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A

Recruitment

The process of finding people for particular jobs is **recruitment** or, especially in American English, **hiring**. Someone who has been **recruited** is a **recruit**, or in AmE, a **hire**. The company **employs** or **hires** them and they **join** the company.

A company may recruit employees directly or use outside **recruiters**, **recruitment agencies** or **employment agencies**. Outside specialists called **headhunters** may be used to find people for very important jobs and to persuade them to leave the organizations they already work for. Key people recruited like this are **headhunted** in a process of **headhunting**.

B

Applying for a job

Fred is an accountant, but he was fed up with his old job. He looked in the **situations vacant** pages of his local newspaper, where a local supermarket was advertising for a new accountant's position. He **applied for** the job by completing an **application form** and sending it in.

Harry is a building engineer. He'd been working for the same company for ten years, but he wanted a change. He looked at jobs with different engineering companies on a **jobs website**. He **made an application**, sending in his **CV** (**curriculum vitae** – a document describing your education, qualifications and previous jobs, that you send to a prospective employer) and a **covering letter** explaining why he wanted the job and why he was the right person for it.



An application form

Note

Situation, post and **position** are formal words often used in job advertisements and applications.
BrE: **CV**; AmE: **résumé** or **resume**
BrE: **covering letter**; AmE: **cover letter**

C

Selection procedures

Dagmar Schmidt is the head of recruitment at a German telecommunications company. She talks about the **selection process**, the methods that the company uses to recruit people.

'We advertise in national newspapers and on the internet. We look at the **backgrounds** of **applicants** – their **experience** of different jobs and their educational **qualifications**.

Note

Internet is sometimes written with a capital letter when it is a noun.
internet (noun): mostly BrE
Internet (noun): mostly AmE



A job interview

'We invite the most interesting **candidates** to a **group discussion**. Then we have individual **interviews** with each candidate. The head of the department is also present. We also give the candidates written **psychometric tests** to assess their intelligence and personality.

'After this, we **shortlist** three or four candidates. We check their **references** by writing to their **referees** – previous employers, teachers, and so on that candidates have named in their applications. If the references are OK, we ask the candidates to come back for more interviews. Finally we **offer** the job to someone, and if they **turn it down** we have to think again. (Some applicants may get other **job offers** at the same time as ours.) If they **accept** it, we hire them. We **appoint** someone only if we find the right person.'

Exercises

7.1 Complete the tables with words from A, B and C opposite. The first one has been done as an example.

Noun	Verb
retirement	<i>retire</i>
demotion	
lay-off	
dismissal	
termination	

Noun	Adjective
seniority	
	freelance
redundancy	
	insecure
	flexible

7.2 Match the sentence beginnings (1–5) with the correct endings (a–e). The sentences all contain words from A and B opposite.

- | | | |
|---|--------------------------|---|
| 1 Career paths aren't what they used to be. Companies won't | <input type="checkbox"/> | a and that they will be replaced by temporary workers, or made redundant by technology. |
| 2 He worked his way up from | <input type="checkbox"/> | b take care of us for life any more. We have to take care of ourselves. |
| 3 The new management have restructured and delayered the company, | <input type="checkbox"/> | c but now we outsource it. |
| 4 We used to do printing in-house, | <input type="checkbox"/> | d factory worker to factory manager. |
| 5 Employees are afraid their organizations will be downsized | <input type="checkbox"/> | e reducing the number of management levels in the company hierarchy from five to three. |

7.3 Carla used to work for an Italian magazine publishing company. She talks about how she lost her job. Choose the correct form of the word in each case.

Edizione Fenice is a big magazine publishing company. I was director of a monthly magazine called *Casa e Giardino*.

Then Fenice was bought by an international publishing group. We had to have regular performance (1) (review / reviews / reviewer) with one of the new managers. After a few months they started laying staff (2) (off / on / out). Our own journalists were put on temporary (3) (contracts / contractual / contracting) or replaced by (4) (freelancer / freelancers / freelanced).

Then they started (5) (laid / lying / laying) off more senior people like me. The new owners said they wanted to make the company

(6) (flat / flatter / flatten) and (7) (lean / leant / leaner). So I was made (8) (redundant / redundancies / redundancy). They offered to help me to find another job with (9) (outplacement / outplaced / outplacing) services, but I refused.



Over to you

If you work, answer these questions.

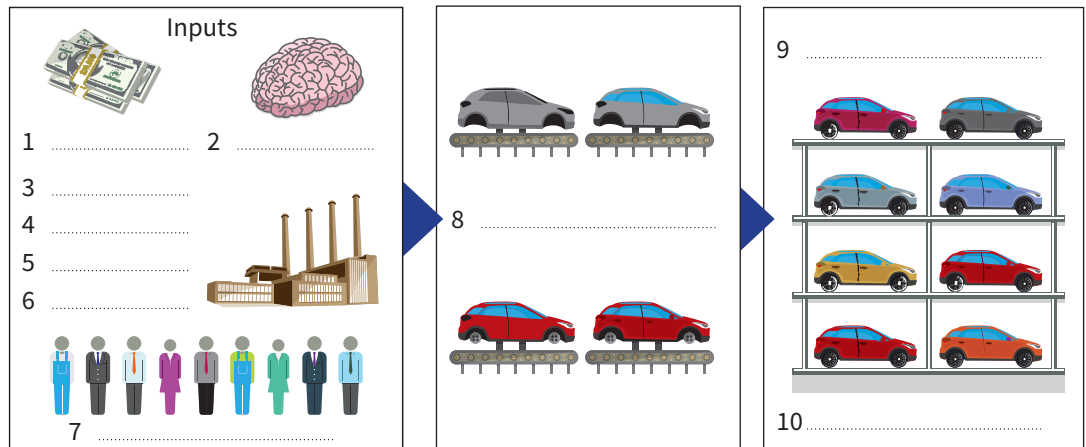
- Do you think you will work for the same company until you retire? Why? / Why not?
- What kind of structure does your company have?
- What kind of work does your company outsource?

If you study, answer these questions.

- Do you think you will look for a job in a company where you can work your way up the career ladder until you retire, or do you think you will work for a lot of different companies?
- Do you know any companies which have restructured or downsized?

Exercises

17.1 Use words from A opposite to label the diagram.



17.2 Match the sentence beginnings (1–6) with the correct endings (a–f) containing expressions from B opposite.

- | | | |
|--|--------------------------|--|
| 1 The computer manufacturer is cutting back on in- | <input type="checkbox"/> | a maintenance is worrying train operating companies. |
| 2 The poor standard of some subcontractors' | <input type="checkbox"/> | b spent \$157 million on the Cymalta advertising campaign. |
| 3 Retail giants Sharks Ltd have decided to | <input type="checkbox"/> | c house production work in a bid to reduce costs and increase efficiency. |
| 4 Late deliveries from outside | <input type="checkbox"/> | d outsource canteen and cleaning services, to focus better on its buying and selling activities. |
| 5 Gruma has manufacturing | <input type="checkbox"/> | e suppliers are causing delays in production, the Azco group claims. |
| 6 Lilly and its partners | <input type="checkbox"/> | f operations on five continents, and its products are sold in more than 50 countries. |

17.3 Replace the words in *italics* with the correct forms of words from C opposite.

- 1 Let's get the materials *only when we need them* to keep costs down.
- 2 It's difficult to find the right *special buildings* to put our finished goods in.
- 3 You have to decide well in advance how to *pay for* all this.
- 4 It's very important that we *keep* these components at the right temperature.
- 5 The company found that using couriers on bicycles was a very *quick and effective* way to deliver documents in big cities.
- 6 They want to introduce a system of *making things efficiently without waste*.

Over to you

What are the advantages and disadvantages of the following?

- outsourcing
- asking for components 'just-in-time'

A

Advertising

Each photo shows a different advertising **medium**.



Classified advertisements

Open-air hoardings (BrE) / Billboards (AmE)



Special displays



TV commercial

Neon signs



A series of advertisements for a particular company, product, etc. is an **advertising campaign**. A television advertisement is also called a **commercial**.

A person or business that **advertises** is an **advertiser**. An organization that designs and manages advertising is an **advertising agency**.

Another form of advertising is **sponsorship**, where companies **sponsor** events like concerts and sports events, by paying some of their costs or paying for their products to be displayed.

Note

BrE: **ad, advert, advertisement**
AmE: **ad, advertisement**

B

The sales force

A company's **salespeople** – its **salesmen** and **saleswomen** – visit or phone customers and persuade them to buy its products. Each member of this **sales force** has his or her own **sales area** or **sales territory** – they may be responsible for a particular region. The head of the sales force is the **sales manager**.

C

Promotional activities

Promotion (uncountable) can refer to all the activities designed to support the sale of a product, including advertising. A **promotion** (countable) can describe:

- a **special offer** such as a **discount** or reduced price (see Unit 23)
- a **free sample** – a small amount of the product to try or taste
- a **free gift** given away with the product
- a **competition** with **prizes**

Supermarkets, chain stores and airlines also offer **loyalty cards** – the more you spend, the more points you get, and you can exchange these points for free goods or flights.

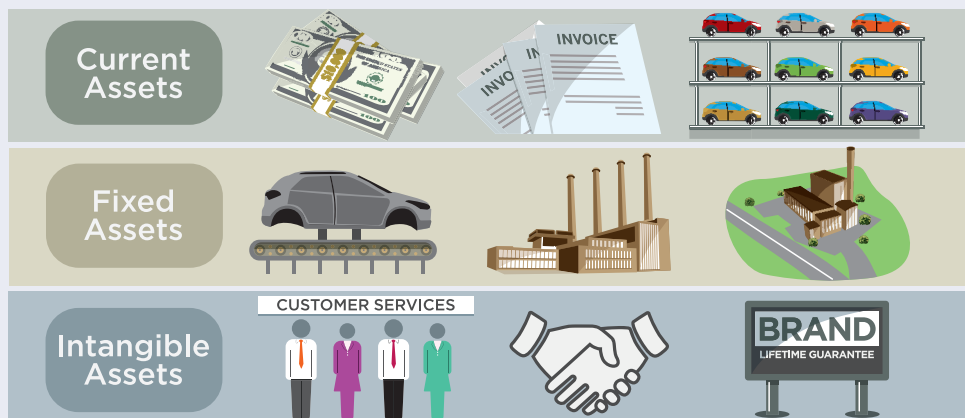
A **cross-promotion** is where you buy one product, and you are recommended to buy another product, for example a washing machine with a recommendation for a particular brand of washing powder.

Advertisements where famous people recommend the product are **product endorsements**.

Product placement is when a company pays for its products to be used or seen in films and TV programmes (see Unit 22).

A

Assets



Something that has value or the power to earn money for a business is an **asset**. These include:

- **current assets** – money in the bank, investments (see Unit 36) that can easily be turned into money, money that customers owe, stocks of goods that are going to be sold
- **fixed assets** – equipment, machinery, buildings, land
- **intangible assets: goodwill** – the value that a company has through its reputation with existing customers – and **brands** (see Unit 22), because an established brand allows its owner to earn money from it, rather than having to build up a brand from nothing

If a company is sold as a **going concern**, it is sold as a functioning operation.

B

Depreciation

Joanna Cassidy is an accountant in a publishing company:

‘Assets, such as machinery and equipment, lose their value over time because they wear out, or are no longer up to date. Amounts relating to this are **depreciation** or **amortization** (AmE mainly). For example, when we buy new computers, we **depreciate** them or **amortize** (AmE mainly) them **over** a very short period, usually three years. A **charge** for this is shown in the financial records: the value of the equipment is reduced or **written down** each year over that period. It is then **written off** completely – shown as having no value at all – at the end (see Unit 29). This is a **write-off**.

‘The value of an asset at a particular time as shown in a company’s accounts is its **book value**. This may or may not be the amount that it could be sold for. For example, land may be worth more than shown, because it has increased in value. But our computers could probably only be sold for less than book value.’

C

Liabilities

A company’s **liabilities** are its debts to suppliers, lenders, the tax authorities, etc. Debts that have to be paid within a year are **current liabilities**; those payable in more than a year are **long-term liabilities** – for example long-term bank loans.

D

Balance sheet

A company’s **balance sheet** gives a picture of its assets and liabilities at a particular time. This is usually at the end of the 12-month period of its **financial year** (see Unit 31).

Exercises

- 32.1** Look at A and B opposite. Then read the article and match the figures with the things to which they refer.

NEWS ONLINE

Home News World Business Food Technology Science

BANK OF AMERICA TO RAISE \$10 BILLION IN CAPITAL

Bank of America, the largest US bank, said on Monday it would raise \$10 billion in capital and halve its dividend in an effort to survive the banking crisis. The moves came as the bank reported earnings of \$1.2 billion in the most recent period – a third of the level of a year ago. Ken Lewis, Bank of America chief executive, said it was “important to raise capital to very high levels in this uncertain environment”.

“These are the most difficult times for financial institutions that I have experienced in my 39 years in banking,” Mr Lewis said. But BofA’s announcement on Monday, which sent its share price falling, demonstrated the effect of the crisis on banking’s surviving firms.

Bank of America said it would cut its dividend by half to 32 cents, giving it an extra \$1.4 billion in capital each quarter. The latest capital raising, which follows a big capital raising by the bank earlier this year, would involve issuing stock. “Both economic and financial market conditions have changed significantly in the past two months,” Mr Lewis said. “The outlook is for still weaker economic performance which we expect will reduce earnings.” Of the dividend cut, Mr Lewis said: “We cannot pay out what we have not earned.”

- | | | |
|-----------------|--------------------------|--|
| 1 \$10 billion | <input type="checkbox"/> | a BofA’s profit in the latest period |
| 2 \$1.2 billion | <input type="checkbox"/> | b the amount of capital that BofA wants to raise |
| 3 39 | <input type="checkbox"/> | c the amount per share of its latest dividend |
| 4 \$1.4 billion | <input type="checkbox"/> | d the number of years that BofA’s CEO has worked in the banking industry |
| 5 32 cents | <input type="checkbox"/> | e the amount of extra capital that BofA will have in each three-month period following the reduction in its dividend |

- 32.2** Answer these questions, using expressions from C, D and E opposite.

- You want to raise money for your company, but you do not want to sell shares. What can you use instead? (2 expressions)
- You want to raise money and you want to reassure lenders that they will get their money back if your company cannot repay. What would you offer them? (2 expressions)
- You are interviewed by a financial journalist who wants to know why you are borrowing money. What do you tell them that you want to increase? (2 expressions)
- The financial journalist writes an article saying that your company has a lot of debt in relation to its share capital. Which two expressions might she use in her article?
- A few months later the financial journalist writes an article saying that your company has too much debt in relation to its ability to pay. Which expression might she use in her article?

Over to you

- Have you ever thought of starting your own business? What sort of business would it be? Where would you get the capital?
- Where do existing companies in your country normally get capital? Describe two methods of doing this, and give some of the advantages and disadvantages of each.

Exercises

37.1 Complete the article using information from A opposite.

Yesterday in Asia, in (1) _____, the Hang Seng closed 1.6 per cent up at 15657 exactly. In Tokyo, the (2) _____ was also up, at 15747.20. In New York last night, the (3) _____ closed 1.8 per cent higher at 10824 exactly, and the hi-tech (4) _____ index was 3.3 per cent up at 3778.32. Turning now to Europe, in early trading in (5) _____ the FTSE 100 is 0.1 per cent down at 6292.80. The French (6) _____ index is also slightly down at 6536.85. The DAX in (7) _____, however, is 0.1 per cent higher at 6862.85.



37.2 Use expressions in B opposite to answer these questions.

- 1 What are shares in companies like IBM, Shell, and Procter & Gamble called?
- 2 What is the activity of buying and selling of shares on a stock market?
- 3 How do you describe the situation on a day with twice as many shares sold as usual on a particular stock market?
- 4 How do you describe dealers who think shares in general will gain ten per cent in one day?
- 5 What is the name for a period when the stock market index has gone from 20,000 to 25,000?
- 6 How do you describe dealers who think that prices will fall?
- 7 How do they refer to the idea that 30,000 on a particular stock market index is important but not easy to get through?

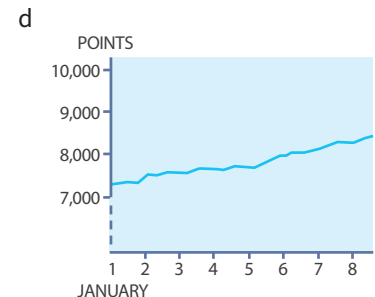
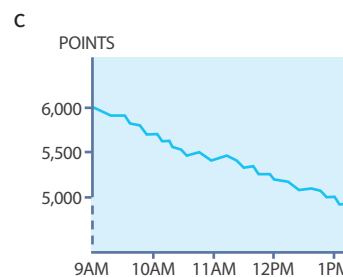
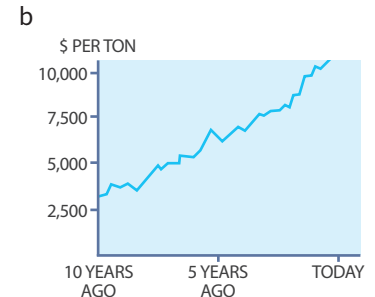
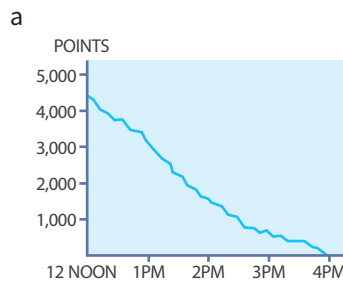
37.3 Match the headlines (1–4) containing expressions from C opposite with the graphs (a–d).

1 **TECHNOLOGY STOCKS SEE BIG DECLINES IN MORNING TRADE** ☐

2 **SHARES CONTINUE THEIR NEW-YEAR RALLY** ☐

3 **COPPER PRICES AT TEN-YEAR HIGH** ☐

4 **PANIC SELLING AS INVESTORS RUSH TO SELL AT ANY PRICE** ☐



Over to you

- Which company would you buy shares in today, and why?
- What might start panic selling on the stock market?
- What is the difference between a bull market and a bear market?

A

Wrongdoing

FINANCIAL SERVICES AUTHORITY

- **Insider dealing** or **insider trading** is when someone buys or sells securities using information that is not publicly available, for example because they have been involved with the company in some way. **Chinese walls** are measures that financial institutions take in order to stop knowledge in one department being used by another department to buy or sell shares, etc. at an advantage.
- **Price fixing** is when a group of companies in the same market secretly agree to set prices at a certain level so that they do not have to compete with each other.
- **Market rigging** is when a group of investors work together to stop a financial market functioning as it should, to gain an advantage for themselves.

People who commit **financial crimes** can be **banned** or **barred** – prevented from continuing in their jobs. They can also be **fined** – made to pay a sum of money – or even sent to **prison**.

B

Bribery and corruption

An illegal payment to persuade someone to do something is a **bribe**, or more informally, a **kickback**, **sweetener** or **backhander** (BrE only). Making an illegal payment is **bribery**. People are **corrupt** and involved in **corruption** if they make or accept illegal payments. The more informal word **sleaze** is used especially in connection with politicians who receive payments in this way.

C

Fraud and embezzlement

'My name's Samuel Woo. I've been a detective in the **fraud squad** for 20 years.

'Once, a gang **counterfeited** millions of banknotes in a garage. We found the equivalent of US\$10 million in **counterfeit notes**. Very good quality they were! **Counterfeiting** or **forgery** of banknotes and financial certificates used to be a problem, but now all the forgers are in jail!

'Until recently, **faking** luxury goods like Rolex watches was also a problem, but we're working hard to close workshops where **fakes** are made.

'There are many cases of **fraud**. For example, some borrowers lie about their ability or intention to repay loans. A new form of fraud is **identity theft** – where the criminal uses another person's details, for example their credit card, to make purchases.

'And then there's **embezzlement**. This is a type of fraud where someone illegally gets money from their employer. One accountant sent false invoices from non-existent companies to the company she was working for. She paid out money into bank accounts of the companies she had 'created'. She **embezzled** \$2 million – quite a **scam**!

'There are **rackets** – illegal activities for making money. For example, there used to be a lot of **racketeers** demanding 'protection money' from business and shop owners. If they didn't pay, their businesses were burnt down!

'**Money laundering** – hiding the illegal origin of money – is a problem, as gangsters are buying property with money from drugs. When they sell the property, the money becomes 'legal'. But banks must now tell us when someone makes a large deposit in cash.'

Note

You can **forge** cheques, letters, statements, documents, signatures, banknotes, invoices.
You can **fake** credentials, documents, records.
You can **counterfeit** goods, drugs/medicines, banknotes, cigarettes, products.

