

CHAPTER
3

The Impact of Business on the Community

KEY TERMS

economy
standard of living
gross domestic product (GDP)
per capital
quality of life
expenses
profit
revenue
employment
income
unemployment
employability skills
labour movement
health and safety program
equal opportunity

Specific Expectations

After studying this chapter, you will be able to

- describe how business can generate wealth, jobs, and incomes, and how they influence the standard of living
- distinguish the various ways in which business activity can affect the quality of life
- investigate issues in your community that have been created or affected by business
- analyze the impact that business activity has on the changes occurring in your community

Imagine your life without business—without shopping malls, movie theatres, or banks. Business has a large impact on both your standard of living and your quality of life because it affects your family's income and that of other members of your community. Some people acquire wealth from owning businesses. Others earn income through employment. How much income you earn is affected by a number of factors which we will discuss in this chapter. Business also has an obligation to provide safe, healthy, and fair workplaces for employees and to be a responsible member of the community. Sometimes, though, conflicts can arise between business interests and those of the members of a community.

Canadian Tire

Canadian Tire employees judged their company to be the best Canadian company to work for, according to a February 2000 survey commissioned by *The Globe and Mail's Report on Business (ROB)* magazine.

Brian Toda, the Hewitt Associates consultant who headed up the Best Company to Work For project, says employees based their judgment on more than just salaries. They had to feel valued. According to Toda, the best companies create “a sense in an organization that when people come in to work at that company, it is worth a day of their life each day.” While salary and other financial benefits are important, it's a company's attitude towards its employees that makes the difference.

Why did Canadian Tire get such a positive reaction from its employees? What benefits does it offer employees and local communities?

Cliff Hacking, who works for Canadian Tire, wasn't surprised that the company was so highly rated by its employees. He joined the company because it had such a good reputation in business and in the community. “It's the kind of organization that treats people extremely well,” he says. “It's fair and it's reasonable and the rules are well stated. You can understand what you need to do to be successful.”

Canadian Tire's corporate policies contribute to its employees' high degree of satisfaction. The company provides a safe and healthy work environment. It regularly reviews health and safety policies, procedures, and programs, and educates employees about the issues. The company also invests in outside education for employees. When Cliff Hacking decided to take his Master of Business Administration at the University of Western Ontario, Canadian Tire paid the full \$52 000 cost of the program.

Employees are rewarded for doing a good job. The “Wall of Winners” at head office is filled with photos of employees who have offered exceptional customer service. Employees earn performance bonuses. In addition, since the company started in 1922, employees have had a profit-sharing plan through which they can financially benefit from the success of their company. ►



Figure 3-1 Canadian Tire believes in rewarding its employees for jobs well done and in recognizing their contributions to the company and to their communities.



Figure 3-2 Canadian Tire employees responded to the 1998 ice storm by providing food, clothing, and essential goods to those affected by the disaster. How would this kind of activity contribute to the well-being of both the communities and the employees?

Canadian Tire is recognized as environmentally responsible. Its stores serve as collection sites for products containing hazardous materials, such as car batteries and nickel cadmium batteries. In most provinces, Canadian Tire has depots for collecting used motor oil, another hazardous product. The company reduces waste by reusing packaging materials.

The organization is a corporate sponsor of Pollution Probe and of a number of community cleanup efforts. It supports an annual earth week and an environment, health, and safety month. Its retail stores give grants to environmental projects run by local non-profit organizations, such as high-school cleanup and public awareness campaigns in Nova Scotia and construction of part of the TransCanada Trail near Sudbury, Ontario.

Through its Foundation for Families, Canadian Tire provides “a helping hand to families in crisis by ensuring (that their) basic needs are met.” On an ongoing basis, the Foundation supports lunch programs for school children, and soup kitchens and hostels for the homeless. When people in eastern Ontario and Quebec were left without power during the ice storm in 1998, the company and its stores delivered 65 emergency tractor trailer shipments to affected communities. And when there were no more Canadian Tire trucks available, employees drove shipments of supplies in their own vehicles.

As you read this chapter think about how a business can contribute to the quality of life of its employees and its community. How do company policies and practices affect a community? On a more personal level: What kind of employment environment do you think would be worth “a day of your life each day”?

The Impact of Business on the Canadian Economy

The economy of Canada is made up of contributions from business, labour, and the government. Within this economic community, some people own property and businesses. These business owners take the financial and social risks of starting businesses, and keep the wealth they gain from the profits of their successful businesses. Other people work for businesses as employees, providing the labour and the human resources that businesses need. Employees earn money with which to buy the goods and services produced by business.

Business owners, employees, and the community are very interdependent. Take a close look at Figure 3-3.

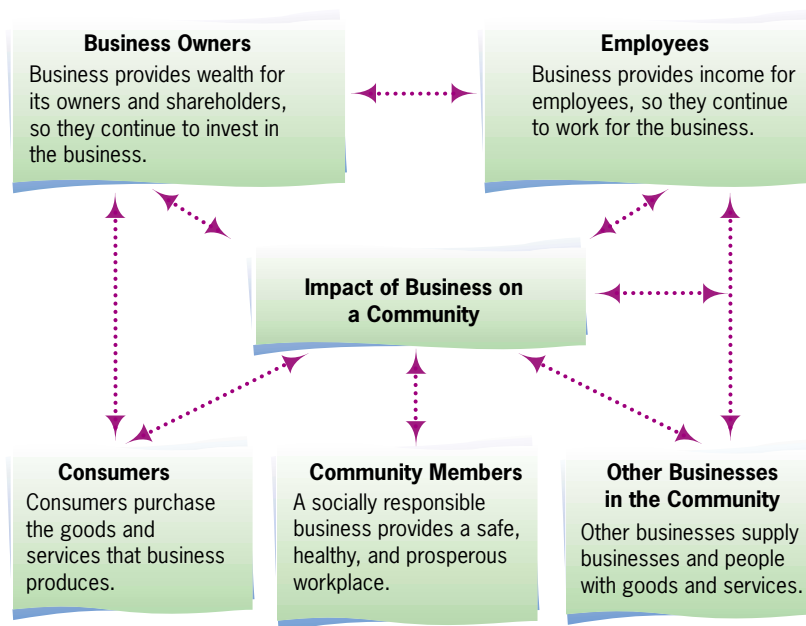


Figure 3-3 A successful, socially responsible business affects the members of a community in positive ways. What would be the effect on the community if such a business closed down?

Figure 3-4 In Atlantic Canada, the loss of the cod-fishing industry has caused hardship for the whole community. Those affected include fishers and their families, fish-processing plant owners and employees, and local businesses that depend on the fishing industry.



Canadian governments at all levels also participate in the economy. They get their revenue from the taxes that businesses and individuals pay. Businesses in Canada pay between 25 percent and 40 percent of their profits to the federal and provincial governments in the form of income taxes. Businesses also pay municipal property taxes.

Governments regulate business through laws that deal with issues such as environmental protection and minimum wages for employees. They also take on the function of business through government-owned enterprises that meet the needs of citizens.

Not-for-profit organizations also contribute to the economy because they too act like businesses by hiring employees and by purchasing, providing, and, in some cases, selling goods and services. These agencies get their income from businesses and individuals and through government grants.

When a country has a strong economy, its people can meet nearly all their needs and many of their wants. The impact of a good economy is often measured in a country's standard of living and the quality of life its people enjoy.

Standard of Living

A country's **standard of living** refers to the number of goods and services that the residents of that country enjoy. The more money a

country has, the higher is its standard of living. In general, the citizens of industrial countries—like Canada and the United States—have a higher standard of living than the citizens of developing countries.

One measure that is used to compare the standards of living of different countries is **gross domestic product** or **GDP**. GDP is the annual total value of final market goods produced and services provided in a country. GDP is often calculated **per capita**, which is the total GDP divided by the number of people in a country or region. By comparing the GDP of a number of different countries (see Figure 3-5), you will get some idea of how different Canada's standard of living is from much of the rest of the world.

Businesses contribute to the standard of living of communities in a number of ways.

- They provide profits and wealth for business owners.
- They pay income to employees.
- They support other businesses which in turn provide wealth to their owners and income to their employees.

In Canada, people with low or no income can receive help from governments, not-for-profit agencies, and religious organizations.

Quality of Life

Quality of life includes peoples' material standard of living, but it also includes a number of social and environmental factors.

According to the United Nations, the quality of life indicators of a country include

- the life expectancy of its citizens
- the illiteracy rate
- the amount of money spent on education
- its communications facilities (telephone, newspapers, television)
- its population density
- its infant mortality rate

Comparison of Annual GDP Per Capita in Different Countries

Country	GDP
Argentina	\$9070
Brazil	\$4930
Canada	\$20 082
China	\$745
Ethiopia	\$104
France	\$23 843
India	\$402
Ireland	\$20 603
Kenya	\$356
Mexico	\$4265
Russia	\$3028
South Africa	\$3331
United States	\$28 789

Source: United Nations, InfoNation, CyberSchoolbus, 1997 figures.

Figure 3-5 Compare the annual GDP in this selection of countries. Which countries have the highest and the lowest standards of living? How would these differences affect the lives of the people living in these countries?

Web Connect

<http://www.mcgrawhill.ca/links/exploringbiz>

Visit the United Nations InfoNation Web site to find statistics on the countries listed in Figure 3-5.

What is likely to be the quality of life of people in the different countries?



Figure 3-6 Maritime Life takes employee quality of life, satisfaction, and participation very seriously. The company offers employee benefits such as daycare, fitness centres, and bonuses. It is also firmly committed to co-operative education, a commitment that earned the company an Employer Recognition Award from Dalhousie University.

Businesses contribute to the quality of life of Canadians. Hospitals, education, roads, and social programs are all funded by business and personal tax money. Tax money is also used to attract businesses to communities and municipalities through loans and grants. Arts groups also benefit, which aids employment and enhances quality of life. Governments provide grants to arts organizations and businesses give them significant gifts, and some act as sponsors.

There is growing pressure on businesses to contribute in other ways to the quality of life and well-being of their communities. To meet their responsibilities to society, companies like Canadian Tire consider the interests and concerns of many groups. Responsible businesses make sure that they provide a healthy and safe working environment for their employees and a safe environment for the community. They also have hiring and employment practices that treat everyone fairly, including minorities, women, older workers, and those who are physically challenged.

Check Your Understanding

Knowledge/Understanding

- 1 In your own words, describe how a successful business can have a positive impact on the people who live in the community it serves.
- 2 What is the difference between standard of living and quality of life? What effect does standard of living have on quality of life?

Thinking/Inquiry

- 3 Create a bar chart of the statistics in Figure 3-5 (on page 67). Then write a caption for your chart in which you draw a conclusion about the quality of life in the different countries.

Communication

- 4 Create a concept web to show how one business contributes to the standard of living in your community. How does this business create wealth, jobs, and income for business owners, employees, other businesses, and the people in your community.

Application

- 5 In the Business Profile for this chapter, you saw how Canadian Tire demonstrated its commitment to its employees and to the communities served by its retail stores. Write a newspaper article about another company that has demonstrated its commitment towards its employees and its community.

Skills Appendix

writing reports

Wealth, Income, and Employment

Ownership and Profits

Business profits are necessary to keep the Canadian economy healthy. They provide wealth for business owners and shareholders and an incentive for them to start, expand, and maintain businesses. Profits can also provide increased income and job security for employees.

A business earns a profit when it has money left over after paying all its **expenses**: wages to employees, the cost of supplies, taxes, and payments on loans. **Profit** is the amount by which the **revenue** of a business exceeds its expenses. **Revenue** is the money that a business receives from the sale of goods and services.

Canada's Most Profitable Companies in 2000

Company	Profit (\$000)	Number of Employees
BCE Inc. (Dec.00)	\$4 851 000	75 000
Royal Bank (Oct.00)	\$2 274 000	49 232
Canadian Imperial Bank of Commerce (Oct.00)	\$2 060 000	44 215
Bank of Nova Scotia (Oct.00)	\$1 926 000	40 946
Bank of Montreal (Oct.00)	\$1 857 000	33 200
Bell Canada (Dec.00)	\$1 453 000	45 073
ManuLife Financial (Dec.00)	\$1 075 000	28 000
Toronto Dominion Bank (Oct.00)	\$1 025 000	44 798
Bombardier Inc. (Jan.01)	\$975 400	58 000
Alcan Aluminum (Dec.00)	\$618 000	53 000

Figure 3-7 Some of Canada's most profitable companies also have the highest number of employees. How do these company profits contribute to Canadians' wealth and income?

Connecting Business with Communities

Missions that Match

Business is learning that partnering with charities means gaining customers as well as giving to the community. It's a win-win situation for both the business and the charity. The business gets to help the charity continue to do its good work, and the business is viewed by consumers as a good corporate citizen.

More and more charities are offering companies an opportunity to work together with a cause that is a match with the company's corporate mission.

For example, coffee retailer Second Cup has successfully partnered with Foster Parents Plan of Canada. Second Cup wanted to support people in the developing countries where their coffee is grown, and Foster Parents Plan already had a program of community building in place in those countries. Today, Foster Parents Plan receives financial support through Second Cup's in-store fundraising promotions. Franchisees and customers donated more than \$200 000 over the last two years. Foster Parents Plan also provides information about issues faced by developing countries to franchisees and staff through Second Cup's internal training programs.

Helping companies create a "feel good" experience for their customers is one way that charities are winning companies over. The Juvenile Diabetes Foundation Canada recognized that it was targeting an audience that Shoppers Drug Mart really cared about: people with diabetes. In 1994, the Foundation approached Shoppers to sponsor its annual charity walk. As part of the partnership, Shoppers customers are invited to show their support of diabetes research (and over 800 000 did in 2000) by contributing a loonie in exchange for the opportunity to sign their names on colourful paper shoes which are plastered on store walls and windows.



Figure 3-8 These two Second Cup employees visit with children in one of the African regions where the coffee sold in their store is grown.

Establishing corporate alliances is a strategy that many charities have adopted. They invest time and energy learning what companies want. They are also becoming more creative about how they can partner with businesses. By working together, businesses and charities make our society a better place for everyone.

Source: Adapted, with permission, from "Picking a Philanthropic Partner," *Marketing Magazine*, Sept. 7, 1998, vol. 103, page 16.

ACTIVITIES

- 1 Explain how business partnerships with charities can improve the quality of life for Canadians and people in developing countries.
- 2 Identify three companies and three charities in your community that would make a good partnership together. Explain your choices.
- 3 Identify a local community need that a business could help sponsor. Write a business letter encouraging the company to support your idea.

Profit can act as a regulator by ensuring that high quality goods and services are provided at prices that appeal to consumers. A business is more likely to earn a profit when it is run efficiently, which means that costs and expenses are kept as low as possible without affecting the quality of its goods or services. If the quality drops, then so will the sales and then the profits.

A profitable business needs to be run effectively. An effective, successful business meets the needs and wants of consumers and responds to consumer demand. A business that is not serving consumers will not be effective and will eventually stop earning profits.

A profitable business also needs to be able to expand and develop new products. Once a business is established, its owners need to be sure that it will grow and remain successful. Since a business will not be competitive in the future if it is not expanding and developing, it needs to use some of its profits to pay for new development. The research and development that goes into new products can be very expensive. However, the wise investment of some of a business's profits today will benefit owners, employees, and consumers in the future.

When the profits of a large company suddenly fall, the change can affect a country's economy. For example, after Nortel Networks reported lower than expected profits in the first quarter of 2001, its stock value dropped steeply, and it laid off thousands of workers in Canada and around the world. The fall in stock price of this reputable company also made people nervous about investing their wealth in new technology companies.

Employment

A strong business environment usually means most of the people in a community who want to work, are working. To have a strong economy, countries and communities need a high rate of employment.

Most Canadians earn money by working for a company or organization. Fortunately, business needs employees so it provides jobs. They can range from entry-level to senior executive positions.

The lowest paying jobs generally require few skills or require skills that many people have. The highest paying jobs generally require sophisticated or hard-to-find skills, and acceptance of difficult conditions, such as high rise construction, or danger, such as working on an oil rig in the Atlantic Ocean.



Figure 3-9 PCL, Canada's largest general contractor, was judged by its employees to be one of the best companies to work for in Canada. The company, which has been in business since 1906, is 100 percent owned by its employee shareholders. What difference do you think it would make if, as an employee, you shared the ownership of the company you worked for?

A combination of factors attracts people to jobs: location, a match of company requirements and a person's skills and aptitude, salary and benefits, and the opportunity to contribute to the organization or to society.

Jobs and the Economy

The state of the Canadian and global economies can also affect the creation of new jobs. When the economy is healthy, businesses tend to employ more workers and create more jobs. They employ more people so that they can produce more goods and services and take advantage of new business opportunities. When the economy is unhealthy, employment and job creation decrease. This makes it difficult for young people to get jobs.

When a large number of businesses have problems being profitable, the impact affects communities. During the early 1990s, the

Canadian economy was in a recession. Consumers bought fewer goods and services. Businesses didn't produce as much, and they laid off employees. You will learn more about recession in Chapter 5.

From 1990 to 1996, the total workforce in Canada remained in the 13 600 000 to 13 700 000 range. Few new jobs were created, and so it was difficult for young people to get jobs. However, once the economy picked up during 1998 and 1999, the workforce numbers increased. Between April 1998 and April 1999, 371 900 new jobs were created.

Unemployment

To be classified as **unemployed**, Canadians have to be out of work and actively looking for work. Economic recessions are an important cause of unemployment. The factors of technology and globalization have a more complex relationship with employment. They can contribute to both employment and to unemployment, depending on the circumstances. For a company like Clearnet, advances in technology increased the need for

employees. But for the Atlantic fishing industry, advances in technology led to a drastic decrease in the need for employees on fishing boats, in fish-processing plants, and in the many businesses that depended on the fishing industry.

A 1999 report called *Taking On Youth Employment—Canada's Business Venture For The New Millennium* (issued for the Corporate Council on Youth in the Economy) stated that young people suffered the most from the 1990s recession and have never fully recovered. The report indicated that, while total unemployment has declined, the percentage of unemployed young people remained unchanged. Young people often fill part-time, short-term positions, which are usually low paying, with few benefits or career opportunities.

The report went on to say that business and government had to find solutions to the many obstacles to employment that young people face. Otherwise, youth unemployment will have an enormous impact on Canada's economic future. As Anne Cira, a member of the Corporate Council said, "This is a wake-up call for corporate Canada. Tackling youth unemployment is not just a matter of social responsibility nor philanthropic contribution. The cost of ignoring this crisis will have enormous long-term impact on our country's future prosperity and productivity. It's pay now or later."

Biz.Bites

According to Statistics Canada, during the 1990s, the unemployment rate in Canada was in the 8 to 11% range. This means that from 1 million to 1.5 million people were unemployed.

Level of Income

Your level of **income**, or the money you earn, affects your standard of living and quality of life. If you earn an adequate income, you will be able to satisfy your needs and wants, and likely will be able to solve the economic challenges that you face.

Your level of income also makes an impact on your community. If your income supplies your needs and wants, then you will be able to support the businesses and charities in your community. These organizations, in turn, will create more products and provide services that help to improve the quality of life for the members of your community. People with a decent income are able to contribute money to help people in need.

Figure 3-10 When people have a decent income, they are more likely to contribute to the charities that serve their communities.



As your level of income improves, you will also pay higher income taxes to federal and provincial governments. As you saw earlier in this chapter, governments use tax revenue to provide health and community services.

Factors Affecting Level of Income

Since your level of income has such a direct effect on your standard of living and quality of life, you need to know which factors decide income level. Among the most important are education, skills, and the conditions in the job market when you look for employment.

Education

Education, training, and lifelong learning are very important to businesses and their employees. Both your employment and job satisfaction will depend, to a large extent, on your level and type of education, and on your ability to continue to learn and to adapt to change. The business profile on Canadian Tire that opened this chapter shows how one successful company focuses on continued training and education for employees.

Without education, as Figure 3-11 demonstrates, you run a greater risk of being unemployed.

In today's and tomorrow's business world,

- For 80 percent of jobs, workers will require at least a high school diploma.
- Workers who do not have a high-school diploma can expect to be unemployed for about 35 percent of their lives. It will also be hard for them to move up to better-paying jobs.
- Of the 80 percent of jobs requiring a high-school diploma, 50 percent will require an additional five years of education and/or training.
- In the areas of business with the fastest growth (for example, businesses related to Internet Web technologies), 90 percent of jobs will require college, university, or other educational training.

Percentage of Workforce Unemployed in 1999	
Average for total workforce	8.3%
Age bracket 25 or over	7.0%
Age bracket 15-24	15.0%
High-school drop-outs	14.7%
High-school graduates	8.3%
Technical/college graduates	6.6%
University graduates	4.3%

Figure 3-11

Education is a key factor in obtaining employment. In general terms, the more education you have the more likely you are to be employed.

Employability Skills

According to the Conference Board of Canada (see Career Connect on page 76), you need to develop employability skills, not just at a paid job but in everything you do: at school and in volunteer work, sports, and clubs. **Employability skills** are the skills that employers are most concerned about. They are the critical skills that you must have to succeed in business, whether you become a sole proprietor, a partner, or an employee. Many of the skills you learn every day can be transferred to your work activities. A transferable skill is one that can be transferred from one situation to another.

For example, the teamwork that you practice on a soccer or hockey team will help you understand how workplace teams operate. Think of what would happen on a sports team if members didn't work together. What would be your chance of success if players were not willing to pass the soccer ball or hockey puck to other players?

Knowing which skills employers are looking for is important. Businesses pay more to employees who have the skills that they need. For example, today there is a need for educated and skilled workers in the software development industry. Some of the most creative and skilled of these workers are young people who developed their understanding of software and computers, not just through education, but also through their own curiosity about how such programs and systems work.

Biz.Bites

“Being employable depends not only on what you do but how you do it. Going through the motions isn't enough. Integrating your skills with desirable attitudes and behaviours gives you the greatest opportunities for success.”

Dennis Arnold, National Director, Workforce Development, Bank of Montreal

“In today's world of work, one's competitive edge is dependent on developing both technological and employability skills.”

Gail Smyth, Executive Director, Skills Canada–Ontario

Market Conditions

Changes in market conditions cause changes in businesses' need for employees and in the wages businesses pay. As you saw in Chapter 2, changes such as globalization, advances in technology, and the growth of small businesses, especially in the service sector, have opened up new avenues of employment opportunities.

A major shift in the source of jobs occurred in the late twentieth century when the demand for services grew. The service industry covers fields such as marketing, accounting and auditing, finance, management consulting, telecommunications, and transportation as well as businesses related to computers. More high-paying jobs exist in service businesses than in manufacturing.

Career Connect Employability Skills 2000+

The Conference Board of Canada knows the skills that employers are looking for because it is made up of business leaders, educators, and government representatives. The Board created Employability Skills 2000+ because teachers and students wanted to have a clear outline of the skills that Canadian employers are looking for. You will need these fundamental, personal-management, and teamwork skills to enter the workforce. And, after you are in the workplace, you will need to continue to practise and develop these skills to stay employed and to improve your income level.

Fundamental Skills The skills needed as a base for further development.	Personal Management Skills The personal skills, attitudes and behaviours that drive one's potential for growth.	Teamwork Skills The skills and abilities needed to contribute productively.
<p><i>You will be better prepared to progress in the world of work when you can:</i></p> <p>Communicate</p> <ul style="list-style-type: none"> • Read and understand information presented in a variety of forms (e.g., words, graphs, charts, diagrams) • Write and speak so others pay attention and understand • Listen and ask questions to understand and appreciate the points of view of others • Share information using a range of information and communications technologies (e.g., voice, e-mail, and computers) • Use relevant scientific, technological and mathematical knowledge and skills to explain or clarify ideas <p>Manage Information</p> <ul style="list-style-type: none"> • Locate, gather and organize information using appropriate technology and information systems • Access, analyze and apply knowledge and skills from various disciplines (e.g., the arts, languages, science, technology, mathematics, social sciences and the humanities) 	<p><i>You will be able to offer yourself greater possibilities for achievement when you can:</i></p> <p>Demonstrate Positive Attitudes & Behaviours:</p> <ul style="list-style-type: none"> • Feel good about yourself and be confident • Deal with people, problems and situations with honesty, integrity and personal ethics • Recognize your own and other people's good efforts • Take care of your personal health • Show interest, initiative and effort <p>Be Responsible</p> <ul style="list-style-type: none"> • Set goals and priorities, balancing work and personal life • Plan and manage time, money and other resources to achieve goals • Assess, weigh and manage risk • Be accountable for your actions and the actions of your group • Be socially responsible and contribute to your community 	<p><i>You will be better prepared to add value to the outcomes of a task, project or team when you can:</i></p> <p>Work with Others</p> <ul style="list-style-type: none"> • Understand and work within the dynamics of a group • Ensure that a team's purpose and objectives are clear • Be flexible: respect, be open to and supportive of the thoughts, opinions and contributions of others in a group • Recognize and respect people's diversity, individual differences and perspectives • Accept and provide feedback in a constructive and considerate manner • Contribute to a team by sharing information and expertise • Lead or support when appropriate, motivating a group for high performance • Understand the role of conflict in a group to reach solutions • Manage and resolve conflict when appropriate

Fundamental Skills (continued)	Personal Management Skills (continued)	Teamwork Skills (continued)
<p>Use Numbers</p> <ul style="list-style-type: none"> • Decide what needs to be measured or calculated • Observe and record data using appropriate methods, tools and technology • Make estimates and verify calculations <p>Think & Solve Problems</p> <ul style="list-style-type: none"> • Assess situations and identify problems • Seek different points of view and evaluate them based on facts • Recognize the human, interpersonal, technical, scientific and mathematical dimensions of a problem • Identify the root cause of a problem • Be creative and innovative in exploring possible solutions • Readily use science, technology and mathematics as ways to think, gain and share knowledge, solve problems and make decisions • Evaluate solutions to make recommendations or decisions • Implement solutions • Check to see if a solution works, and act on opportunities for improvement 	<p>Be Adaptable</p> <ul style="list-style-type: none"> • Work independently or as part of a team • Carry out multiple tasks or projects • Be innovative and resourceful: identify and suggest alternative ways to achieve goals and get the job done • Be open and respond constructively to change • Learn from your mistakes and accept feedback • Cope with uncertainty <p>Learn Continuously</p> <ul style="list-style-type: none"> • Be willing to continuously learn and grow • Assess personal strengths and areas for development • Set your own learning goals • Identify and access learning sources and opportunities • Plan for and achieve your learning goals <p>Work Safely</p> <ul style="list-style-type: none"> • Be aware of personal and group health and safety practices and procedures, and act in accordance with these 	<p>Participate in Projects & Tasks</p> <ul style="list-style-type: none"> • Plan, design or carry out a project or task from start to finish with well defined objectives and outcomes • Develop a plan, seek feedback, test, revise and implement • Work to agreed quality standards and specifications • Select and use appropriate tools and technology for a task or project • Adapt to changing requirements and information • Continuously monitor the success of a project or task and identify ways to improve

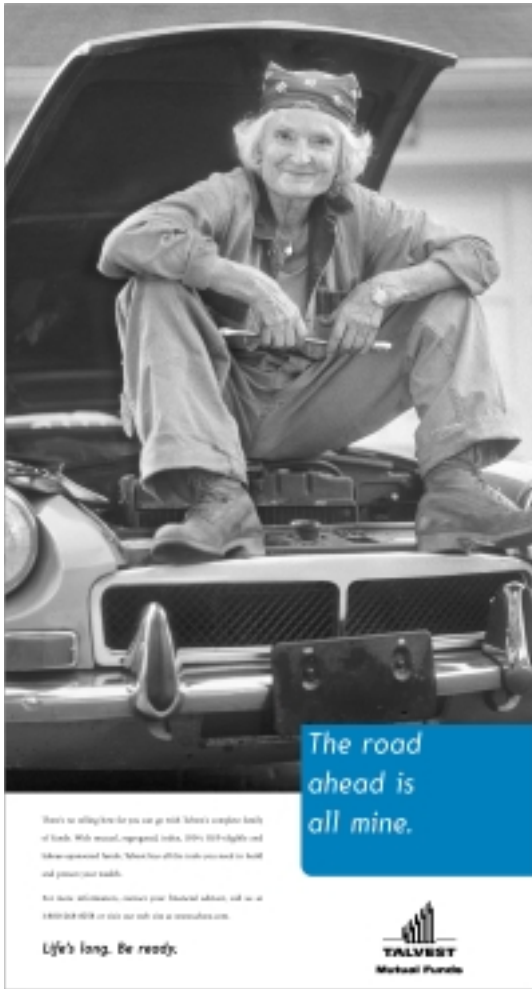
Web Connect

<http://www.mcgrawhill.ca/links/exploringbiz>

The Conference Board of Canada offers many suggestions that will help you identify and develop your employability skills. Review their recommendations for developing skills at home, at school, in the workplace, and in the community.

ACTIVITIES

- 1 Brainstorm ways in which you already use some of these skills in your daily life.
- 2 How could feedback from others help you develop your employability skills?
- 3 Problem-solving is one of the most important skills in today's workplace. In small teams, create a chart to show how you could practice your problem-solving skills at home, at school, at work, and in your community.



Other market conditions also have an effect on employment. For example, if you live in a region of Canada where the economy is depressed, there may be few job opportunities because businesses in the region are not doing well. On the other hand, discoveries of new resources can attract businesses and new residents to once remote or poor regions. Following positive exploration results, new mining companies are seeking diamonds in the Northwest Territories. Companies that prepare uncut gems for sale have brought in highly skilled Middle Eastern workers to train local residents. Companies that supply equipment and services to mines will locate nearby and attract employees.

People’s changing needs and wants also affect business activity. As the baby boomers, who were born after World War II, move into their 60s, 70s, and 80s, there will be employment opportunities in businesses that serve this growing segment of the Canadian population. Which businesses might benefit from this change in demographics? Some examples are health-care, travel and tourism, and financial businesses.

Figure 3-12
Talvest Mutual Funds knows that retired Canadians form a growing market for their services.

Check Your Understanding

Knowledge/Understanding

- 1 How do business profits generate wealth for business owners and shareholders?
- 2 How will your level of education affect your chances for future employment?
- 3 Why should you research market conditions when deciding on your career?

Thinking/Inquiry

- 4 What did Anne Cira mean when she said, “It’s pay now or pay later” (page 73)? Discuss this quotation in small groups. Then, write a paragraph explaining how high unemployment among young people would affect Canadian society as a whole.

Skills Appendix
critical thinking

Communication

- 5 Working in a small team, investigate current factors that affect unemployment in one region of Canada. Watch television news reports for a few days and decide on one issue that interests all the members of your team. Research the issue using online and print sources. Then prepare a summary report and present it as a televised news report on the situation.

Application

- 6 Review the Conference Board of Canada employability skills (pages 76–77). Select one skill that you would most like to develop further. How could you work on developing this skill in your daily life—at home, at school, and in your leisure activities? Create a graphic organizer to show some ways that you could develop this skill.

Skills

Appendix

analysing media

The Workplace Community

Businesses contribute to the quality of life of their employees in a number of ways. A responsible business will make sure that the workplace is safe and healthy for its employees. It will also provide equal opportunity for all of its employees. Because these issues are very important in our society, Canadians have insisted that the provincial and federal governments create laws to ensure healthy and safe working environments where all people are treated equally.

Contribution of the Labour Movement

The Canadian **labour movement** is responsible for much of the federal and provincial legislation protecting workers' health, safety, and rights. Throughout the 1900s, unions fought for improvements to members' standard of living and quality of life: pensions, safe working conditions, health insurance, a living wage, maternity rights for women, and the workers' right to organize. As unions gained these rights, other Canadians insisted that governments pass laws giving the rights to everyone.

Biz.Bites

In 2000, approximately 3.7 million Canadians belonged to labour unions or federations. According to Statistics Canada, during 1999, the average hourly earnings of unionized workers were higher than those of non-unionized workers.

During the early 1990s, many union members lost their jobs because of the recession and global competition. At that time, job security and retraining became union issues. As business owners and managers reduced the number of employees, unions fought back. Algoma Steel Corporation, the steel industry and the unions arranged for the retraining of thousands of laid-off steelworkers in new careers. Some workers learned new trades while others trained to become nurses and teachers.

Safety in the Workplace



On November 18, 1994, Sean Kells was pouring a chemical product containing toluene, a hazardous chemical, from a drum. The drum exploded and Sean received third-degree burns to 90 percent of his body. It was his third day on the job.

Sean was rushed to hospital, but died the next day. He was 19.

The drum containing the hazardous toluene wasn't marked. Sean hadn't received any training and he didn't know his health and safety rights and responsibilities. Since Sean's death, his family has been active, trying to increase health and safety awareness for young people. It can't bring Sean back, but they hope they can help prevent other deaths and injuries among young workers.

This true story from the Young Worker Awareness Web site illustrates the need for safety in the workplace. A good **health and safety program** for employees is preventative, and includes training for workers, regular inspections by professionals in the health and safety field, and a process for reacting swiftly to accidents and injuries. Employees should also be encouraged to approach their supervisor, a health and safety official, or human resources personnel if they have a health and safety concern.

Figure 3-13 This historic photo by Lewis Wickes Hine shows a worker on the Empire State Building which was built in 1930-1931. Hine believed that he could use photos to persuade authorities to enact better labour laws. How might this photo have helped him achieve his goal?

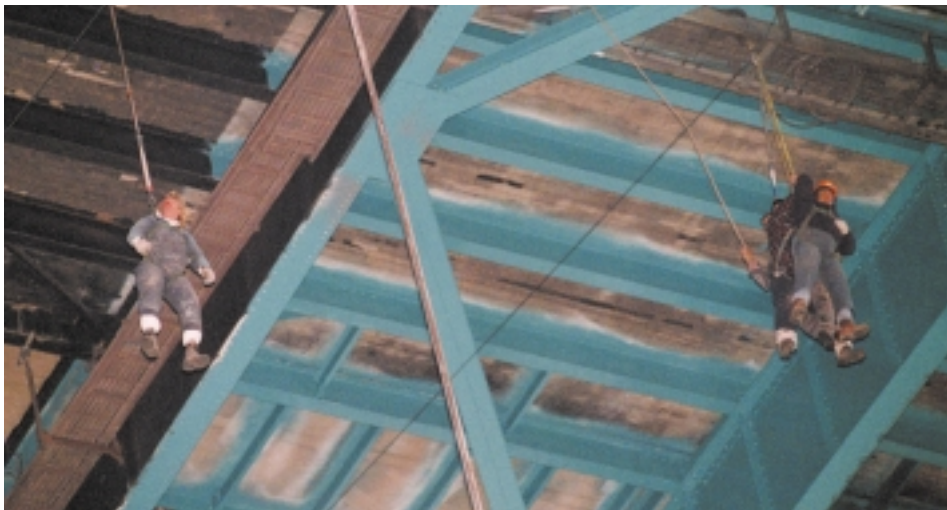


Figure 3-14

On November 15, 2000, scaffolding on the Detroit Windsor Bridge broke. These two workers, who hung 36 metres over the icy Detroit River for 45 minutes, were saved by the safety harnesses that they had attached to the bridge.

- **Prevention:** It is employers' responsibility to create an environment that ensures workers' safety and health and to prevent accidents and environmental factors that cause illness. The Occupational Health and Safety Act of Ontario specifies regulations that businesses must follow. All dangerous or hazardous materials or situations are to be clearly marked, and Material Safety Data Sheets (MSDS) are to be available for all hazardous products. These MSDS need to describe the hazards of a product, its safe use, and the steps to take in case of an emergency.
- **Inspection:** Businesses must do regular inspections to ensure that all health and safety regulations are being followed, that the workplace is safe, and that employees are properly trained.
- **Training:** Employees should be trained to use safely any hazardous materials or machinery they will work with. They should be trained for emergency situations, for use of dangerous materials in general—receive Workplace Hazardous Materials Information System (WHMIS) training—and have specific training for their workplace.
- **Reaction:** Employees should report any injury to a supervisor and have the injury attended to immediately. Injuries also need to be reported to the Workplace Safety and Insurance Board (WSIB).

Biz.Bites

Some work environments have been found to contain toxic mould. In January 2001, the York Region District School Board found toxic mould in a dozen portables at a Markham school. The problem was so severe that the portables had to be destroyed.

Web Connect

<http://www.mcgrawhill.ca/links/exploringbiz>
For suggestions on how to stay safe in the workplace, visit the Young Worker Awareness site. While you're at the site, see how well you do on the Safety IQ Test.

Health in the Workplace

Many employers recognize that the healthier their employees are, the more productive they will be. After all, employees spend almost two-thirds of their waking hours at work. In a healthy environment, employees work more efficiently and take less time off.

As a result, many companies are providing

- better lighting and less noise
- more ergonomically sound office equipment (equipment that has a shape and size that reduces strain on users)
- more nutritious cafeteria food
- exercise programs
- access to occupational health nurses, nutritionists, massage therapists, and similar professionals who regularly visit the company



Figure 3-15 Keith Kocho, who runs ExtendMedia Inc., takes his dogs to work and has found that their presence helps relieve employee stress.

Stress can be a major health problem as business becomes more competitive and employees struggle to balance work and home responsibilities. Stress can make people sick. Successful employers pay attention to workloads, redistributing them when a difficult deadline looms. They also keep lines of communication open, so that employees can discuss their concerns about job insecurities, the demands of their jobs, and other workplace stresses.

Equal Opportunity

The Canadian Charter of Rights and Freedoms says,

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

To protect Canadians from unfair treatment or discrimination, the federal and provincial governments have created laws to provide **equal opportunities** in the workplace.

The Ontario Human Rights Code states that every person has a right to freedom from discrimination in employment. This includes the promotion of equality in advertisements for jobs, as well as in application forms and job interviews.

The Canadian Employment Equity Act of 1995 states that “no person shall be denied employment opportunities or benefits for reasons unrelated to ability.” The Act goes so far as to say that some people who have been discriminated against in the past—persons with physical disabilities, women, members of minority groups and Aboriginal people—may need special treatment to gain equal opportunities in the workplace.

Employees who feel that they have been discriminated against can contact the Human Rights Commission. It has been set up to hear and investigate complaints. If the employee has evidence that the discrimination has caused damages, he or she can request and obtain compensation.

While these statements about equality sound hopeful, they are not always easy to put into effect. Ironically, it took 15 years and both decisions from the Federal Court of Canada and a Canadian Human Rights Tribunal before the federal government agreed, in 1999, to pay up to \$5 billion in back pay to about 200 000 federal public service workers. The back pay was ordered to bring the salaries of female federal government employees up to the level of their male counterparts.

Biz.Bites

Ontario citizens cannot be discriminated against in employment on the grounds of

- race
- ancestry
- place of origin
- colour
- ethnic origin
- citizenship
- religion
- sex
- sexual orientation
- disability
- age
- record of offenses
- marital status
- family status



Figure 3-16

Janet Mahoney-Rose reads through pay-equity related papers in October 1999. She had joined the public service as a secretary in 1958 and figured she would receive \$30 000 to \$35 000 in back pay from the federal government.

Check Your Understanding

Knowledge/Understanding

- 1 How has the labour movement contributed to better working conditions for Canadians?
- 2 Explain, in your own words, the four elements of a good health and safety program.

Thinking/Inquiry

- 3 How can employers ensure the health of their employees? Role-play a scenario where an employee representative presents employee health concerns to his or her supervisor.

Communication

- 4 Prepare a panel discussion on the benefits companies gain by offering equal opportunities to all employees. Also consider how the community at large benefits from equal opportunity.

Application

- 5 As a class, decide on one current safety or health issue that is related to business and that is being talked about in the news media. Discuss the following questions: What problems does this issue reflect? What has caused these problems? What has been done to resolve the problems? What solutions would you recommend?

Skills Appendix

oral presentations

Skills Appendix

working in groups

Business and Community Challenges

Sometimes business interests conflict with other community interests. The Issues Affecting Business feature at the end of this section describes how conflict over a potential waste site created a deep divide in the local community. When such conflicts arise, both sides need to try to negotiate a solution. Finding one isn't always easy though.

For example, what happens if you are unemployed and could get a job at the new manufacturing plant proposed in your community? What if your friends and neighbours don't want the plant because it would be

built on wetlands? You and your children enjoy seeing the wildlife, but you need the job. Considering both sides of the issue, would you vote for or against the construction of the manufacturing plant.

Environmental Concerns

As you saw in Chapter 2, protection of the environment has become a high priority. When manufacturing by-products contaminate the environments, pollution results. Misuse of land, water, and air resources, ozone depletion, and greenhouse gas emissions have also caused problems.

Pollution control and protection of the environment are the responsibilities of the individual, business, and the government. A socially responsible business takes action to reduce or eliminate operations that pollute. The government has an obligation to pass laws to ensure the environment is protected. These laws often include heavy fines for businesses that ignore or neglect their responsibilities.

Ballard Fuel Cells

Some companies are focussed entirely on finding solutions for pollution. Automobile companies have been talking about environmentally friendly cars for many years. However, Ballard Fuel Cells of Vancouver has gone well beyond the talking stage. The company, whose motto is “Power to Change the World,” has developed environmentally clean fuel cells to run cars and buses and to generate electricity. These fuel cells don’t depend on gas and oil products, so they don’t pollute the atmosphere or contribute to global warming. Ballard cells run on hydrogen and oxygen. The only by-products are heat and pure water vapour (see Figure 3-17).

Ballard works in partnership with DaimlerChrysler AG and Ford Motor Co. to make the expensive fuel cell affordable. The company also has orders from Honda and Nissan to supply fuel cells and support services to develop environmentally friendly cars. The car companies and Ballard hope to begin manufacturing cars using the fuel cells by 2004. BC Transit in Vancouver already has test fuel-cell buses in service.



Figure 3-17 When the first Ballard fuel-cell buses were introduced in Vancouver, British Columbia’s Transportation Minister Joy MacPhail drank a toast—using water vapour from the bus exhaust!



Figure 3-18 How do natural spaces like this one contribute to the quality of life of people living in the surrounding community?

Land Use

Should land in our communities be used for farms, factories, roads, garbage dumps, shopping malls, and/or green belts? Who should decide how land is used? These are some of the difficult issues communities face.

Members of a community sometimes face conflicting needs and wants regarding land use. After all, a community needs employment, so some land has to be given to businesses. Homes

are needed for the people who work in the businesses. Roads are needed so people can get to and from work. Shopping malls are needed to provide the goods and services that satisfy the community's needs and wants. Yet land is also needed for growing food, recreation, and wildlife habitats.

Sometimes, business decisions have a devastating effect on a community. The garbage accumulated by households and businesses creates a major environmental problem, and many steps have been taken to reduce the amount generated. We have recycling programs for paper, plastic and glass, but we still need garbage dumps.

An Olympic Bid

Even an Olympic bid can create concerns. With Toronto as a contender for the Olympic games in 2008, the town of Markham proposed building a \$13.3 million aquatic centre. This centre would provide the community with jobs, generate additional income, and have a positive impact on the community.

On the other hand, depending on the location of the centre, the impact could be negative for some residents. Some homes may be expropriated. Expropriation is a legal process whereby the government can claim a property because it is judged to be essential to the general welfare of the community. The landowner receives a price based on fair market price but is forced to move. At the very least, congested roadways and additional parking could be a problem for citizens of Markham who live near the sports facility.

Traffic

The transportation services needed for business also create problems. When automobiles became affordable, people enjoyed more convenient, quicker travel over longer distances. Canadians also began to

suffer from rush hours, pollution, delays because of road maintenance, and the dangers of moving hazardous materials.

Building a highway to move goods and people faster can cause hardships for a community. If the new highway bypasses the community travellers will no longer frequent local restaurants and gas stations.

When companies have trouble getting goods from their plants to buyers, they often move to locations that are more accessible. Many companies that once located in downtown Toronto to be near the railways, the major mode of transportation, are now in less expensive surrounding regions. They also choose a site that is more accessible to highways, such as the 401, so they can ship goods east to Montreal, south through Buffalo, New York, or west to the U.S., through Windsor.

The Interdependence of Businesses

Changes in the business environment of a community can also cause short- or long-term problems for other businesses. The opening or closing of a business can cause losses for others.

In 1999, the Eaton family announced that it was closing many of its stores. Most of these stores were in shopping centres. Many Eatons' employees lost their jobs. This proved very stressful for the people, families, and communities involved.

Smaller businesses located near those stores also suffered because consumers stopped coming. This also happened at Fairview Mall in Toronto, when two major businesses shut down, Loblaw's grocery store in 2000 and the Cineplex Odeon movie theatres early in 2001.

For a number of years, Future Shop, which sells computers, home audio equipment, and appliances, has been a successful consumer electronics business in Canada. Then an American company, Best Buy Co., announced that it would open up between 40 and 60 stores in Canada, starting with Ontario in the fall of 2001. Best Buy owns more than 360



Figure 3-19 Many people face this kind of rush-hour traffic problem as they travel to and from work each day. Can you and your fellow students come up with any possible solutions to this annoying problem?

stores in the U.S. and is a very aggressive retailer. The company is likely to offer consumers lower prices than Future Shop. This may result in fierce competition. While this will benefit the consumer in the short term—because of lower prices—the move may damage the business community in the long term if it seriously hurts Future Shop’s business.

Check Your Understanding

Knowledge/Understanding

- 1 What environmental problem is Ballard Fuel Cells trying to resolve? Why is it important to solve this problem?
- 2 How might decisions about land use cause conflicts in a community?

Thinking/Inquiry

- 3 Discuss how land is used in your community. Estimate how much land is used for manufacturing and other businesses, for farming, roads, green areas, and shopping malls. If there are problems around the land use in your community, how would you resolve these problems?

Communication

- 4 Prepare an illustrated report to respond to the following questions. What have been the short- and long-term effects of retail business closings or openings in your community? What problems were created for other businesses by those openings or closings?

Application

- 5 Research one Canadian environmental problem that has been caused by business development. Prepare a brief oral report and present it to your classmates.

Skills Appendix

writing reports

Skills Appendix

oral presentations

Issues Affecting Business

The Adams Mine: Competing Interests

Environment and
Social Responsibility

In 1990, the saga of the Adams Mine began. The iron ore mine near Kirkland Lake, Ontario, closed in March putting 350 miners out of work. Notre Development Corporation, a North Bay company, bought the mine and wanted to turn the site into a garbage dump. The saga ended 10 years later when a proposed deal to ship Toronto's garbage to the abandoned mine went sour. In the intervening years, the Adams Mine was a focal point for business, community, and environmental interests. Was any one interest right or wrong? You be the judge.

When the mine closed, the residents of the three neighbouring municipalities—Kirkland Lake, Englehart, and Larder Lake—were anxious about the decline of the northern Ontario mining industry. The growing global economy and a drop in international gold prices had spurred this decline. Then the value of iron ore dropped. In all, seven mines closed. The rate of unemployment among the 10 000 residents of Kirkland Lake, the largest community in the area, rose considerably.

More than 300 kilometres away, the city of Toronto was running out of space to dump its garbage. Local landfills were almost full and those still operating were scheduled to close soon. What could Toronto do with the 1.7 million tonnes of waste per year it was producing? Only about 250 000 tonnes of it was getting recycled every year. The Adams Mine seemed like a perfect solution.

Initially, some people were positive about reusing giant mine pits as a dumpsite. The mayor of nearby Englehart said her community supported the project because it would save jobs. One Kirkland Lake businessman said: "My son, my daughter, my neighbour's son, my neighbour's daughter, they could all use the jobs that are going to be created." In 1990, Toronto selected Adams Mine as the "preferred site" for its garbage.



Figure 3-20 "I am here representing the Algonquin people, but I am also representing a broad-based coalition which includes Aboriginals, farmers, residents of Ontario and Quebec, English and French. Here we have an example of all residents of the watershed working together to protect the earth and to protect our future." Chief Carol McBride, Timiskaming First Nation.

Soon there was a deal between Toronto, councillors from Kirkland Lake, Englehart, and Larder Lake, and a consortium known as Rail Cycle North (RCN), to allow Toronto's garbage to be hauled to the abandoned mine. The partner companies in the consortium included Notre Development Corporation, Canadian Waste Services (which would manage the site), CN Rail and Ontario Northland (which would haul the garbage to the site), and Miller Waste Services (which would haul it within Toronto).

The deal said the Kirkland Lake region would be a "willing host" for Toronto's garbage. Toronto would pay about \$50 per tonne to ship it. The Rail Cycle North deal was one of several bids Toronto received. It was also the lowest bid by far. But one year later, the Ontario government decided to examine the proposal more carefully. Was it truly safe and effective?

RCN maintained that it had a good system. It said that it had successfully handled the garbage of Seattle, Washington, since 1991. It planned a



Figure 3-21 Kirkland Lake is 598 kilometres from Toronto. If the Adams Mine site had been used for Toronto's garbage, what would have been some of the environmental problems that Toronto would have transferred to the region?

hydraulic containment system to prevent the dangerous leakage of toxins from garbage into the surrounding groundwater. Because groundwater flows inward and would push against the garbage, RCN said there would be little chance of toxins leaking outward. Water that collected in the pit would be treated with state of the art technology worth \$8 million.

RCN projected staggering economic benefits to the area. It estimated that the landfill would generate \$1 billion over a 20-year span. RCN planned to invest \$40 million in the two-year start-up phase. Local communities could use the landfill at no charge and would receive more than \$20 million in royalties. It was projected that the landfill would create 80 jobs. The value of wages and benefits was estimated by RCN at \$6.3 million annually.

But many groups had unanswered questions. Farmers and other residents doubted that the RCN hydraulic containment system would work. It had only been tested on a computer model. In addition, the mine was to be lined with gravel instead of clay, which could allow toxins to leak through small holes. Some of Ontario's best farmland is situated at the tip of Lake Temiskaming, just downstream from the mine.

Temiskaming residents mounted a highly public campaign to have the landfill "dumped."

They protested regularly by blocking the railway tracks leading to the site. They presented their concerns to the Ontario government in 1998. The Temiskaming Municipal Association passed a resolution opposing the landfill.

The Algonquin people of the Temiskaming First Nation band located in nearby Notre-Dame-Du-Nord, Quebec, opposed the project. Chief Carol McBride said the band had "Aboriginal title to the Adams Mine site ... so you might as well take the contract off the table." She also pointed out that the Algonquin people were concerned with the health and safety risks.

The Adams Mine Landfill received its Certificate of Approval from the Ontario Ministry of the Environment in April 1999. Opponents immediately called for the federal government to assess the safety of the mine.

The Adams Mine deal collapsed in October 2000 when RCN rejected a condition set by Toronto Council. The city wanted some protection against "unavoidable costs" should the system fail. RCN disagreed, wanting the city to pay such costs. Toronto went back to the drawing board to try to solve the problem of its growing garbage.

ACTIVITIES

- 1 Use a graphic organizer to trace the chain of cause and effect in this article. Where did the problems at Adams Mine begin? How did they lead to the situation at the end of the article?
- 2 Imagine what it would have been like to have been involved in this conflict. Do you think you could have found a solution? Hold a town hall meeting and try to work out a solution that will offer some benefit to each of the parties in the conflict.
- 3 Waste disposal has become a major problem for municipalities. What are some business opportunities that might arise from the need for a solution to this problem?

Chapter Review

Points to Remember

- The Canadian economy is made up of the contributions of business, labour, and the government.
- Business affects individuals, and communities, standard of living and quality of life.
- Profits help the economy grow and remain strong.
- Business environments and employment levels are closely connected.
- Economic recessions, technological change, and globalization can be causes of unemployment.
- Education, skills, and market conditions affect individuals' level of income and standard of living.
- Unions, employees, employers, and the government work to ensure safety in the workplace and fair labour practices.
- Environmental issues and businesses interdependence can cause problems for businesses and communities.

Activities

Knowledge/Understanding

- 1 Outline three possible negative impacts that business may have on a community.
- 2 Using the Adams Mine feature, prepare a chart showing the challenges this community faced as it tried to protect both local businesses and the natural environment. How did the business and community needs come into conflict?
- 3 Write a paragraph in which you explain how business owners, employees, and the community are interdependent.

**Skills
Appendix**

researching

Thinking/Inquiry

- 1 Working with two other students, brainstorm responses to the following questions: How does employee stress and illness affect the profit of a business? What is the cost, to a business, of employee sick days? What new businesses have started up as a result of employee stress?
- 2 Research one business issue that has had an effect on the quality of life in your community. Present the results of your research as a multimedia presentation, a role play of a town hall meeting, or a panel discussion.
- 3 Select a small business you might be interested in owning. Decide which of the Employability Skills 2000+ you would want your employees to have. Then write a classified newspaper advertisement for employees.

Communication

- 1 Visit a local business, interview the owner, and write a summary of your interview. Focus your questions on whether the owner is satisfied with the return on the investment of time and money put into the business. What are the reasons for the owner's satisfaction or dissatisfaction?
- 2 Work with a partner to investigate the kinds of dangers young workers face in the workplace. Prepare a poster for a bulletin board on Young Worker Awareness.
 - a) Select one of chemical, physical, biological or ergonomic hazards.
 - b) Research the hazard and the steps that have been taken by industry and by governments in Canada to minimize its dangers.
 - c) Be sure to include the steps that should be taken to prevent danger, to train employees, to inspect to ensure that all safety measures are in place, and to react quickly when an accident happens.
 - d) Finally, draw up a safety checklist that would be useful for this particular hazard.

**Skills
Appendix**

critical thinking

**Skills
Appendix**

researching

Application

- 1 Create a concept web in which you compare the impact of business on one high, one middle, and one lower income community or region of Canada. Select one of the topics discussed in this chapter as the focus of your concept web.
- 2 Jake is organizing a T-ball league for the neighbourhood children. The parents are interested, but the project will require money for uniforms, coaching, and refereeing. Jake agrees to approach local businesses to see if they would be interested in sponsoring a team.
 - a) Outline what Jake should say when trying to convince the business people to give money to his organization in order to sponsor a team.
 - b) Draft a letter that Jake might send to specific local businesses appealing for help.
 - c) Exchange letter drafts with an editing partner and check to be sure that the letter is persuasive. Does the letter present convincing arguments? Does it clearly state the benefits to be gained by both the sponsoring business and by the community?

Skills Appendix

building an argument

Internet Extension

- 1 Workplace safety is promoted in many media—posters, television commercials, newspaper advertisements, billboards, and Web sites. Some of these media campaigns are effective and others are not. Which medium do you think is most likely to have the desired effect on young workers? What kind of content will impress on young people the need for workplace safety?
- 2 Use E-Stat at Statistics Canada to compare the current employment situation in different provinces in Canada. How would these differences affect the standard of living and quality of life of Canadian living in those provinces?

Glossary

accounting the system used by an organization to keep a record of all the money that comes in and goes out.

accounts payable the money that the business owes to other businesses that supply it with goods or services.

accounts receivable money for which a company has billed its customers, but has not yet received payment.

advertising any paid use by an identified sponsor to inform a target market about a product, service, idea, or organization.

affirmative action the process of improving employment practices so that they are fair to people who may have been discriminated against in the past.

AIDA an acronym for four steps of the basic selling approach (*attract* attention; hold *interest*; arouse *desire*; take *action* to close the sale).

annual fee a yearly charge.

appreciate to go up in value.

aptitude natural talents, tendencies, or capacities.

Asia-Pacific Region the market consisting of Asian countries along the Pacific Rim and in South-East Asia.

assessment evaluation.

assets anything a company or person owns that has a dollar value.

baby boom generation the large group of people born between 1947 – 1965.

balance of payment the total flow of money into a country minus the total flow of money leaving the country.

balance of trade comparison between a country's total value of imports and the total value of its exports.

balance sheet a financial statement that shows the company's assets, liabilities, and net worth on a given date.

bankruptcy a legal situation in which a company (or individual) declares that it cannot pay its debts and must sell assets and suffer some penalties.

benefits the financial and psychological value of a job apart from income. Financially, it includes insurance and health insurance.

blue chip successful and profitable companies.

bonds a certificate offered by a company or government promising to repay money borrowed and to pay it back with interest on a certain date.

bonus extra amount of money paid to employees, usually once a year.

brand name the name that identifies the goods or services of one business.

budget a plan of how to spend money.

business the production and sale of goods or services to consumers.

business cycle the movement from prosperity to inflation to recession to depression and then to recovery.

business-to-business the exchange of goods and services between businesses.

business plan an important tool that describes how you will use your business ideas to achieve your business goals.

Canada Savings Bond (CSB) a certificate issued by the federal government promising to repay an amount of money at a given time and at a given rate of interest. CSBs may be purchased by individuals.

capital money available for investment purposes such as starting a business and keeping it running.

capital improvement upgrading of a tangible property.

channel of distribution the path a product takes from the manufacturer to the final consumer.

collection agency a company hired to collect overdue accounts from customers.

common shares the units investors purchase to buy part of a company and have a claim on its profits. Dividends are paid on common shares after those for preferred shares. Also known as stocks. Common shares give investors a vote at the annual meeting.

communication the ability to explain ideas and ask appropriate questions.

comparative advantage a theory that states that some countries are better equipped than others to make and sell particular goods or services.

compensation payment and benefits when used in relation to employees, can include wages and benefits.

competition a situation in which two people or companies try to achieve the same end.

complementary goods goods that are used with one another.

compounding period a set length of time in which an account is credited with interest.

confidence belief in own abilities.

consolidate put together.

consumer someone who purchases goods and services to meet needs and wants.

consumer credit money borrowed for mortgages and

personal loans and when using credit cards.

consumer protection a situation in which the federal and provincial governments try to protect consumers by making sure that the buying and selling of goods and services is fair.

controlling ensuring that company performance is going as planned.

convergence a process in which two or more separate technologies come together to form a new one or to perform new functions, and which the old technologies could not do on their own.

co-operative businesses owned and operated by a group of people with a strong common interest.

corporation a legal business entity that exists independently of its owners.

co-sign another person signs a borrowing agreement and promises to pay debt if the borrower cannot do so.

creativity a quality of developing ideas and expressing them in some tangible form.

credit bureau a company that gathers and provides information on credit history.

credit history the history of paying back debts.

credit rating the reputation for paying back money owing.

crown corporation a legal business entity that exists independently of its owners. Crown indicates that it is owned by federal, provincial, or municipal governments. It usually provides a special service to the public.

debentures a sealed bond issued by a corporation, usually to get a long-term fixed-interest loan.

decision-making taking action.

deductions the money an employer takes from an employee's salary to cover taxes and benefits.

default a failure to pay.

deflation a business situation in which costs and prices fall.

demand the desire for goods and services. It represents the consumer side of the market.

demography the study of statistics relating to populations or communities.

depreciate to drop in value.

depression a period in the business cycle when economic activity is very low and unemployment is very high.

development a long process of upgrading an employee's ability to perform.

direct competition the rivalry that exists when two or more businesses produce similar goods or services.

direct mail promotional material such as advertising pamphlets, brochures, leaflets and flyers that are delivered in the mail.

discretionary income the amount of money left after all compulsory deductions are taken from gross income and after required expenditures, such as taxes, are paid for. This money is available for a person to spend as they wish.

discrimination unfair treatment on the basis of a characteristic such as race, sex, national or ethnic origin, age, marital status, or disability.

disposable income the amount of money left from gross income after compulsory deductions have been taken.

dot-com company a company that does business on the internet or helps other companies offer products or services over the internet.

Dow Jones Industrial Average the oldest and most famous measure of stock performance.

down payment a sum of money paid at the time of a purchase, usually on a large purchase such as a house. (It lessens the amount the purchaser must borrow to pay the total cost.)

e-business short-form for “electronic business,” business that is conducted over the Internet.

economy made up of contributions from business, labour, and the government. The wealth and resources of a community.

embargo a total restriction on trading with another country, can be placed on all goods or on some categories of goods.

emotional quotient degree of emotional health and expressed in self-awareness, altruism, personal motivation, empathy, and ability to love and be loved.

employability skills skills you must have to succeed in business. Skills are abilities that can be acquired by repetition.

employment working for a company or organization.

entrepreneur a person who organizes, manages, and assumes the risk of starting and operating an enterprise.

entrepreneurship the activity of people who bring together all the factors to start a business.

equal opportunity the right to freedom from discrimination in areas such as employment.

equilibrium the point where the forces of supply and the forces of demand are balanced.

ethics standards of conduct that society believes people should follow.

European Union a bloc of 15 European countries in primarily an economic partnership.

The Union does also have political and social objectives.

expenses the amount of money an organization or individual spends to run an operation. In business, it includes wages to employees, cost of supplies, taxes, and payments on loans.

exporting the selling and shipping of raw materials or finished products to other nations.

extranet a network of computers a company has with selected suppliers that allows the company to share information with selected suppliers or with other businesses.

factors of production items required to produce goods and services including land, capital, labour, information, and entrepreneurship.

false advertising saying a product will do something when it will not.

finance the managing of money.

financial institutions companies and organizations that are permitted to hold savings deposits, offer loans and mortgages, issue credit ratings, exchange currency and offer stocks and bonds for sale.

financial instruments a tool used by financial institutions to provide services. They include investments such as savings accounts, GICs, bonds, stocks, mutual funds.

financial management

process of deciding how to use money.

financial plan forecast of how much money is needed to achieve a given financial goal.

financial statements

formal documents that use a standard format to provide the key information about a company's financial position.

fiscal year an accounting year for an organization is a period of 12 consecutive months, at the end of which the business produces its annual financial statements.

flexibility ability to change goals and adapt plans.

foreign exchange rate

a rate that rules how much of another country's currency your country's currency will buy.

foreign subsidiary a company from one country operating in another country.

franchise a type of business in which a person buys the right to use a business name and to sell a product or service. The purchaser must follow the franchise owner's rules in operating the company.

Free Trade Agreement

(FTA) a treaty between Canada and the United States that took effect in 1989 and by 1999 removed all tariffs on the sale of goods to each other.

Free Trade Area of the Americas (FTAA)

the group of North and South American countries (all of them except for Cuba) that are trying to develop freer trade and more cooperation among themselves.

front-line employees the employees who work directly with customers, taking orders, helping them find what they want, responding to complaints, and helping solve problems.

fundamental accounting equation an equation that accounting is based on where the two sides must balance.

future value amount that will be earned because of the interest that is added to the original amount saved.

G8 the Group of Eight, an association of the world's most powerful trading countries. Canada is a member.

garnisheed money removed from a pay cheque.

generally accepted accounting principles (GAAPs)

the guidelines developed by professional accountants for the way accounting records and financial statements are prepared.

globalization doing business internationally.

good any tangible item or product that you can purchase, possess, and use.

gross domestic product

(GDP) the annual total value of final market goods produced and services provided in a country.

gross pay pay or wages before deductions.

guarantee formal promise or assurance, that an obligation will be fulfilled or that goods are of a specified quality and durability.

guaranteed investment certificate (GIC) guarantees a fixed interest rate on a sum of money deposited at the financial institution for a fixed term.

harassment repeatedly annoying someone.

health and safety program

a preventative, includes training for workers, regular inspections by professionals in the health and safety field, a process for reacting swiftly to accidents and injuries.

human resources the aspect of business operations that deals with attracting and keeping employees.

illegal pricing a practice that lessens competition and gives consumers less choice than they should have.

importing the buying of raw materials or finished products from other nations in order to use them in the home country.

income also known as revenue, earnings by an individual or business from a variety of sources.

income statement the financial statement that reports a business's income and expenses for a fiscal period.

income tax an amount of money the federal government requires those who earn income (individuals and corporations) to pay to it. It is used to pay for government and government programs.

indirect competition competing with other businesses selling different goods, also known as substitute competition.

inflation refers to a rise, over time, in the price of goods and services.

information knowledge. The development of computers and other technologies has made knowledge an important factor in business because so much can be gathered and shared.

information interviews a formal way of talking with people, in hopes of having all your questions answered.

infrastructure a system that makes a nation or organization run.

initiative ability to take action without the prompting of others.

innovator a person who adapts an existing good or service to improve it or its appeal to current consumers.

installment plan a loan granted by or through a retailer for an expensive purchase that can be repaid at set intervals over a period of time.

integrity the personal commitment to keep promises.

interdependence the dependence between two parties such as consumers and producers

interest rate the rate a financial institution charges for the money it lends.

interest money paid for the use of money.

intranet a network of computers connected within a company.

inventor a person who creates new devices or services by assembling previously unrelated elements in a new way, or who develops a good or service so different from the original that it requires a new name and is clearly separate and distinct.

investment a financial tool in which one puts money for a period of time in exchange for a chance to earn interest.

ISO Standards the benchmarks set by the International Organization for Standardization to help companies develop and maintain widely

accepted standards of quality and measurements.

job description a description of the requirements to perform a job and the responsibilities of the job.

labelling the part of packaging that provides the consumer with information, such as product ingredients.

labour includes all mental and physical work that people put into producing goods and services.

labour movement the efforts by workers, often in organized groups such as unions, to protect workers' health, safety, and rights.

land natural resources used to produce goods and services.

law of demand a situation in the market in which the level of demand for a good or service influences prices. High demand tends to lead to higher prices, while low demand often means lower prices.

law of supply a situation in the market in which the price of a good or service influences the level of production. Producers increase the level when the price rises and reduce it if the price drop too low.

leadership ability to inspire others to follow their example in a positive way.

leading setting a direction.

limit the amount of money a financial institution is willing to let a consumer borrow.

limited liability the extent to which shareholders are responsible for a company's debts. It is the same as their financial involvement.

liquid asset assets such as bonds, GICs, and term deposits, that can be quickly turned into cash.

management the planning, organizing, and controlling of all business activities.

manufacturer the company or business that produces goods.

market a place where buyers and sellers come together to do business, the buyers with money to exchange for the goods or services offered by the sellers.

market niche a small segment of a larger market.

market research the gathering and analysing of data to provide a business with information on consumers' needs and wants.

marketing all the business activities used to plan, price, promote, and distribute goods or services to satisfy consumer needs and wants.

marketing mix product, promotion, place, and price.

misleading advertising distorting the truth about the goods being offered.

mortgage loan to buy a house or a business.

motivating encouraging employees to act using positive or negative methods or a mix of both. This is external motivation. Internal motivation or influences comes from within.

mutual fund an investment fund in which the contributions of many individuals are combined and invested by a professional fund manager in a variety of stocks and bonds.

natural resources a material available in nature that has the potential to be of economic value.

needs a good or service that is essential for life and in business describes a factor that motivates individuals to act.

net pay money available to spend after compulsory and voluntary deductions are taken off gross pay.

net worth the difference between what one owns and what one owes.

networking the process of meeting people in a semi-formal or informal environment and telling them what you need in a conversational way.

non-profit corporation a legal business entity that is not organized to make a profit. Purpose is to undertake fundraising, do research, or lobby for a cause in order to help people.

non-tariff barriers a method, other than taxes, of reducing the quantity and value of foreign-made goods that come into the country.

North American Free Trade Agreement (NAFTA) an agreement among Mexico, Canada, and the United States that took effect in 1994 and is similar to the Free Trade Agreement.

objectives goals set by management.

organizing creating the structure and the right systems to implement the plan.

owner's equity amount of money the owner invested when starting the business, plus any accumulated profits or minus any accumulated losses.

packaging the container or wrapper for a product, the design of the container and the information printed on the container.

partnership a form of business organization in which two or more people own and operate the business together. The business is unincorporated.

patent a legal registration process that ensures exclusive rights to make, use, or sell an invention for a specific number of years.

pension income employees receive after they have retired.

per capita a Latin term meaning by each head or person.

performance standards specific, measurable, easy-to-communicate expectations that are used as part of the process in assessing employees' performance.

perseverance the determination to keep going and keep trying.

personal line of credit a permanent offer of a loan from a bank, trust company, or credit union.

personal performance doing more than is needed just to keep the job.

personal selling any one-to-one communication of information that tries to persuade a customer to buy a good, service or idea.

planning first critical step for managers. Involves forecasting the future and begins with research.

portfolio a group of investments usually in reference to those held by one person.

pre-authorization a financial institution's guarantee that it will advance the customer an agreed amount of money, usually for a major purchase.

pre-authorized payments agreeing to allow a company or government to deduct money on a regular basis from your chequing account.

preferred shares the units, or stocks, investors purchase to buy part of a company and have a claim on its profits. Owners are entitled to a fixed dividend that must be paid out of earnings before any dividend is paid to common shareholders. Owners do not have a vote at annual meetings.

principal an original amount before interest charges are added.

private corporation a legal business entity in which shares are not offered to the public.

producer someone who makes goods or provides services.

product recall the call back of a product usually because it poses a health or safety risk.

production the process of converting a business's resources into goods and services.

profit the amount by which the revenue of a business exceeds its expenses.

promotion informs consumers about a product or service and encourages them to buy it.

property tax the amount of tax property owners pay. It is used to cover the cost of municipal services.

prosperity a period in the business cycle of good economic times. Businesses are producing a significant level of wealth.

protectionism the efforts of a country to keep out foreign-made goods.

public corporation does not have restrictions on its number of shareholders.

public relations all the activities by which a business tries to maintain its good reputation and promote good will with the public.

publicity the act of bringing company activities to the attention of the public.

quality control a process for determining which products can be sold and which rejected. It is done by comparing them to pre-set standards.

quality of life includes peoples' material standard of living and a number of social and environmental factors.

questionnaires sometimes called a survey, is a way to get a number of answers and opinions from a selected group of people.

quota a limit on the number of products in a category that can come into a country. It is used to keep foreign-made goods out of the country.

recession a period in the business cycle when the whole economy slows down and business no longer creates as much wealth.

recovery a period in an business cycle when the economy starts to improve.

recruitment the process of attempting to hire an employee or enrol someone in a program.

research and development a department in a company devoted to doing the experiments required to develop new goods or services or adapt existing ones.

retailer one who sells goods or services directly to consumers.

return the amount of money earned on an investment.

revenue the money a business receives from the sale of goods and services.

risk-tolerance the ability to take calculated risks, to decide that the opportunity for success outweighs the possibility of failure.

sales promotion all the activities a business does to stimulate buying.

sales tax an amount of money paid on retail purchases.

saving putting away a portion of income today, in order to have money for the future.

selection the process whereby a company chooses an employee from a group of candidates.

self-actualization self-fulfillment.

services helpful acts performed in exchange for pay.

service charges the fees charged for transactions.

shareholders people who buy stocks in a company and so are part owners of the company.

small business a business that is independently operated, not dominant in its field, and meets certain size limits in terms of employees and annual sales.

social assistance programs that provide income for people unable to work due to illness, layoffs, or age.

social responsibility the duty to care for others whose actions can be affected in a damaging way.

sole proprietorship a form of business owned and operated by one person. It is unincorporated.

standard of living a measurement of the number and quality of goods and services that the members of a country or community enjoy.

stocks the money organizations raise by selling ownership in the company in the form of shares.

stock option shares in a company.

structure the arrangement of positions in a company based on who is responsible for what.

substitute goods a good that can easily be replaced by another.

supply the quantity of goods and services that producers and sellers are willing or able to sell consumers.

systems procedures that will help a company achieve its goals.

target market a group of consumers the business wants to reach.

tariff barriers a tax on goods coming into a country. It is intended to reduce the quantity and value of foreign-made goods that come into the country.

tax credit an amount of money that can be deducted from tax payable.

tax shelter a financial device that keeps money from being counted as income for the purpose of computing income tax.

taxable income net income of an individual or a for-profit organization.

telecommute working from home and sending work through the Internet.

telemarketing alternative to personal selling, using telephone technology including facsimile machines to maintain regular contact with customers.

total income income from all sources.

trade bloc a zone in which trading occurs without restriction between and among countries.

trademark a registered brand name.

trading partner two or more countries who do business with each other in exports and imports.

training a program that improves a person's ability to perform job skills. It is given over a set length of time.

transnational companies companies that use raw materials and labour from many countries to make their products.

transportation costs the costs of moving raw materials and finished products from one location to another.

trend a pattern over time.

TSE 300 the Canadian index that reflects the share price of 300 Canadian companies list on the Toronto Stock Exchange.

unemployment a condition in which people are out of work and actively looking for work.

unlimited liability a condition in which a person is responsible for paying all the debts or liabilities of the business.

vision ability to visualize end results or goals and work toward making them real.

wants a desire for goods or services that are not essential for basic life and in business describe a factor that motivates individuals to act.

warranty provides after-sales service on a product for a specified period of time.

wholesaler one who buys goods and services in order to sell them to other businesses for resale.

worker's compensation payment of benefits to injured workers.

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