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NATIONAL RESEARCH UNIVERSITY

HSE GRADUATE SCHOOL OF BUSINESS

ENGLISH FOR A GLOBAL MANAGER

Student's Book

with Answers

First Edition

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English for a Global Manager is a textbook designed for Bachelor or Master students taking Business English courses within a Management or Economics curriculum. The book is based on authentic material from the Financial Times and The New York Times and encourages students to engage in a variety of topics, from career to social media, to sustainability, to impact investment, globalization, and many others. Besides reading and watching authentic content that has not been adapted for non-native speakers, the students get engaged in research, pair and group work to investigate the world of business and practice communication skills that are vital for entrepreneurs and managers.

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Unit 1

ENTREPRENEURS MAKE THE WORLD GO ROUND

Warm-up

1. Who is the man on the picture in the book? What is he famous for?
2. Whose names spring to mind when you think of famous entrepreneurs?
3. What does the ratio 80/20 on the cup refer to? How is it connected to entrepreneurship?
4. Try to think of any other key principles that can pave your way to success.

Listening

Pre-Listening 1: Matching the numbers to the facts. You are going to listen to an interview with Jeff Bezos, one of the most famous American entrepreneurs and investors. Best known as the founder and the CEO of Amazon, he is considered to be the richest person in the world according to both Forbes and Bloomberg's Billionaires Index. Below are seven important Amazon statistics for 2021. With a partner, connect the numbers to the appropriate items. Use the QR code to check the information.



23%	Amazon annual revenue
150 million	number of sellers on Amazon
4,000	share of buyers considering price as an important factor when shopping on the platform
\$125.6 bln	share of the US shoppers that purchased electronics via Amazon
1.9 million	share of buyers who visit Amazon for inspiration when they don't have a specific product in mind for purchase
44%	number of Amazon Prime members
82%	number of items sold on Amazon per minute

Pre-Listening 2: Online marketplaces. In pairs, discuss the following questions.

1. What do you usually buy online?
2. When was the last time you bought something from an online marketplace?
3. Why did you choose to use this particular marketplace?
4. Are you happy with the service? How could it be improved?



Pre-Listening 3: Vocabulary. Match the phrases in bold to the definitions provided below. You are going to hear these expressions in Jeff Bezos' interview.

1. Although my wife is a writer, she **did our accounting** for one year when I started the company.
2. There are many people who claim that Amazon is a monopoly, and there is a need to **break up** the company.
3. The books are protected by copyright but many classical books are **in the public domain**.
4. When we faced the crisis, we called an **all-hands meeting** to discuss the situation.
5. Although Amazon is criticized for low wages, Bezos claims they **pay at the high end of the range**.
6. Many people worry about **data protection** in online marketplaces, although the companies do everything they can to ensure **data security**.
7. Some people worry that big companies like Google and Amazon are a threat to our **privacy**, as they gather a lot of personal data.



-
- a) available to public and not subject to copyright
 - b) a gathering that includes all members of a team
 - c) to do the bookkeeping, to keep the financial records and do the financial reports of a company
 - d) safeguarding the digital information to prevent it from being stolen or used by a third party (2 expressions)
 - e) to divide into smaller parts
 - f) the ability to keep personal information away from other companies or people
 - g) to offer very competitive salaries, above market average

Pre-Listening 4: Vocabulary research and discussion. In pairs or small groups, look at the quotes from the interview and answer the questions.

1. "So, is it a **union** fight, because **the union** wants to make sure you **are unionized**, or what is the real substance of the conflict?" What or who is 'the union'? What role do the trade unions play? Why do you think they are fighting with Amazon? What do you think it means to have a company 'unionized'?
2. "Maybe in **a mature industry** where growth rates are slow and change is very slow, but ... there aren't that many **mature industries**." The word 'industry' can be countable and uncountable—consult a dictionary to see the difference in meaning. Jeff Bezos clearly uses the countable version but what do you think he means by 'mature industries'? What industry would you consider 'mature'?

Pre-Listening 5: Group brainstorm. What do you know about Jeff Bezos as a person? Get into groups and share what you know about Jeff Bezos, covering these areas:

- Birth family and early life
- Personality
- Business career & wealth
- Companies he launched, invested in or owns



Pre-Listening 6: Discussion. What is entrepreneurship? What factors influence individuals to become entrepreneurs? Using the table on the next page as a prompt, decide with your partner which three are the most influential factors in each column. Share your opinion with other students.

The features of successful entrepreneurs	Rewards of entrepreneurship	The potential drawbacks of entrepreneurship	How to reduce the drawbacks of entrepreneurship
<ul style="list-style-type: none"> • hardworking • enthusiastic • optimistic • accepting responsibility • able to make and implement decisions quickly • creative thinker, able to identify a positive trend within a negative situation 	<ul style="list-style-type: none"> • control over one's own destiny • opportunity to reach one's full potential • financial benefits • opportunity to contribute to society and be recognized for one's efforts • freedom from supervision • freedom from routine, boring and unchallenging jobs 	<ul style="list-style-type: none"> • uncertainty of income • risk of losing your entire invested capital • long hours and hard work • risk of failure • lower quality of life until the business gets established 	<ul style="list-style-type: none"> • planning—develop a thorough business and life plan • research • training • start small • start early



Listening: Use the QR code to watch/listen to an interview, *Jeff Bezos reveals what it's like to build an empire and become the richest man in the world—and why he's willing to spend \$1 billion a year to fund the most important mission of his life.*



Listening 1: Divide and share. Divide into groups of four. Use the QR-code to open the page with the interview and listen each to the assigned part. Take notes. **Student A** should listen to 00:00–09:44, **Student B** to 09:44–18:00, **Student C** to 18:00–29:15, and **Student D** to 32:38–44:15. Retell your part of the interview to your group using your notes and covering the following:

Student A:	Student B:
<ul style="list-style-type: none"> • JB's former job • First experience with computers • The most important people in JB's life • Delegation and resourcefulness • "It's harder to be kind than clever" 	<ul style="list-style-type: none"> • MacKenzie and her reaction to JB's decision to quit his job • JB's decision to sell books • The first major crisis Amazon experienced and the lesson learned from it
Student C:	Student D:
<ul style="list-style-type: none"> • Working conditions and employees' wages at Amazon • The scandal behind the novel, <i>1984</i> • The most prominent critic of Amazon, breaking up Amazon • Data protection and privacy 	<ul style="list-style-type: none"> • The Washington Post purchase • Blue Origin and JB's rationale for investing in his space project, the importance of reusability • JB's philanthropy

Listening 2: Interviewing a business person. Which questions do you wish had been included in the interview? Write 8–10 questions for an interview with a businessperson. Conduct the interview and write an essay (250–350 words) to report your findings.

Reading I: Warren Buffett



Pre-reading 1: What do we know about Warren Buffett? Warren Buffett is a legend in the realm of investment as well as philanthropy. He is one of the wealthiest people in the world—yet how much do you know about him? Complete the quiz below. Sometimes there is more than one right answer. Use the QR code to find 25 facts about Warren Buffett and check your answers.



1. Name of the multinational company Warren Buffett runs:
 - a) Bank of America
 - b) Johnson & Johnson
 - c) Berkshire Hathaway
2. Warren Buffett is also known as:
 - a) the Sage of Omaha
 - b) the Oracle of Omaha
 - c) the Wizard of Omaha
3. He bought his first stocks when he was...
 - a) 11 years old
 - b) 14 years old
 - c) 15 years old
4. As of April 2021, Warren Buffett has a net worth of over
 - a) US \$70 bln
 - b) US \$100 bln
 - c) US \$170 bln
5. Nearly 94% of his wealth was earned after he turned...
 - a) 50
 - b) 55
 - c) 60
6. Buffett's favourite drink is...
 - a) orange juice
 - b) vanilla milkshake
 - c) Coca-Cola
7. He spends 80 % of his day...
 - a) reading
 - b) negotiating
 - c) e-mailing
8. He plays ...
 - a) the piano
 - b) the cello
 - c) the ukulele
9. Buffett's favourite TV show is...
 - a) The Big Bang Theory
 - b) Breaking Bad
 - c) Orange Is The New Black



Reading 1: Scanning for information. Work in pairs and find the following information in the text. Take notes. Share your findings with your partner. Does it help you to know Buffet as a person better?

Student A: Information about Warren Buffett's personality

Student B: Information about Warren Buffett's managerial/ investment skills



Reading 2: Finding answers, looking for meaning. In small groups, discuss the following questions.

1. What inspires Warren Buffett on a day-to-day basis? What drives him?
2. Why does he talk of 'the careful management of expectations' as the key element in his company's long-term success? What did the author of the article mean by saying, "after promising little, he [Warren Buffett] has often delivered much"?
3. In the interview, Buffett says, "I don't want people to throw tomatoes at me when I think I deserve a bouquet, and I don't want a bouquet when tomatoes are called for". What does this quote reveal about him?
4. What misunderstanding lays behind the claim that Warren Buffett 'has lost his touch'? How do the authors refute this belief?
5. What does the phrase 'picking up cigar butts' (paragraph 19) mean within the given context?
6. What process is described by the statement: "The porridge is starting to overrun the house"?

Reading I: Warren Buffett: 'I'm having more fun than any 88-year-old in the world'

The legendary investor on luck, expectations and finding value in an overheated market

By Robert Armstrong, Eric Platt and Oliver Ralph in Omaha, April 25, 2019

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- 1 In the stock market, small margins separate success from failure. Ten per cent is a big difference in performance; 100 per cent, an oceanic one.
- 2 And then there is Warren Buffett. Over the past 54 years, shares in his company, Berkshire Hathaway, have outpaced the S&P 500—a broad index of American stocks—by almost 2.5 million percentage points. The degree to which Buffett has outwitted successive generations of Wall Street rivals almost defies comprehension.
- 3 It is striking, then, that over the past decade Buffett has fallen behind. A dollar invested in Berkshire 10 years ago is worth about \$2.40; the same dollar in an S&P 500 tracker fund is worth \$3.20. More striking still is what Buffett says about this. Ahead of Berkshire's annual meeting, Buffett sat down in his office for a rare newspaper interview with the FT, lasting nearly three hours.
- 4 At the outset, he was asked which would be the better investment to put in a child's account—a share in Berkshire, or a share in the S&P? He did not hesitate: "I think the financial result would be very close to the same."
- 5 The statement was made without qualification. But it is hard not to wonder if Buffett, even at 88, is underplaying his ambitions. If he is an investing genius, Buffett is a public relations genius, too—cultivating an aw-shucks, Midwest-wholesome image of a man who has triumphed in the long game by practising a simpler, purer version of capitalism.
- 6 The third-richest man in the world, with an estimated worth of \$86bn, says he stays at the helm of Berkshire because he wants to keep doing what he has loved since buying his first shares, in an Oklahoma oil company, at age 11. "I can't buy time, I can't buy love but I can do anything else with money, pretty much. And why do I get up every day and jump out of bed and I'm excited at 88? It's because I love what I do and love the people I do it with. I've got 25 people out here. We go to baseball games together. They try and make my life good, I try and make their life good."
- 7 The Buffett persona is reflected in Berkshire's office, which occupies a single floor in an unexceptional office tower in Omaha that bears another company's name. Its drop ceilings, narrow hallways and tired carpets would suit the administration of a community college better than a \$700bn financial empire. The staff of 25 dress casually. Every desk is covered with family photos, greeting cards and tchotchkes. A sign hangs over the door from the anteroom: "Invest like a champion today!"
- 8 Buffett himself comes to collect his interviewers from the lobby, in a baggy pinstripe suit, sensible shoes and a red tie. "I buy expensive suits—they just look cheap on me," is one of his famous quips, and he is not wrong. A little stooped, he takes careful, shuffling steps, but his face is pink and flush with health. His eyes flash and twinkle behind his glasses as he talks, buoyantly and at speed.
- 9 Buffett's plain-dealer persona is an integral part of the Berkshire enterprise. The company plays in politically and financially volatile sectors such as energy and finance, and being capitalism's favourite grandpa has kept investors, politicians and regulators firmly on side.
- 10 A key element of this is careful management of expectations. After a bruising 1999, in which Berkshire's shares were trounced by the market during the tech boom, he did not predict that the pendulum would soon swing back to sensible investments. Instead, he said that he expected the growth in Berkshire's value to "modestly" exceed that of the S&P over the next decade. "We can't guarantee that, of course," he wrote in a letter to investors. "But we are willing to back our conviction with our own money."
- 11 Not promising too much is a constant theme. "The one thing that would ruin my life is people expecting more than I deliver," he says. "Now, I can do that by being short on delivery or I can do that by being long on expectations with them, but either one would make my life miserable."
- 12 And after promising little, he has often delivered much. In the 10 years following 1999, Berkshire's shares rose by almost 80 per cent while the S&P fell. Behind Buffett's personal warmth and old-timey aphorisms ("I don't want people to throw tomatoes at me when I think I deserve a bouquet, and I don't want a bouquet when tomatoes are called for," he assures the FT), there are sheets of cold competitive steel.
- 13 Things are different now, though. Never has Buffett had anywhere near as long a stretch of underperformance. And never has the competition for the kinds of assets he prefers—big companies that are easy to understand but hard to dislodge from their competitive positions—been fiercer.
- 14 Asked if his expectation of "modest" outperformance against

the market has changed in the intervening 20 years, he adjusts his forecast by a single word: “very modest”. “I think this: if you want to join something that may have a tiny expectation of better [performance] than the S&P, I think we may be about the safest.” Surely, greater safety, over the cycle, will translate to higher returns? He doesn’t bite: “If we got lucky,” he says.

- 15 All of which raises a question. What is the point of Berkshire Hathaway, if it does not make its shareholders richer than they otherwise could be?
- 16 Having said that a young investor—in particular, the son of an FT journalist—would do as well in the S&P as in Berkshire, Buffett provides a clue: “I think your son will learn more by being a shareholder of Berkshire.”
- 17 But what does the sage of Omaha want to teach us?
- 18 “Has Warren Buffett lost his touch?” is a theme that plays at regular intervals in the media, a perennial that blooms whenever one of the investments in Berkshire’s portfolio goes wrong, as Kraft Heinz did recently, or IBM did a few years ago. It reflects a misunderstanding.
- 19 There was a time, in the 1950s and 1960s, when Berkshire was a machine for accumulating misunderstood and undervalued shares and companies. In a phrase that has entered lore, Buffett was buying dollars for 50 cents, or “picking up cigar butts”—such as Berkshire Hathaway itself, which

was a struggling Massachusetts textile maker when Buffett bought into it.

- 20 Today, Buffett and Berkshire are superficially unchanged. Buffett lives in the same house he bought in the 1950s, when he ran a tiny investment partnership. He still works at the desk his father, a stockbroker turned Republican congressman, used 75 years ago (his father wasn’t really that interested in finance, Buffett says; he got into the business because, coming from a family of grocers, he needed to make a living). And Berkshire remains in Omaha, a smallish city on the edge of the corn and cattle state of Nebraska, which is the size of Great Britain but has a -thirtieth of the population.
- 21 Yet Berkshire invests using a very different formula today. One: buy whole companies when they can be had for fair prices, sometimes financed with a form of very low-cost debt—the incoming premiums from Berkshire’s vast insurance empire. Two: husband the cash those companies throw off, taking it out of portfolio companies that are not growing and investing it in those that are—all under the Berkshire holding company umbrella, so the transfers are not taxable. Three: invest some of the excess capital in publicly traded, blue-chip stocks. Four: hold the rest in treasuries and cash, a war chest for when the next deal presents itself.
- 22 The brilliance of the modern Berkshire, then, is that there is not

really any “touch” to lose. The stock-picking involved hardly merits that description. Buffett’s latest big stock idea? Buying Apple, the most widely held equity there is. “What we see in the way of marketable securities, everybody in the world knows about them,” he says.

- 23 The tricky part of buying out private companies, similarly, is not picking good ones—it is waiting until a good one comes up for sale.
- 24 Buffett thinks that he has built a business in Berkshire that shares the key characteristic of the companies he likes to buy: it does not require a genius to run it. “I’ve got an interesting business. It’s simple enough,” he says. “I always tell people: if they’ve got more than 130 points of IQ, sell the rest because you’re not going to need it in this business. It may hurt you.”
- 25 Buffett is confronting not the waning of his genius but the consequences of success. It is the fairy tale of the magic porridge pot. A hungry girl receives a porridge pot from a kindly old witch; at the utterance of a magic phrase it produces all she needs to eat—but she forgets the words that will make it stop, and soon her house, her street and her town are flooded with porridge.
- 26 Every working day, \$100m rolls into Berkshire—cash from its subsidiaries, dividends from its shares, interest from its treasuries. Something must be done with it all. The porridge is starting to overrun the house. (continues on p. 165)




Use the QR code on the left for infographic about Berkshire Hathaway, the Warren Buffet’s empire

Reading 3: Understanding and describing graphs. In pairs, research and explain the meaning of the term ‘Cash and cash equivalents’ (CCE). Using the QR code provided after reading, research Berkshire Hathaway cash and ROI data. Why would analysts describe the development of BH as *‘the rise and rise’*?

Speaking: Paraphrasing and supporting opinion. In paragraph 21, look at the formula Berkshire uses to invest. Describe the formula in your own words. Find the examples that can prove it works.



 **Vocabulary 1: Understanding terms or jargon.** Where do you look up specific terms or jargon? Sometimes major dictionaries, such as Macmillan, Webster’s or Oxford Dictionary may not have the phrase you are looking for. Please see the list of sources on p. 145. In pairs, using these sources, as well as any source of your choice, find definitions for these terms from the interview with Warren Buffett:

Student A: publicly traded stock / net worth (of a company/individual) / marketable securities / treasuries, treasury securities / to be overcapitalized / a yield; to pay a [X] per cent yield / hedge fund
Student B: private equity / shareholder equity / blue-chip stocks / preferred shares, preference shares / a write-down; to take a write down on company / dividends from shares / financial institution

Vocabulary 2a: Recognising phrases. Connect words in green boxes with words in blue boxed to make phrases used in the text:

artisanal

sectors

transfer

lucrative

chest

taxable

portfolio

volatile

war

capital

excess

brands

companies

deal



Vocabulary 2b: Matching. Match the phrases above (Vocabulary 2a) to the following definitions:

1. industries that are likely to change quickly and unpredictably, especially for worse _____
2. lines of products that claim to be made in a more traditional or less mechanized way using ingredients of very good quality _____
3. cash or liquid resources reserved by a company to defend itself against a takeover or other rival attacks in case of crisis _____
4. corporations that one invests in, in form of stock, bonds, or other financial assets _____
5. a very profitable arrangement or contract _____
6. pass on the finances from one entity to the other in the form that requires to pay taxes _____

Vocabulary 3. Who’s who and what’s what: Scan the article text for **nouns** that match these definitions:

1. Competitor or opponent (Paragraph 2) _____
2. The agencies or institutions supervising financial markets to prevent cheating and abuse and make sure that all market players follow the rules and have access to all facts and figures necessary to make informed decisions (Paragraph 9, see also the second part of the interview) _____