he's finished working. The baton may be passed, but Knight, as chairman, is still going to be there, strolling around, dropping in on people and projects when he feels like it, and most important, staying in their minds, reminding them that if they have problems, all they need to do is triple their speed.

I. Find in the text:

Стремиться к чему-либо, элита (элитный), обязанность, иметь страсть к чему-либо, работать на автопилоте, посылать соболезнования

II. Explain the following. What does the author mean by saying?

1. You can hear a pin drop when he speaks.
2. "People who don't get the culture don't stick around very long."
3. "The focus was what's best for the company."
4. The baton may be passed.

III. Answer the following questions:

1. How did Knight shuffle people around? Why?
2. Who is Bowerman? Why is he so important to Knight and Nike?
3. Did Knight like to make speeches? Why?
4. How did his speech influence people?
5. What did he speak about at meetings? Why?
6. Why did Knight decide to look for a successor?
7. What leader did the search committee want to have? Why?
8. Why did Phil Knight choose Bill Perez as a future CEO of the Nike company?

IV. Comment on the statements:

1. Knight is able to strive for something higher by bringing in heroes.
2. The company didn't always look for athletes, but having the athlete's drive and mindset was a must.
3. There is no more important to Knight - and subsequently to Nike - than Bill Bowerman.

V. Speak on the points:

1. Knight manages to do three things better than just about anyone in the business: hire good people, shuffle them around, and inspire the.
2. Organisational structure of Nike company.
3. The working environment in the company.

4. The working environment in the company.
5. Management style at Nike.
6. The personality of Phil Knight.

Text 6
Get a life
(Part I)

Working 24/7 may seem good for companies, but it's often bad for the talent - and men finally agree. So businesses are hatching alternatives to the punishing productivity-sapping norm. BY JODY MILLER AND MAC MILLER.

Gregg Slager saw the clock nearing midnight, sighed, and reached for the next file. All along the 25th floor of Ernst & Young's headquarters at 5 Times Square, lights were ablaze. It was another 80-hour week for the M&A department, where Stager, a senior partner, had been in the trenches for a decade. Stager doesn't do garden-variety accounting; his unit handles due diligence on major deals in which billions of dollars (and thousands of jobs) hang in the balance. On viselike deadlines, they plow through vast piles of financial and operational data to get a fix on a business and look for danger signs. With the boom in private-equity investing, the pace only seemed to be getting more intense.

Top partners like Slager can pull down seven-figure incomes for shepherding such high-pressure deals. Yet last year, at age 45, with 4- and 6-year-old boys at home, he often found himself wondering whether the sacrifices were worth it. Vacations, he put up with the pace year after year. Something had to give.

So this year Slager did something taboo for a top performer in a world-class firm: He declared this wasn't the kind of life he and his team wanted and reached out to colleagues to change the way M&A due diligence works. Over six months, the unit rethought every job, reallocated tasks - and won better lives for the due-diligence teams while providing better service for clients. Including the boss. Not that MBA will ever be a breeze, but Slager's vacations are now real. Weekend work is no longer the norm. And a manager who works for Slager says his family has stopped threatening to throw away his BlackBerry.

This isn't another tale of a conflicted working mom - Slager is a hard-driving man at the peak of his profession waking up to what women have shouted about for decades. "Men are willing to talk about these things in ways that were inconceivable less than ten years ago," says Howard Schultz, chairman of Starbucks (yes, he's also the world's top purveyor of corporate go-juice). The problem won't be solved just by working smarter or tinkering at the margins to add flexibility. Instead, as the E&Y team discovered, delivering better business performance while improving their lives meant rethinking the way work gets done and how consuming senior jobs need to be.

It's a lesson corporate America needs to learn before an entire generation of senior talent melts down or decides to stay home. The 60-hour weeks once thought to be the path to glory are now practically considered part-time. Spouses, kids, friends, prayer, sleep-time for things critical to human flourishing is being squeezed by longer hours at the top. Says Bill George, a self-described 60-hour man who ran medical-device leader Medtronic for a decade and who now serves on the boards of Goldman

Sachs, ExxonMobil, and Novartis: It didn't use to be this intense. It got much worse starting 15 years ago, when we went to this 80-hour week." Top executives are increasingly strung out, he and others say. Service firms in consulting, law, and investment banking have built 80-hour weeks into their businesses. If it keeps up, the toll could make itself felt not only on companies but on the nation, eroding productivity growth in an era when global competition has never been more intense.

Not everyone thinks there is cause for concern or room to maneuver. Costar CEO Jim Sinegal runs a fast-paced company with an enviably low turnover rate among senior employees. He says his top managers no longer work seven days a week the way people did when he was young, which is progress enough. Retailing is too competitive to shrink senior time-on-task further, he adds (and wisecracks, "I would love to sell that concept to our competitors").

But while some CEOs assert that every time a top job opens up, a phalanx of "24/7" people is waiting in line to take it, most companies cite a shortage of talented leaders as one of their biggest constraints. Rethinking senior jobs and careers can help solve that, says Jeanie Duck of the Boston Consulting Group, who specializes in organizational change. "It's a myth that companies are filled with highly capable people who are willing to work 24/7," she says. "It's not true. The companies that crack this will have their pick of talented people."

Indeed, dozens of interviews with top executives, consultants, and researchers suggest that a revolt of talent is brewing, and that it's time to reenergize the stale "work-life" debate by starting at the top.

What will it take to make headway on this agenda? Business leaders need to do four things. First, quit defining the desire for doable jobs as a "women's issue." Men want this too. Second, start viewing efforts to humanize senior jobs as a competitive advantage and business necessity, not as one-time accommodations for the CEOs' pets. Third, realize that progress is actually possible; there are examples to show that work at the top can be retooled. Finally, make it safe within companies and firms to talk about these things. "Businesses need to be 24/7." says Xerox CEO Anne Mulcahy. "Individuals don't."

What Do Men Really Want?

It's hardly news that accomplished women are desperate for a new deal at work. But anyone who understands America knows that unless men want something, too, not much will change. So what do men really want?

Our new survey of senior FORTUNE 500 male executives offers surprising answers. Fully 84% say they'd like job options that let them realize their professional aspirations while having more time for things outside work; 55% say they're willing to sacrifice income. Half say they wonder if the sacrifices they've made for their careers are worth it. In addition, 73% believe it's possible to restructure senior management jobs in ways that would both increase productivity and make more time available for life outside the office. And 87% believe that companies that enable such changes will have a competitive advantage in attracting talent. Other interviews suggest that the younger a male executive is, the more likely he is to say he cares about all of this.

Of course there's a roadblock to reform: fear. FORTUNE'S survey found that even though most senior-level men want better options, nearly half believe that for an executive to take up the matter with his boss will hurt his career.

Still, two things seem clear. First, men and women are far more alike in their desires than the debate over these issues has assumed. Second, as talented men raise their voices with women who have been irate about this for decades, the 24/7 ethic is pretty clearly on borrowed time. Consider the provocative case made by Lowell Bryan, a top partner at MeKinsey & Co., who maintains that many senior managers have undoable jobs. "We don't know how to work given the reality of the 21st century," he says. "We're in a world where the marginal cost of interaction [via e-mail and the like] is falling toward zero. The volume of interactions is headed toward infinity, and infinity's winning."

How did business get to this point? For starters, Bryan says, the scope and complexity of business have grown enormously. In 1970 the world's 50 biggest companies averaged $29 billion in revenue; now it's around $100 billion. The number of consumer products introduced each year has increased 16-fold over the same period. Firms now compete across different industries and geographies. The overload is compounded by inefficiency: A 2003 study by Marakon Associates and the Economist Intelligence Unit, for example, found that up to 80% of top management time is devoted to issues that account for less than 20% of the company's long-term value. As a result, decisions take too long and end up botched.

And here's the clincher. When McKinsey asks top managers, "If you had twice as much time, would you really exhaust the things you should be doing?" the answer is invariably no. "We have created jobs that are literally impossible," Bryan says. "The human cost is profound, and the opportunity cost is also great in terms of organizational effectiveness."

Tales From the Front

Peter Chernin didn't set out to pioneer the human-sized job, but he's responsible for an accidental breakthrough at NewsCorp. Seven years ago, Chernin, the company's president and head of its Fox subsidiary, appointed Gary Newman and Dana Walden as presidents of 20th Century Fox Television. Not co-presidents - it is not a job share. Presidents. Both are responsible for the performance of the entire company.

In simpler times, Chernin says, Fox produced four to five television series a year (about 100 episodes) and sold them to three networks. Now it produces 25 series a year (about 600 episodes) and deals with six networks, 200 cable channels, syndication, DVDs, international, wireless, and broadband markets. "What I was really thinking was where to find the skill set to manage these businesses," Chernin says. "I came to believe that, because of the complexity, if I could find two people with complementary skills, it would probably be better."

It has turned out better, both for Fox and for Newman and Walden. "Because there are two of us, we're capable of getting involved in many more things," says Newman. "There's more productivity here than at any other company like this where there's only one person in charge." Walden adds. Both say the arrangement has been fabulous for their family lives. "I have greater freedom to be a participant in life," says Newman. "There's no meeting that I can't cover or that Gary can't cover," Walden says. Example: When Walden's daughter broke her arm one weekend. Walden didn't come in on Monday. The business didn't skip a beat. A president of the company was there; all scheduled meetings took place.

Like any successful partnership, Walden's and Newman's took a while to sort out. They spent the first year doing too much together. Only when they became trusting enough for each to let the other handle situations alone did the leverage for the company (and their lives) become powerful. Making the arrangement work requires ground rules. At the outset, they sometimes inadvertently contradicted each other in responding to e-mails. Today their rule is whoever gets to an e-mail first, answers it. "If one of us has to step up and make a decision," says Newman, "we do it and move on, and worry about straightening it out between us the next day."

Chernin doesn't find managing two presidents all that hard. If he talks to one he expects that person to pass on the word to the other. If he needs something he asks his office to "find Dana or Gary." "It doesn't really matter to me which one." Chernin says. "Both are up to speed on everything." Though he didn't create this arrangement to give them better lives outside work, it does that too. Newman and Walden compare their relationship to a marriage: Dana calls Gary her "day spouse.” They recently renewed their "vows" by signing a long-term deal to keep working together.

Across town, at the Los Angeles Times, Dean Baquet has cloned a key position as well. Shortly after becoming editor, he announced that he was dividing into three jobs the managing editor position he had previously held. Now two managing editors and an associate editor oversee the 1.000-person newsroom. Why three? Like Chernin in the TV business, Baquet cites the growing complexity of major newspapers. He felt that as a solo managing editor there were things he hadn't been able to do well, despite putting in long hours. "If your job is gigantic, there are things you ignore," he says, citing the sports section in particular as gating short shrift. Baquet also felt so swept up by daily crises that he had little time to think strategically. “The job was just too big for one person," he says.

A saner division of labor is good for the Times's news coverage, he believes, since top editors are supposed to be in touch with the world. "I like the idea of them getting home earlier," he says of his senior team. "I like the idea of them having lives. I like the idea of them having exposure to things other than just the newsroom and the news in the moment." Dividing such jobs is also a way to broaden the company's talent base and nurture new leaders, he says, making it possible for people to spend time with their families and climb the ladder. And while adding top managers at high salaries may seem like a costly fix, both companies say that the gain in effectiveness far outweighs the incremental expense.

CEO David Neeleman of JetBlue is also experimenting with job designs for senior executives. Thomas Kelly, 53, is an executive VP whom Neeleman calls JetBlue's "chief wisdom officer." Kelly worked with Neeleman at a previous airline; from the start he has run JetBlue's legal, government affairs, and treasury teams from Salt Lake City even though Neeleman based the company in New York. Not long ago, because of Kelly's responsibilities in the Mormon church, he requested a four-day week at reduced compensation. The boss, also a Mormon, said yes. Both men felt the strength of the three VPs under Kelly meant it could work.

Still, Neeleman - a father of nine who's home most nights for family Scripture readings at 8 р.м. - isn't sure about applying this kind of arrangement more broadly. Yet he says he's considering a similar four-day-week request from another crucial player, the airline's head of scheduling.

At Fleet Bank in Boston, Cynthia Cunningham and Shelly Murray shared the job of vice president for global markets foreign exchange for six years. Each worked three days a week on a trading desk. They didn't divide clients and tasks; whoever was present dealt with whatever came up. They had one set of goals and one performance review, and they operated so seamlessly - with the help of a weekly meeting and constant voicemails throughout the day - that out-of-town colleagues often didn't know there were two of them. In previous jobs each had worked 50 to 60 hours a week; in their shared role they dropped to 20 to 25 each. They also felt "totally on" at the office since work wasn't consuming their lives. The gratitude factor, too, was huge: having a rare senior job-share doubled their drive to deliver. "We didn't have time to waste," says Cunningham. "We had to succeed so that we could keep the arrangement we had."

When Bank of America acquired Fleet and eliminated their department, Cunningham and Murray looked for a new job together. Despite their track record, no company has yet been willing to give them another shot; it's outside most business's comfort zone. Top recruiters told them "we don't place part-timers," unable to fathom what they'd achieved.   Fortune

I. Find in the text:

Путь к славе, причина для озабоченности, недостаток талантливых руководителей, выполнимые работы, пожертвовать доходом, реструктурировать руководящие должности, иметь больше времени для жизни вне работы, провокационный случай, невыполнимые работы, перегрузка, неэффективность, в два раза больше времени, альтернативная стоимость, люди с взаимно-дополняющими качествами,

II. Explain the following. What did the author mean by saying:

1. At the age of 45, with 4-and 6- year-old boys at home, he often found himself wondering whether the sacrifices were worth it.
2. Men are willing to talk about these things in ways that were inconceivable less than ten years ago. (Why? What’s happened?)
3. It’s a lesson corporate America needs to learn before an entire generation of senior talent melts down or decides to stay home.
4. “Every time a top job open up, a phalanx of “24/7” people is waiting in line to take it”. Is it really so? Who says it?
5. A revolt of talent is brewing.
6. “Businesses need to be 24/7, individuals don’t”.
7. Of course, there’s a roadblock to reform: fear.

8. Many senior managers have undoable jobs.
13. I like the idea of them having exposure to things other than just the newsroom and the news in the moment."

III. Answer the questions:

1. What is the text about?
2. What is said about Slager's work?
3. How did he spend his vacations?
4. Does he have time for his family? What does the author say about it?
5. What did Slager decide to do to change the situation?
6. What lesson does corporate America need to learn according to the author? Why?
7. Are there many talented leaders to take top positions? Why?
8. What four things do business leaders need to do?
9. What does the Fortune survey of senior male executives show?
10. What is the road block to reform? Why?
11. What does the author say about the efficiency of work? What is said about the complexity in business?
12. What did Peter Chernin do to humanise the work? What is the result? Why? What are the benefits?
13. How did it affect their family lives?
14. How did they manage to get on?
15. How did they view their relationship?
16. Is it hard to manage two presidents?
17. What does the author say about this labour division?
18. Are there other examples in the text?
19. Are there many companies willing to make changes in top positions?

IV. Comment on the statements:

1. It's a lesson corporate America needs to learn before an entire generation of senior talent melts down or decides to stay home.
2. The 60-hour weeks once thought to be the path to glory are now practically considered part time.
3. Not everyone thinks there is cause for concern or room to maneuver.
4. Rethinking senior jobs and careers can help solve that.
5. A revolt of talent is brewing.
6. Quit defining the desire for doable jobs as a "women's issue." Men want this too.

V. Speak on the points:

1. Long working hours is cause for concern.
2. Success means different things for different people.
3. Innovative job design is a way to keep great people.

Text 7
Get a life
(Part II)
Things to Try at HQ

Thirty corporate big shots listened politely while the woman told them they were slaves. It was a meeting in London last February of a new entity called the Hidden Brain Drain Task Force, which counts 30 blue-chip firms among its members, from Alcoa to Unilever. The group focuses on breaking down barriers to advancement still faced by women and minorities. But one of its chief goals is to fix an equal-opportunity oppressor: "extreme" jobs. That project represents the first systematic effort by major companies to humanize senior work.

Madeleine Bunting, the British author of *Willing Slaves: How the Overwork Culture Is Ruling Our Lives*, had been invited that day to provoke debate. Is the prevalence of extreme jobs a product of forces like technology and globalization? Or is it rather something in which talented people are themselves complicit? Either way, Bunting said, old assumptions about how to work, how to show commitment, and how to advance are cruelly out of date. Decades after women rejoined the workforce and two-income couples have become the norm, business and society haven't adequately adjusted. "Everyone has individual coping mechanisms," says Carolyn BuckLuce, a senior partner at Ernst & Young who is helping lead the extreme-jobs review. But that's not an institutional solution."

Jon Katzenbach, who advises FORTUNE 500 managements on organizational issues, thinks it's possible to humanize top jobs - though no company has ever asked him to. Among the fixes he promotes is more effective use of teams. (That was a key aspect of Slager's reorganization at Ernst Young, where each due-diligence team now may work on several deals for a given client, rather than being assigned to deals piecemeal.) Katzenbach also urges companies to offer alternative career paths in which executives choose the speed of their promotions. Instead of having to make vice president in five years, for example, you'll be able to choose to get there over ten, perhaps while the kids are young and you prefer to avoid intensive travel.

There is no one-size-fits-all solution. Higher earners may consider trading income for time. Two professional parents, for instance, may arrange for each to work full tilt for nine months and then take off three, or work five days 9 to 4, except when there's a crisis. Maybe they'll handle three clients instead of six. To make any of it work, says Katzenbach, employers have to give senior people the freedom to define what they mean by success in their lives - and then ask them to translate that into how much time they're prepared to devote to the job. That still leaves room for executives who love work so much they never want to leave, or who prefer the clarity of the office to the chaos of family life. As companies learn to accommodate a range of time commitments from top talent, organizations will look less like a pyramid and more like a puzzle.

If such transformations sound easier said than done, it's because of that roadblock, fear. A 2003 Harvard Business Review article, "Let's Hear It for B Players," illustrates the dilemma. It defines those who "place a high premium on work-life balance" as second-tier workers. The authors thought they were being generous to the

Bs, pointing to them as underutilized assets overlooked in the rush to woo the workaholic highfliers. But the message, echoed across the culture, is clear: Declaring your interest in a human-sized job is like announcing a disease. B-men may not often opt out of the workforce entirely, as do some women with high-earning husbands, but they scale back, switch to staff jobs, and turn down promotions. Or, like many women, they keep their B-ness a secret and suffer in silence.

FORTUNE encountered similar angst in a focus group of first-year students at the Wharton Business School. These future leaders were adamant about wanting full lives and cynical about feel-good pronouncements on such matters by CEOs. Yet they also felt they had "no leverage," and that if they mentioned non-work aspirations in job interviews they'd be seen as "slackers." They'd figure it out once they'd shown bosses they could do the work, they said.

The biggest challenge in humanizing work may be not how to get the work done but how to persuade corporate leaders to view the desire for a complete life as legitimate. It hasn't been a CEO priority, to put it mildly. Jack Welch, the iconic boss of the 1990s, wrote in his book Wining that he always worked Saturdays as a rising star at GE, and found that his direct reports (surprise!) showed up to join him in the office. "I thought these weekend hours were a blast," Welch wrote. "The idea just didn't dawn on me that anyone would want to be anywhere but at work."

He was hardly alone. Other seventysomething empire builders - like Eli Broad of KB Homes and SunAmerica - describe themselves as "old school" in this regard. As Bob Knutson, 71, who built Education Management Corp., put it, being a child of the Depression grafted on to his native drive a "whatever it takes" work ethic that was hard to dial down even decades after he'd made it. That style has flowed to the current crop of bosses. Baby-boomer Jeffrey Immelt, Welch's successor at GE, boasts that he has worked 100 hours a week for 2 years. That's 7 a.m. to 9 p.m. seven days a week!

Schultz at Starbucks is among the minority of CEOs out to break the taboo against discussing 24/7 workloads. "You may not get what you want, but at least we're going to have this dialogue." he says. "And there'll never be a mark against you because you asked for something." At Xerox, Ann Mulcahy wants top performers to come forward and say, "Here's the approach I'd like to use to deliver the performance that I think is required." "It's got to be initiated by your best employees," she adds, to create a buzz around the company that innovative job design is a way to keep great people.

Lessons from Old Europe

If you've made it this far, it's obvious what you and Tom Friedman must be thinking. With people in India and China seemingly working 35 hours a day, how can anyone talking of working 35 hours a week? Isn't this precisely the wrong moment to be kicking back? What is this, France?

Consider the facts. While every red-blooded American knows that the U.S. has the most productive economy in the world, in 2002 it was less productive per hour worked that countries that are supposed to be slackers: Belgium, France, Germany, Norway and the Netherlands. True, the U.S. had more output per person, but that's only because a bigger share of Americans worked, and many Americans work longer hours.

This is not to suggest that America should emulate Europe's economic policies – for one thing, job growth there is abysmally slow. But the rough parity of Europe's productivity with America's own, despite the absence of a macho work culture, should give Americans pause. The moral: Americans don't have to work like the Indians and Chinese any more than they have to work like 19^{th}- century factory hands, when hours were far longer than today. "There is probably not a productivity penalty to shortening hours in the U.S., and there may even be a benefit," says Martin Baily, who chaired President Clinton's Council of Economic Advisers.

Leslie Perlow of the Harvard Business School makes an equally tempting microeconomic case. An ethnographer, she studies teams of software engineers in different countries. These teams had been identified as equally productive doing similar kinds of work by their joint venture partner, a large U.S Tech company. But Perlow found the teams had different ways of organizing their work, with vastly different impacts on workers' lives.

In India the engineers, mostly specialists, reached out directly to other team specialists when they had problems. Their sense of mutual commitment led to very long hours, since everyone felt they had to be available to their colleagues. In China the engineers never spoke to one another, all requests for help went through the project leader. That made everyone highly dependant on him and locked them to his hours. In Hungary, when one engineer had a problem, he'd go to whoever happened to be free. As a result many people were able to help each other and it was less important for everyone to be at the office all the time. All three teams, says Perlow, were "convinced that there was no other way to do it" and that they were merely doing what the global marketplace required. Yet the Indian team's approach was a formula to burnout, and the Chinese team was at the whim of its boss, only the Hungarian team's approach allowed life.

If you still can't visualize how jobs might reorganized, remember that humanizing top-level work isn't something really hard, like finding a cure for cancer. The idea seems farfetched only to those who don't recall history. People 'knew' a century ago, for example, that a "weekend" or a "minimum wage" would spell the nation's ruin. In the not-too distant future the idea that CEOs once thought it effective to work 24/7 will seem equally preposterous.

Hollywood Ending

There's a scene in the classic 1956 film, *The Man in the Grey Flannel Suit,* when Frederic March's driven CEO is informed that his estranged daughter has eloped. The CEO's wife, far from seeking her husband's comfort at this distressing moment, instead announces that their chilly marriage is over. In a wave of bitterness and self-pity, the boss tells junior executive Gregory Peck the "big successful businesses aren't built by men like you – 9 to5 and home and family." They are built by workaholics like me, he explains. The personal toll is obvious. "My mistake," he adds sadly, addressing his glass of Scotch, "was in being one of those men".

We are still stuck between the extremes depicted in the movie. Either you are a maniacal workaholic who ruins the world – or you are a Gilbert, punching a clock with little power and authority. Too many businesspeople think that's just the way of the world. "You can't have it all," they say. But let's be very clear on what "all" is. People want to work at the level they are capable of and still have time for things outside work that nourish them. They don't expect to be as rich or accomplished as Bill Gates or Jeff Immelt while also being the perfect parent. They're saying that most of us lucky enough to have the talent and ambition to tackle top jobs while being blessed with people or things that give us sustenance should be able to combine both.

To say this is "wanting it all" is like saying people should have to choose between food and water. They need both. As Dean Baquet of the L.A. Times argues, "The top shouldn't be reserved only for people who can work 18 hours a day." Obviously these are lucky problems to have. But why should America's professionals be the only elites in human history who don't set things up to get what they want? If they did, America would be the better for it.

Fortune

I. Find in the text:

люди с взаимно-дополняющими качествами, подниматься по карьерной лестнице, перевесить затраты, послужной список, «голубые фишки», индивидуальные механизмы приспособления, предлагать альтернативные пути карьерного роста, люди с более высокими зарплатами.

II. Explain the following. What did the author mean by saying:

1. Everyone has individual coping mechanisms.
2. There is no one-size-fits-all solution.
3. Organisations will look less like a pyramid and more like a puzzle.
4. Start viewing efforts to humanize senior jobs as a competitive advantage and business necessity, not as one-time accommodations for the CEOs' pets.
5. Declaring your interest in a human-sized job is like announcing a disease.
6. The biggest challenge in humanizing work may be not how to get the work done but how to persuade corporate leaders to view the desire for a complete life as legitimate.
7. "There'll never be a mark against you because you asked for something."
8. Innovative job design is a way to keep great people.

III. Answer the questions:

2. What are the ideas to humanise top jobs?
3. What is the biggest challenge in humanising work?
4. What is said about productivity and output per person in America?

5. What example does the author give to compare the ways of working in India, China and Hungary? What does he want to emphasize by this? Which of them do you think is the most effective?
6. What does the author want to show by giving a scene from a Hollywood film?
7. What does the author say in the conclusion?

V. Comment on the statements:

1. Companies can offer alternative career paths in which executives choose the speed of their promotions.
2. Employers have to give senior people the freedom to define what they mean by success in their lives.
3. Those who "place a high premium on work-life balance" are called as second-tier workers.
4. People ‘knew’ a century ago, for example, that a “weekend” or a “minimum wage” would spell the nation’s ruin.
5. To say this is “wanting it all” is like saying people should have to choose between food and water.

VI. Speak on the points:

1. Some people have to keep their B-ness a secret and suffer in silence.
2. Restructuring senior management jobs can help people achieve work-life balance.
3. Offering alternative career paths can help companies find and retain talent.

Text 8
What Money Makes You Do

By Geoffrey Colvin

A lot, you say? Well, sure – everyone says that. But think again. If you're bringing Industrial Age attitudes about pay into the New Economy, you're in trouble.

Many people, including his wife, thought he was crazy. A few actually believed he was evil. All Rob Rodin knew for sure was that he was worried. He was about to do something extremely radical for the CEO of a large distribution company: He was going to wipe out *all* — truly all — individual incentives for his sales force. No commissions. No bonuses. No Alaskan cruises or Acapulco vacations or Hawaiian pig roasts or color TVs or plaques. Just a base salary plus the opportunity for profit sharing, which would be the same percent of salary for everyone, based on the whole company's performance.

In a few days Rodin will celebrate the sixth anniversary of that decision, and he hasn't looked back. He's CEO of Marshall Industries, a big distributor of electronic components based in El Monte, Calif. (1997 sales: $1.2 billion), and I asked him how his heretical move is working out-Pretty well, it seems: Productivity per person has almost tripled, he says, "and the system is more right today than it was six years ago."

He loves how the new system gets rid of distortions that used to mask real results- people shipping early to meet quotas, pushing costs from one quarter into the next to make budget, beating one another up over allocating the costs of computer systems, and a million others. Plus, he says, "look at the trust that develops when everyone's on profit sharing." Some doubters still tell him he's crazy; they insist salespeople just won't perform without incentives. But Rodin isn't changing the rules. "How do you design an incentive system robust enough to accommodate every change in every customer and every product and every market every day? You *can't* — you'd be designing it the rest of your life." The doubters will never stop, but Rodin realizes they are now just part of his life, "I have to explain this system to somebody every day" he says. "Except customers — they get it right away"

Rob Rodin is standing smack in the middle of one of the nastiest battle zones in modern management, because in a dramatic, in-your-face way he has raised a highly contentious question: Does money motivate? Exactly what does and doesn't it do? These are ancient questions, but they're suddenly urgent. The infotech revolution is steadily taking away the drudgery of work, the adding of numbers, the typing of data, the reconciliation of accounts, even the tightening of bolts. That ought to be great news: It means humans don't have to do donkey work and can instead spend time creating, Judging, imagining- -the things infotech can't do. But there's a problem- The New Economy demands that workers at every level be creative problem solvers, while many managers' attitudes about paying those employees are holdovers from the donkey-work era. "The workplace is demanding more innovation and creativity," says George Bailey, a consultant with Watson Wyatt. "That's a fundamental shift from five years ago, when the focus was on reengineering and efficiency. It's a lot easier to reward for efficiency."

We can go much further: Efficiency — of a certain type — is one of the very few things in this world you can motivate with pay In an age when companies are desperate to make employees innovative**,** it has to be said that pay is an incredibly weak tool with which to build a high-performance organization.

Some people, mainly members of the behaviorist school of psychology, hate this kind of talk. "Let the Evidence Speak: Financial Incentives Are Effective!!" is what two of them called a recent article in a compensation trade journal. Okay, let the evidence speak. It shows that financial incentives will get people to do more of what they're doing. Not better, just more. Especially if it isn't very complicated. Give food to the pigeon when he pecks the bar, and he'll peck more. If you want to speed up the assembly line and you're not too particular about quality, workers will speed it up for a financial incentive. That's what the evidence shows.

But this is exactly what employers today don't want. If they want to speed up the assembly line, they rewrite the software. From employees they want imaginative thinking about how to solve problems that didn't exist yesterday. Can you get this kind of thinking by offering to pay for it? What would you guess? You're right, of course. Trying to pay for it gets you nowhere. The evidence on this is so overwhelming that it's amazing anyone thinks otherwise, but plenty of people do.

Start with the endlessly documented fact that money isn't what people are mainly working for. I'm looking now at a **new** survey of "drivers of work force commitment" from Aon Consulting; pay ranks 11^{th}. Things like recognition and responsibility always rank ahead of pay in these surveys. And by the way, money's weak motivational power is waning; my favorite recent factoid is that the impact of monetary rewards has declined significantly with the advent of direct deposit.

In addition, trying to pay for particular types of performance, even when it works, is loaded with perils. Pay customer-service reps to answer the phone on the first ring, and they'll answer it — and then put it down- Research on pay-for-performance plans shows that many employees suspect the criteria or outcomes are rigged.

Then realize that money is especially weak in driving the most innovative employees. Mihaly Csikszentmihalyi, a University of Chicago psychology professor whose name I have never once pronounced in 12 years of daily radio broadcast, has long studied creative people. He writes: “They love what they do. But it is not the hope of achieving fame or making money that drives them; rather it is the opportunity to do the work that they enjoy doing.

Top this off with the finding that paying people to do things they enjoy doing actually seems to reduce their interest in doing them. The psychological mechanism is complicated, but the result has been replicated many times.

I think we can take it as settled that you can't pay more to get more innovation and creativity, because they aren't about money in the first place. So if you can't pay for them, how do you get them?

First (small) piece of advice: Stop crushing them. "It's much easier to incent people *not* to be innovative and creative, and many companies are excellent at it," says George Bailey of Watson Wyatt. Judith Bardwick, a psychiatrist and consultant whose latest book is *In Praise of Good business,* adds, "Giving people permission to make reasonably small innovations is easy if there is no punishment for failure. But punishment is endemic."

Second (large) piece of advice: Look inside and outside your organization for employees who are naturally innovative and creative. Sounds obvious, but the implications are upsetting: You're acknowledging that some workers just aren't that way and never will be, and many people, especially Americans, don't like that idea. Too bad. It's reality, and you know it. No one can say where innovativeness comes from, but we all know some people have way more of it than others. So find those who have it.

Third (most radical) piece of advice: Give employees a stable, secure environment.

Huh? What about the burning platform, creating a crisis, gelling workers alarmed and mobilized for major change? Well, that tactic has its uses. But it's the wrong way to encourage free-thinking imagineers. For insight into why, look to the fascinating new field of evolutionary psychology. Its commonsense premise: Humans evolved instincts and tendencies that helped us survive as hunter-gatherers 200,000 years ago, and, evolution being slow, those are the instincts and tendencies we carry around today. If we feel threatened our instinct is not to be imaginative but to fight fiercely. “We thrive best as creative people under a stable plan we can comprehend”, says Nigel Nicholson, professor of organizational behavior at the London Business

School and a student of evolutionary psychology. "Space, safety, and support" are the optimal conditions for thinking creatively.

I told Nicholson his description reminded me strongly of the companies FORTUNE identified a few months ago as the 100 best to work for in America. These companies find dozens of ways to make employees' lives easier, richer, more secure; 18 of them have something you thought was extinct, a no-layoff policy. And they're winners: The publicly traded ones vastly outperformed the market last year, and they've done it again so far in i998.

Nicholson laughs at the notion that these companies are some kind of new-wave organizations. Just the opposite: “They have unconsciously found something close to the model for which we were designed."

What's the best way to pay people in the New Economy? Alfie Kohn, a writer who is America's most biting critic of money as motivator, offers a three-point plan: Pay well, pay fairly, and then do everything you can to get money off people's minds. "Sounds right to me," says Nicholson. Sounded right to Rob Rodin. Sounds right to me too.

I. Find in the text:

Сделать что-то исключительно радикальное; искажения, базовая зарплата плюс возможность получить часть общей прибыли; избавиться от чего-либо; маскировать реальные результаты; делать квоты; сомневающиеся; освободиться от тяжелой, нудной работы; делать тяжелую работу; быть невероятно слабым инструментом; создать высокопроизводительную организацию; это вас никуда не приведет; мыслить иначе; влияние финансового вознаграждения; быть полным опасностей; побуждать наиболее инновационно-мыслящих работников; достичь славы; множить результат; подавлять людей; огорчать; поощрять свободно-мыслящих творческих людей; чувствовать угрозу; процветать; преуспевать; наиболее острый критик денег как мотивирующего фактора.

II. Explain the following:

To wipe out all individual incentives, to push costs from one quarter to the next to make budget, pay-for-performance plan, to get workers alarmed and mobilized for major change, to outperform the market, to get money off people’s minds.

III. Answer the following questions

1. What radical changes was Rob Rodin about to do? Why was it radical? What does it mean?
2. What was the result of the innovative idea?
3. What distortions took place before the new profit-sharing plan was introduced? Explain.
4. What do people think of this idea at present?
5. What is the focus on in the New Economy? What does workplace demand today?

6. What are the arguments around money rewards? What does evidence show with respect to financial incentives?
7. What results may an employer get if he pays for increase in pace of work?
8. What do employers want to get from employees? Can it be achieved through extra pay?
9. What do surveys show about the things workers value most?
10. What motivates the most innovative employees?
11. What does the first piece of advice “stop crushing them” mean?
12. Are all employees equally creative? What can an employer do to get more creativity?
13. How can you encourage free-thinking employees?
14. What do you think, how are creativity and competition related?
15. What policies do the best companies follow?
16. What conclusion does the author make at the end of the article? Why is it necessary to give employees a stable, secure environment?

IV. Comment on the statements:

1. The system is more right today than it was six years ago.
2. The new system has got rid of distortions that used to mask real results.
3. The infotech revolution is steadily taking away the drudgery of work.
4. Efficiency of certain type is one of the very few things in this world you can motivate with pay.
5. It’s a lot easier to reward for efficiency.
6. Financial incentives are effective.
7. Trying to pay for speeding up the assembly line gets you nowhere.
8. Money is especially weak in driving the most innovative employees.
9. You can’t pay more to get more innovation and creativity.
10. It’s much easier to incent people not to be innovative and creative.
11. Give employees a stable secure environment.
12. Pay well, pay fairly, and then do everything you can to get money off people’s minds.

V. Translate:

1. Наиболее радикальным решением было устранить все индивидуальные стимулы, и вместо этого ввести единую базовую оплату и возможность равной прибыли на основе результатов деятельности всей компании.
2. Это помогло избавиться от многих искажений, которые позволяли маскировать реальные результаты, переносить затраты с одного квартала на другой, чтобы сохранить бюджет, и т.д.
3. Сомневающиеся продолжали настаивать, что продавцы не смогут работать без стимулов, хотя опыт внедрения системы равной прибыли показал, что при этой системе доверие между людьми возросло.

4. Новая экономика требует, чтобы рабочие на каждом уровне могли творчески решать возникающие проблемы, предлагали новые инновационные решения.
5. Информационно-техническая революция позволяет уйти от рутинной работы, и вместо этого уделять время творческому мышлению, которое не под силу машинам.
6. Эффективность, которая нужна сегодня, едва ли может быть мотивирована оплатой: деньги очень слабый инструмент для мотивирования творчески мыслящих работников.
7. Если работодатель хочет ускорить темп выполнения заданий, он может этого добиться, повышая зарплату, однако качество при этом будет ниже; это, очевидно, совсем не то, что сегодня востребовано.
8. Инновационность и творчество не связаны непосредственно с финансовым вознаграждением: в первую очередь творческие люди делают то, что им нравится, и попытка заплатить за это может даже снизить интерес к работе.
9. Трудно сказать, откуда берется инновационность и творчество, но одни люди обладают этим больше, чем другие, и условием оптимального развития творчества является благоприятная, безопасная среда, в которой творческие люди могут свободно реализовать свои замыслы, не боясь наказания за провал.

IV. **Speak on the points:**

1. Rob Rodin's radical changes in the company and their consequences.
2. Pros and cons money rewards
3. How to motivate the most innovative employees.
4. Creativity: a born or developed quality.

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