

Term	Brief Definition
A.G.	: Aktien-Gesellschaft. A joint stock company in Germany.
Absolute advantage	: A country has an absolute advantage in the production of a product when it is more efficient than any other country at producing it.
Absolute advantage	: The advantage enjoyed by a country because it can produce a product at a lower cost than can other countries.
Accidental exports	: Export business obtained through no effort of the exporter.
Accountability practices	: Focus on treating diverse employees fairly.
Accounting exposure	: The total net of accounting statement items on which loss could occur because of changes in currency exchange rates.
Accounting standards	: Rules for preparing financial statements.
Achievement culture	: A culture in which people are accorded status based on how well they perform their functions.
Achievement motivation theory	: A theory which holds that individuals can have a need to get ahead, to attain success, and to reach objectives.
Act of state doctrine	: A jurisdictional principle of international law which holds that all acts of other governments are considered to be valid by U.S. courts, even if such acts are illegal or inappropriate under U.S. law.
Action learning	: A variety of experiential learning activities in which employees are involved in a "real, complex, and stressful problem," usually in teams, with immediate relevance to the company.
Action research	: A data-based, problem-oriented process that diagnoses the need for change, introduces the intervention, and then evaluates and stabilizes the desired changes.
Ad valorem tariff	: A tariff levied as a proportion of the value of an imported good.
Ad valorem tariff or duty	: Literally "according to the value." A method in which customs duties or tariffs are established and charged as a percentage of the value of imported goods.
Adaptability screening	: The process of evaluating how well a family is likely to stand up to the stress of overseas life.

Adaptive culture	:	An organizational culture in which employees focus on the changing needs of customers and other stakeholders, and support initiatives to keep pace with those changes.
Adaptive organizations	:	Organizations that are characterized by reaction to required changes but failure to anticipate them and stay on or ahead of the cutting edge.
Adaptive perspective	:	Assumes that adaptive cultures enhance a firm's financial performance.
Adjustment assistance	:	Financial and technical assistance to workers, firms, and communities to help them adjust to import competition.
Administrative coordination	:	Strategic formulation and implementation in which the MNC makes strategic decisions based on the merits of the individual situation rather than using a predetermined economically or politically driven strategy.
Administrative trade policies	:	Administrative policies, typically adopted by government bureaucracies, that can be used to restrict imports or boost exports.
Advertising	:	Paid, nonpersonal presentation of ideas, goods, or services by an identified sponsor.
Advising bank	:	The bank that notifies the beneficiary of the opening of a letter of credit. The advising bank makes no payment commitment.
Aesthetics	:	A culture's sense of beauty and good taste.
Affective component	:	The feelings or emotions one has about an object or situation.
Affiliated company	:	May be a subsidiary or a company in which an IC has less than 100 percent ownership.
Affirmative action	:	Focuses on achieving equality of opportunity in an organization.
Agency office	:	An office of a foreign bank in the United States that cannot accept domestic deposits. It seeks business for the bank when U.S. companies operate internationally.
Aggressive style	:	Expressive and selfenhancing, but takes unfair advantage of others.
Air waybill	:	For goods shipped by air, performs the functions of a bill of lading in land surface transport or of a marine bill of lading in water transport except that it is not a document of title.

Allowances	:	Extra payments to expatriate employees to meet the higher costs they incur abroad.
Alternative dispute resolution	:	Avoiding costly lawsuits by resolving conflicts
Alternative dispute resolution (ADR)	:	A third-party dispute resolution process that includes mediation, typically followed by arbitration.
American depository receipt (ADR)	:	Stock of a foreign corporation is deposited at an American bank. The bank issues an ADR, not the corporation's stock certificate, to an American investor who buys the ADR. The stock certificate is kept at the bank.
Americans with Disabilities Act	:	Prohibits discrimination against the disabled.
Analytical manager	:	A manager who is systematic and logical and carefully weighs alternatives to problems.
Andean Pact	:	A 1969 agreement between Bolivia, Chile, Ecuador, Colombia, and Peru to establish a customs union.
Antiboycott law	:	An American law against complying with the Arab countries' boycott of Israel.
Anticipatory socialization	:	Occurs before an individual joins an organization, and involves the information people learn about different careers, occupations, professions, and organizations.
Antidumping policies	:	Designed to punish foreign firms that engage in dumping and thus protect domestic producers from unfair foreign competition.
Antidumping regulations	:	Regulations designed to restrict the sale of goods for less than their fair market price.
Antitrust laws	:	Laws to prevent business from engaging in such practices as price-fixing and market sharing.
Appreciation	:	An increase in the value of one asset in terms of another.
Appreciative inquiry	:	An organizational change process that directs attention away from the group's own problems and focuses participants on the group's potential and positive elements.
Apprenticeship program	:	Enables a person to learn a job skill by working with a skilled worker.
Appropriate technology	:	The technology—advanced, intermediate, or primitive—that most fits the society using it.

Arbitrage	:	The purchase of securities in one market for immediate resale in another to profit from a price discrepancy.
Arbitrage	:	The simultaneous purchase and sale of something in two (or more) markets at a time when it is selling (being bought) at different prices in the markets. Profit is the price differential minus the cost.
Arbitration	:	The settlement of a dispute between parties by a third, presumably unbiased, party, not a court of law.
Arbitrator	:	An individual who provides a solution to a grievance that both sides (union and management representatives) have been unable to resolve themselves and that both sides agree to accept.
Arm's-length transaction	:	A transaction between two or more unrelated parties. (A transaction between two subsidiaries of an IC would not be an arm's-length transaction.)
Artifacts	:	The observable symbols and signs of an organization's culture.
Asch effect	:	Giving in to a unanimous but wrong opposition.
Ascription culture	:	A culture in which status is attributed based on who or what a person is.
ASEAN (Association of South East Asian Nations)	:	Formed in 1967, an attempt to establish a free trade area between Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.
Asian religions	:	The primary Asian religions are Hinduism, Buddhism, Jainism, and Sikhism (India); Confucianism and Taoism (China); and Shintoism (Japan).
Assertive style	:	Expressive and selfenhancing, but does not take advantage of others.
Assessment center	:	An evaluation tool used to identify individuals with potential to be selected or promoted to higher-level positions.
Associations	:	Social units based on age, sex, or common interest, not on kinship.
Attention	:	Being consciously aware of something or someone.
Attitude	:	Learned predisposition toward a given object.
Attitudes	:	The cluster of beliefs, assessed feelings, and behavioral intentions toward an object.

Attribution process	:	The perceptual process of deciding whether an observed behavior or event is caused largely by internal or by external factors.
Auditing standards	:	Rules for performing an audit.
Authoritarian leadership	:	The use of work-centered behavior designed to ensure task accomplishment.
Autonomy	:	The degree to which a job gives employees the freedom, independence, and discretion to schedule their work and determine the procedures used in completing it.
Availability heuristic	:	Tendency to base decisions on information readily available in memory.
Back-to-back letter of credit (L/C)	:	A paying bank that will pay the exporter opens a back-to-back L/C based on the underlying L/C the exporter's supplier (a manufacturer, for example) may be paid.
Back-to-back loans	:	A unit of one IC lends to a unit of a second IC, and at the same time and in equivalent amounts, another unit of the second IC lends to another unit of the first.
Backward vertical FDI	:	Investing in an industry abroad that provides inputs for a firm's domestic processes.
Backward vertical integration	:	Establishing facilities to manufacture inputs used in the production of a firm's final products.
Balance of payments (BOP)	:	A financial statement that compares all reported payments by residents of one country to residents of other countries with payments to domestic residents by foreign residents. If more money has been paid out than received, the BOP is in deficit. If the opposite condition exists, the BOP is in surplus.
Balance sheet approach	:	An approach to developing an expatriate compensation package that is based on ensuring the expat is "made whole" and does not lose money by taking the assignment.
Balanced scorecard	:	A reward system that pays bonuses for improved results on a composite of financial, customer, internal process, and employee factors.
Balance-of-payments accounts	:	National accounts that track both payments to and receipts from foreigners.

Balance-of-trade equilibrium	:	Reached when the income a nation's residents earn from exports equals money paid for imports.
Bank swaps	:	To avoid currency exchange problems, a bank in a soft currency country will lend to an IC subsidiary there. The IC or its bank will make hard currency available to the lending bank outside the soft currency country.
Banker's acceptance	:	A draft drawn, for example, by an exporter on an importer's bank. If the bank accepts the draft, the bank has agreed to pay in accordance with its terms.
Banking crisis	:	A loss of confidence in the banking system that leads to a run on banks, as individuals and companies withdraw their deposits.
Barriers to entry	:	Factors that make it difficult or costly for firms to enter an industry or market.
Barter	:	The direct exchange of goods or services between two parties without a cash transaction.
Barter	:	The exchange of goods or services for goods or services. No money is used.
Basic research centers	:	Centers for fundamental research located in regions where valuable scientific knowledge is being created; they develop the basic technologies that become new products.
Behavior modification	:	A theory that explains learning in terms of the antecedents and consequences of behavior.
Behavioral component	:	How one intends to act or behave toward someone or something.
Benchmarking	:	Process by which a company compares its performance with that of high-performing organizations.
Benchmarking	:	The process of identifying what leading-edge competitors are doing and then using this information to produce improved products or services.
Bicultural audit	:	Diagnoses cultural relations between companies prior to a merger and determines the extent to which cultural clashes will likely occur.

Bicultural group	:	A group in which two or more members represent each of two distinct cultures, such as four Mexicans and four Taiwanese who have formed a team to investigate the possibility of investing in a venture.
Bilateral netting	:	Settlement in which the amount one subsidiary owes another can be canceled by the debt the second subsidiary owes the first.
Bill of exchange	:	An order written by an exporter instructing an importer, or an importer's agent, to pay a specified amount of money at a specified time.
Bill of exchange (draft)	:	An unconditional written order calling on the party to whom it is addressed to pay on demand or at a future date a sum of money to the order of a named party or to the bearer. Examples are acceptances or the commercial bank check.
Bill of lading	:	A document issued to an exporter by a common carrier transporting merchandise. It serves as a receipt, a contract, and a document of title.
Bill of lading (B/L)	:	A receipt given by a carrier of goods received and contract for their delivery. Usually a B/L is made to the order of someone and is negotiable. The B/L is also a document of title with which the holder may claim the goods from the carrier, and which the holder may use as collateral for a loan.
Blocked account	:	Financial assets that cannot be transferred into another currency or out of the country without the government's permission.
Bonded warehouse	:	Warehouse authorized by customs authorities for storage of goods on which payment of import duties is deferred until the goods are removed.

		(1) Eurobond A long-term bond marketed internationally in countries other than the country of the currency in which it is denominated. The issue is not subject to national restrictions. (2) zero-coupon bonds Pay no periodic interest (hence their name), so the total yield is obtained entirely as capital gain on the final maturity date. (3) dualcurrency bonds Denominated in one currency but pay interest in another currency at a fixed rate of exchange. Dual-currency bonds can also pay redemption proceeds in a different currency than the currency of denomination. (4) floating-rate bonds Interest rates are adjusted regularly according to the level of some base interest rate plus a fixed spread.
Bonds	:	
Bonuses	:	Extra payments to expatriates because of hardships and inconveniences encountered in some foreign postings.
Boomerang effect	:	Refers to the fact that technology sold to companies in another nation may be used to produce goods that will then compete with those of the seller of the technology.
Bottleneck	:	Operation in production system whose output sets limit for entire system's output.
Bottom-up planning	:	Planning process that begins at the lowest level in the organization and continues upward.
bounded rationality	:	Processing limited and imperfect information and satisficing rather than maximizing when choosing among alternatives.
Bounded rationality	:	Constraints that restrict rational decision making.
Brain drain	:	The loss by a country of its most intelligent and best educated people.
Brainstorming	:	A freewheeling, face-to-face meeting where team members aren't allowed to criticize, but are encouraged to speak freely, generate as many ideas as possible, and build on the ideas of others.
Brainstorming	:	Process to generate a quantity of ideas.
Branch office	:	An office or department of a company at a location away from headquarters. It is a part of the company and not a separate legal entity, as is a subsidiary, an affiliate, or a joint venture.

Bretton Woods	:	A 1944 conference in which representatives of 40 countries met to design a new international monetary system.
Bretton Woods	:	A resort in New Hampshire at which bank and treasury officials of the major Allied powers met near the end of World War II. There they established the International Monetary Fund, the World Bank, and an international monetary system.
Bribes	:	Gifts or payments to induce the receiver to do something illegal for the giver.
Buffer stock	:	A supply of a commodity that the executive of a commodity agreement tries to accumulate and hold so that when the price of the commodity begins to rise above desirable levels, sales can be made from that stock to dampen the price rise.
Building blocks of intrinsic motivation	:	Essential work environment characteristics needed for intrinsic motivation.
Bureaucratic controls	:	Achieving control through establishment of a system of rules and procedures.
Cafeteria approach	:	An approach to developing an expatriate compensation package that entails giving the individual a series of options and letting the person decide how to spend the available funds.
Canadian Shield	:	A massive land area of bedrock covering one-half of Canada's landmass.
CAP	:	Common agricultural policy.
Capital account	:	In the balance of payments, records transactions involving the purchase or sale of assets.
Capital controls	:	Restrictions on cross-border capital flows that segment different stock markets; limit amount of a firm's stock a foreigner can own; and limit a citizen's ability to invest outside the country.
Capital flight	:	Residents convert domestic currency into a foreign currency.
Capital-intensive	:	Describes processes that require a high concentration of capital relative to labor per unit of output and products produced by such processes. The opposite is labor-intensive.
Capitalism	:	All possible activities are performed by private business or persons rather than by a government.

Care perspective	:	Involves compassion and an ideal of attention and response to need.
Care principle	:	The moral principle stating that we should benefit those with whom we have special relationships.
Career plateauing	:	The end result when the probability of being promoted is very small.
CARICOM	:	An association of English-speaking Caribbean states that are attempting to establish a customs union.
Cartel	:	An organization of suppliers that controls the supply and price of a commodity. To be successful, a cartel should have relatively few members who control most of the export supply of the commodity, the members must observe the cartel rules, and the commodity must be a necessity with a price-inelastic demand.
Case study	:	In-depth study of a single person, group, or organization.
Caste system	:	A system of social stratification in which social position is determined by the family into which a person is born, and change in that position is usually not possible during an individual's lifetime.
Caste system	:	An aspect of Hinduism by which the entire society is divided into four groups plus the outcasts, and each is assigned a certain class of work.
Causal attributions	:	Suspected or inferred causes of behavior.
Central banks	:	Government institutions with authority over the size and growth of the national monetary stock. Central banks frequently regulate commercial banks and usually act as the government's fiscal agent.
Central reserve assets	:	Gold, SDRs, or hard foreign currencies held in a nation's treasury.
Centrality	:	The degree and nature of interdependence between the powerholder and others.
Centralization	:	The degree to which formal decision authority is held by a small group of people, typically those at the top of the organizational hierarchy.
Centralization	:	A management system under which important decision are made at the top.
Centralized decision making	:	Top managers make all key decisions.

Centralized depository	:	The practice of centralizing corporate cash balances in a single depository.
Centrally planned economy	:	Governments plan and direct almost all economic activity and usually own the factors of production.
Centrally planned markets	:	Markets in which there is almost no free market activity and the government owns all major factors of production, controls labor, and tries to plan all activity.
Ceremonies	:	Planned and usually dramatic displays of organizational culture, conducted specifically for the benefit of an audience.
Certificate of review	:	Legal document issued by U.S. Department of Commerce that grants immunity from state and federal antitrust prosecution to export trading companies.
Chaebol	:	Large South Korean conglomerates, frequently family owned and directed, that have succeeded worldwide in such fields as microchips, electronics, construction, and shipbuilding. Korean law prohibits banks from being part of chaebol.
Chaebols	:	In South Korea, very large, family-held conglomerates, including internationally known firms, in which many key managers have attended school in the West and use this education to help formulate successful international strategies for their firms. Chaebols have considerable political and economic power in Korea.
Change agent	:	Anyone who possesses enough knowledge and power to guide and facilitate the organizational change effort.
Change and acquisition	:	Requires employees to master tasks and roles and to adjust to work group values and norms.
Channel length	:	The number of intermediaries that a product has to go through before it reaches the final consumer.
Charismatic leadership	:	Transforms employees to pursue organizational goals over self-interests.
Chromatics	:	The use of color to communicate messages.
Chronemics	:	The way in which time is used in a culture.

CIF (cost, insurance, and freight)	:	A term used in the delivery of goods from one party to another. The price includes the costs of the goods, the maritime or other appropriate transportation, the insurance premium, and the freight charges to the destination.
CIS	:	Commonwealth of Independent States.
Civil law system	:	A system of law based on a very detailed set of written laws and codes.
Civil or code law	:	Law that is derived from Roman law and is found in the non-Islamic and nonsocialist countries.
Class consciousness	:	A tendency for individuals to perceive themselves in terms of their class background.
Class system	:	A system of social stratification in which social status is determined by the family into which a person is born and by subsequent socioeconomic achievements. Mobility between classes is possible.
Clearing	:	The process of transmitting, reconciling, and, in some cases, confirming payment orders prior to settlement, possibly including netting of instructions and the establishment of final positions for settlement. Sometimes the term is used (imprecisely) to include settlement.
Clearing system	:	A set of procedures whereby financial institutions present and exchange data and/or documents relating to funds or securities transfers to other financial institutions. The procedures often also include a mechanism for the calculation of participants' bilateral and/or multilateral net positions with a view to facilitating the settlement of their obligations on a net basis.
Clearinghouse	:	A central location or central processing mechanism through which financial institutions agree to exchange payment instructions. The institutions settle for items exchanged at a designated time based on the rules and procedures of the clearinghouse. In some cases, the clearinghouse may assume significant counterparty, financial, or risk management responsibilities for the clearing system.
Climate	:	The meteorological conditions, including temperature, precipitation, and wind, that prevail in a region.

Closed system	:	A relatively selfsufficient entity.
Cluster analysis	:	Statistical technique dividing objects into groups so that the objects within each group are similar.
Coalition	:	An informal group that attempts to influence people outside the group by pooling the resources and power of its members.
Coalition	:	Temporary groupings of people who actively pursue a single issue.
COCOM	:	Voluntary group of most NATO nations that administers a common set of export controls to prevent transfer of sensitive goods to hostile nations. In 1994, after the end of the Cold War, COCOM went out of existence. A number of developments are causing some NATO members to consider reviving it. Such developments include modernization of the PRC armed forces, fears of a Russian military revival, and the discovery that at least one of the so-called rogue countries, Iraq, developed arms of mass destruction, including nuclear, biological, and chemical weapons.
Codetermination	:	A form of employee involvement required by some governments that typically operates at the work site as works councils and at the corporate level as supervisory boards.
Codetermination	:	A legal system that requires workers and their managers to discuss major decisions.
Codetermination	:	A system in which representatives of labor participate in the management of a company.
Coercive power	:	Obtaining compliance through threatened or actual punishment.
Cognitions	:	A person's knowledge, opinions, or beliefs.
Cognitive categories	:	Mental depositories for storing information.
Cognitive component	:	The beliefs or ideas one has about an object or situation.
Cognitive dissonance	:	A psychological tension that occurs when people perceive an inconsistency between their beliefs, feelings, and behavior.
Cognitive style	:	A perceptual and judgmental tendency, according to Jung's typology.
Cohesiveness	:	A sense of "we-ness" helps group stick together.
Collaborative computing	:	Using computer software and hardware to help people work better together.

Collection documents	:	All documents submitted to a buyer for the purpose of receiving payment for a shipment.
Collective bargaining	:	The process whereby formal labor agreements are reached by union and management representatives; it involves the negotiation of wages, hours, and conditions of employment and the administration of the labor contract.
Collective bargaining	:	Bargaining between an employer and a labor union about employee wages and working conditions.
Collective selfregulation	:	A feature of sociotechnical systems in which the team has autonomy to divide up work among its members as well as to coordinate that work.
Collectivism	:	The extent to which people value duty to groups to which they belong, and to group harmony.
Collectivism	:	A culture in which people tend to belong to groups or collectives and to look after each other in exchange for loyalty.
Collectivism	:	An emphasis on collective goals as opposed to individual goals.
Collectivist culture	:	Personal goals less important than community goals and interests.
COMECON	:	Now-defunct economic association of Eastern European Communist states headed by the former Soviet Union.
Command economy	:	An economic system where the allocation of resources, including determination of what goods and services should be produced, and in what quantity, is planned by the government.
Commitment to change	:	A mindset of doing whatever it takes to effectively implement change.
Commodity agreement	:	An agreement between the producers and consumers of a commodity (for example, tin, cocoa, or rubber) to regulate the production, price, and trade of the commodity.
Common external tariff	:	Under an agreement reached by a group of nations, such as the EU, the same level of tariffs is imposed by these nations on all goods imported from other nations.
Common law	:	Law that derives from English law and is the foundation of legislation in the United States, Canada, and England, among other nations.

Common law system	:	A system of law based on tradition, precedent, and custom. When law courts interpret common law, they do so with regard to these characteristics.
Common market	:	A group of countries committed to (1) removing all barriers to the free flow of goods, services, and factors of production between each other and (2) the pursuit of a common external trade policy.
Communication	:	The process by which information is transmitted and understood between two or more people.
Communication	:	Interpersonal exchange of information and understanding.
Communication	:	The process of transferring meanings from sender to receiver.
Communication competence	:	Ability to effectively use communication behaviors in a given context.
Communication distortion	:	Purposely modifying the content of a message.
Communism	:	A theory of a classless society conceived by Marx. Lenin, Stalin, and others developed it differently.
Communist totalitarianism	:	A version of collectivism advocating that socialism can be achieved only through a totalitarian dictatorship.
Communists	:	Those who believe socialism can be achieved only through revolution and totalitarian dictatorship.
Communitarianism	:	Refers to people regarding themselves as part of a group.
Communities of practice	:	Informal groups bound together by shared expertise and passion for a particular activity or interest.
Communities of practice	:	Groups bound together by shared expertise and passion for a particular activity or interest.
Comparative advantage	:	The theory that countries should specialize in the production of goods and services they can produce most efficiently. A country is said to have a comparative advantage in the production of such goods and services.
Comparative advantage	:	Unless a country has the same absolute advantage in producing all goods and services, there would be some goods and services in which it had less relative advantage. It would gain by importing those and exporting the ones in which it had an absolute advantage or the greatest relative advantage.

Compensation	:	A form of counter trade involving payment in goods and cash.
Compensatory financing	:	A program to assist countries in financial difficulties due to drops in export earnings because of natural causes, such as drought, or because of international market price decreases. The IMF and the EU have compensatory financing programs.
Compensatory trade	:	Any transaction that involves asset transfer as a condition of purchase.
Competencies	:	Skills, knowledge, aptitudes, and other characteristics of people that lead to superior performance.
Competition policy	:	Regulations designed to promote competition and restrict monopoly practices.
Competition policy	:	The European versions of American antitrust laws.
Competitive alliance	:	Cooperation between competitors for specific purposes.
Competitor analysis	:	Process in which principal competitors are identified and their objectives, strengths, weaknesses, and product lines are assessed.
Competitor intelligence system (CIS)	:	Procedure for gathering, analyzing, and disseminating information about a firm's competitors.
Compound duty	:	A form of import duty consisting of an ad valorem duty and a specific duty.
Confirmed	:	Act of a correspondent bank in the seller's country by which it agrees to honor the issuing bank's letter of credit.
Confirmed letter of credit (L/C)	:	An L/C confirmed by a bank other than the opening bank. Thus, it is an obligation of more than one bank.
Confiscation	:	Seizure by a government of foreign-owned assets that is not followed by prompt, effective, and adequate compensation.
Conflict	:	The process in which one party perceives that its interests are being opposed or negatively affected by another party.
Conflict	:	One party perceives its interests are being opposed or set back by another party.
Conflict management	:	Interventions that alter the level and form of conflict in ways that maximize its benefits and minimize its dysfunctional consequences.
Conflict triangle	:	Conflicting parties involve a third person rather than dealing directly with each other.

Confrontation meetings	:	The gathering and analysis of information related to intra- and intergroup conflict followed by the formulation of a plan of action by the participants for the purpose of resolving these problems.
Confucian dynamism	:	Theory that Confucian teachings affect attitudes toward time, persistence, ordering by status, protection of face, respect for tradition, and reciprocation of gifts and favors.
Confucian work ethic	:	Same as the Protestant work ethic. The term is used in Asian nations where Confucianism is a major religion.
Conglomerate investment	:	A type of high-risk investment in which goods or services produced are not similar to those produced at home.
Conscientiousness	:	A “Big Five” personality dimension that characterizes people who are careful, dependable, and self-disciplined.
Consensus	:	Presenting opinions and gaining agreement to support a decision.
Conservative	:	In American political usage, a conservative advocates minimum government activity.
Consideration	:	Creating mutual respect and trust with followers.
Constant returns to specialization	:	The units of resources required to produce a good are assumed to remain constant no matter where one is on a country’s production possibility frontier.
Constructive conflict	:	Occurs when team members debate their different perceptions about an issue in a way that keeps the conflict focused on the task rather than people.
Contact hypothesis	:	A theory stating that the more we interact with someone, the less we rely on stereotypes to understand that person.
Content theories	:	Theories that explain work motivation in terms of what arouses, energizes, or initiates employee behavior.
Context	:	Information that surrounds a communication and helps to convey the message.
Contingency approach	:	The idea that a particular action may have different consequences in different situations.
Contingency approach	:	Using management tools and techniques in a situationally appropriate manner; avoiding the one-best-way mentality.

Contingency approach to organization design	:	Creating an effective organization–environment fit.
Contingency factors	:	Variables that influence the appropriateness of a leadership style.
Contingency plan	:	Plan for the best or worst-case scenarios or for critical events that could have a severe impact on the firm.
Contingent work	:	Any job in which the individual does not have an explicit or implicit contract for long-term employment, or one in which the minimum hours of work can vary in a nonsystematic way.
Continuance commitment	:	A calculative decision to remain with an organization because quitting would be costly.
Continuous reinforcement	:	Reinforcing every instance of a behavior.
Contract	:	Document that specifies conditions of an exchange and details rights and obligations of involved parties.
Contract law	:	Body of law that governs contract enforcement.
Contract manufacturing	:	Manufacturing of a product or component by one company for another company. The two companies may or may not be related by stock ownership, common parent, or otherwise.
Control strategy	:	Coping strategy that directly confronts or solves problems.
Control systems	:	Metrics used to measure performance of subunits.
Controllable forces	:	The forces internal to the firm that management administers to adapt to changes in the uncontrollable environmental forces.
Controlling	:	The process of evaluating results in relation to plans or objectives and deciding what action, if any, to take.
Controlling interest	:	A firm has a controlling interest in another business entity when it owns more than 50 percent of that entity's voting stock.
Convertible currencies	:	Currencies that may be changed for or converted into other currencies, at least for current account payments, without government permission.
Cooperative exporters	:	Established international manufacturers who export other manufacturers' goods as well as their own.
Coproduction	:	A form of industrial cooperation in which two or more factories produce components for a final product.

Copyright	:	Exclusive legal rights of authors, composers, playwrights, artists, and publishers to publish and dispose of their work as they see fit.
Core competence	:	Firm skills that competitors cannot easily match or imitate.
Core job dimensions	:	Job characteristics found to various degrees in all jobs.
Corporate social responsibility (CSR)	:	An organization's moral obligation towards its stakeholders.
Corporate strategy	:	Action plan to enable an organization to reach its objectives.
Cost of capital	:	Price of money.
Cottage industry	:	Production away from a central factory, typically in the worker's own home or cottage. Workers are paid on a piece-rate basis, or so much for each unit produced.
Council of Ministers	:	Represents the interests of EU members and has authority to approve EU laws.
Counterfeiting	:	Illegal use of a manufacturer's brand name or copies of a firm's merchandise.
Counterpower	:	The capacity of a person, team, or organization to keep a more powerful person or group in the exchange relationship.
Counterproductive work behaviors (CWBs)	:	Voluntary behaviors that are potentially harmful to the organization's effectiveness.
Counterpurchase	:	A reciprocal buying agreement.
Countertrade	:	The trade of goods and services for other goods and services.
Countertrade	:	A transaction in which goods are exchanged for goods. Payment by a purchaser is entirely or partially in goods instead of hard currencies for products or technology from other countries.
Countervailing duties	:	Antidumping duties.
Countervailing duty	:	An additional amount of tariff levied on an import that is found to have benefited from an export subsidy.
Country risk assessment (CRA)	:	Evaluating the risks before lending or investing in a country.
Country screening	:	Takes countries as the relevant unit of analysis for market screening.
Court of Justice	:	Supreme appeals court for EU law.

Covered investment or interest arbitrage	:	Investment in a second currency that is “covered” by a forward sale of that currency to protect against exchange rate fluctuations. Profit depends on interest rate differentials minus the discount or plus the premium on a forward sale.
Covering	:	Buying or selling foreign currencies in amounts equivalent to future payments to be made or received. A means of protection against loss due to fluctuations in currency exchange rates.
Creativity	:	Developing an original product, service, or idea that makes a socially recognized contribution.
Creativity	:	Process of developing something new or unique.
Credit or money market hedge	:	Hedging by borrowing the currency of risk, converting it immediately to the ultimately desired currency, and repaying the loan when payment is received.
Cross investment	:	Foreign direct investment made by oligopolistic firms in each other’s home country as a defense measure.
Cross rate	:	The direct exchange rate between two non–U.S. dollar currencies. It is determined by observing the U.S. dollar exchange rate for each of the other two currencies and, from those rates, computing their direct exchange rate.
Cross-cultural literacy	:	Understanding how the culture of a country affects the way business is practiced.
Cross-cultural management	:	Understanding and teaching behavioral patterns in different cultures.
Cross-cultural school of management thought	:	An approach to international management holding that effective managerial behavior is a function of the specific culture
Cross-cultural training	:	Structured experiences to help people adjust to a new culture/country.
Cross-functionalism	:	Team made up of technical specialists from different areas.
Cross-licensing agreement	:	An arrangement in which a company licenses valuable intangible property to a foreign partner and receives a license for the partner’s valuable knowledge; reduces risk of licensing.
Cultural assimilator	:	A programmed learning technique designed to expose members of one culture to some of the basic concepts, attitudes, role perceptions, customs, and values of another culture.

Cultural controls	:	Achieving control by persuading subordinates to identify with the norms and value systems of the organization (self-control).
Culture	:	Beliefs and values about how a community of people should and do act.
Culture	:	The acquired knowledge that people use to interpret experience and to generate social behavior. This knowledge forms values, creates attitudes, and influences behavior.
Culture	:	The complex whole that includes knowledge, belief, art, morals, law, custom, and other capabilities acquired by a person as a member of society.
Culture	:	The rules, techniques, institutions, and artifacts that characterize human populations.
Culture shock	:	Anxiety and doubt caused by an overload of new expectations and cues.
Currency area	:	The group of countries whose currencies are pegged to any one developed country currency. Many developing countries peg the value of their currency to that of their major developed country trading partner.
Currency board	:	Means of controlling a country's currency.
Currency crisis	:	Occurs when a speculative attack on the exchange value of a currency results in a sharp depreciation in the value of the currency or forces authorities to expend large volumes of international currency reserves and sharply increase interest rates to defend the prevailing exchange rate.
Currency exchange controls	:	A government's controls over how much foreign currency its residents or visitors can have and how much they must pay for it.
Currency speculation	:	Involves short-term movement of funds from one currency to another in hopes of profiting from shifts in exchange rates.
Currency swap	:	Simultaneous purchase and sale of a given amount of foreign exchange for two different value dates.
Currency swap	:	The exchange of one currency into another at an agreed rate and a reversal of that exchange at the same rate at the end of the swap contract period.

<i>Currency translation</i>	:	Converting the financial statements of foreign subsidiaries into the currency of the home country.
<i>Current account</i>	:	In the balance of payments, records transactions involving the export or import of goods and services.
<i>Current account deficit</i>	:	The current account of the balance of payments is in deficit when a country imports more goods and services than it exports.
<i>Current account surplus</i>	:	The current account of the balance of payments is in surplus when a country exports more goods and services than it imports.
<i>Current cost accounting</i>	:	Method that adjusts all items in a financial statement to factor out the effects of inflation.
<i>Current rate method</i>	:	Using the exchange rate at the balance sheet date to translate the financial statements of a foreign subsidiary into the home currency.
<i>Customhouse broker</i>	:	Independent business that handles import shipments for compensation.
<i>Customs union</i>	:	A group of countries committed to (1) removing all barriers to the free flow of goods and services between each other and (2) the pursuit of a common external trade policy.
<i>Customs union</i>	:	An arrangement between two or more countries whereby they eliminate tariffs and other import restrictions on one another's goods and establish a common tariff on the goods from all other countries.