

Term	Brief Definition
Kaizen	: A Japanese term that means continuous improvement.
Karoshi	: Overwork or job burnout, in Japanese.
Keiretsu	: In Japan, a newly emerging organizational arrangement in which a large, often vertically integrated group of companies cooperate and work closely with each other to provide goods and services to end users; core members may be bound together by cross-ownership, long-term business dealings, interlocking directorates, and social ties.
Key currencies	: Those held extensively as foreign exchange reserves.
Key factor for success (KFS)	: A factor necessary for a firm to effectively compete in a market niche.
Keynesian economics	: The macroeconomic generalizations that lead to the conclusion that a capitalistic economy is characterized by macroeconomic instability and that fiscal policy and monetary policy can be used to promote full employment, price-level stability, and economic growth.
Keynesianism	: The philosophical, ideological, and analytical views pertaining to Keynesian economics.
Keys	: Pieces of software that let users of encryption software ensure that only intended recipients of information are able to view it.
Kinesics	: The study of communication through body movement and facial expressions.
Kinked-demand curve	: The demand curve for a non-collusive oligopolist, which is based on the assumption that rivals will match a price decrease and will ignore a price increase.
Knowledge management	: Any structured activity that improves an organization's capacity to acquire, share, and use knowledge in ways that improve its survival and success.
Knowledge management	: Implementing systems and practices that increase the sharing of knowledge and information throughout an organization.
Labor	: People's physical and mental talents and efforts that are used to help produce goods and services.

Labor force	:	Persons 16 years of age and older who are not in institutions and who are employed or are unemployed and seeking work.
Labor force composition	:	The different sorts of available laborers, differentiated in terms of skill, age, race, or gender.
Labor market	:	The labor available in an area.
Labor mobility	:	The movement of labor from one location to another.
Labor productivity	:	How much a labor force produces in a given time period.
Labor productivity	:	Total output divided by the quantity of labor employed to produce it; the average product of labor or output per hour of work.
Labor quality	:	The skill and industriousness of labor.
Labor quantity	:	The number of available laborers.
Labor relations	:	The process through which management and workers identify and determine the job relations that will be in effect at the workplace.
Labor theory of value	:	The Marxian idea that the economic value of any commodity is determined solely by the amount of labor that is required to produce it.
Labor union	:	A group of workers organized to advance the interests of the group (to increase wages, shorten the hours worked, improve working conditions, and so on).
Labor unions	:	Organizations of laborers that represent and negotiate for workers.
Laboratory study	:	Manipulation and measurement of variables in contrived situations.
Labor-force participation rate	:	The percentage of the working-age population that is actually in the labor force.
Labor-intensive	:	Describes products whose production requires a relatively large amount of labor and a relatively small amount of capital. Also describes the manufacturing process.
Labor-intensive commodity	:	A product requiring a relatively large amount of labor to be produced.
Laffer Curve	:	A curve relating government tax rates and tax revenues and on which a particular tax rate (between zero and 100 percent) maximizes tax revenues.
Lag strategy	:	Delaying the collection of foreign currency receivables if that currency is expected to appreciate, and delaying payables if that currency is expected to depreciate.

Lags	:	As used in this book, delaying conversion when payment is to be made in another currency in the belief the other currency will cost less when needed.
Land	:	Natural resources (“free gifts of nature”) used to produce goods and services.
Land-intensive commodity	:	A product requiring a relatively large amount of land to be produced.
Landlocked	:	Refers to a nation bordered on all of its frontiers by land.
LASH	:	Specially designed oceangoing vessel for carrying barges.
Late-mover advantages	:	Benefits enjoyed by a company that is late to enter a new market, such as consumer familiarity with the product or knowledge gained about a market.
Late-mover disadvantages	:	Handicap that late entrants to a market suffer.
Law of demand	:	The principle that, other things equal, an increase in a product’s price will reduce the quantity of it demanded, and conversely for a decrease in price.
Law of diminishing marginal utility	:	The principle that as a consumer increases the consumption of a good or service, the marginal utility obtained from each additional unit of the good or service decreases.
Law of diminishing returns	:	The principle that as successive increments of a variable resource are added to a fixed resource, the marginal product of the variable resource will eventually decrease.
Law of effect	:	Behavior with favorable consequences is repeated; behavior with unfavorable consequences disappears.
Law of increasing opportunity costs	:	The principle that as the production of a good increases, the opportunity cost of producing an additional unit rises.
Law of one price	:	In competitive markets free of transportation costs and barriers to trade, identical products sold in different countries must sell for the same price when their price is expressed in the same currency.
Law of supply	:	The principle that, other things equal, an increase in the price of a product will increase the quantity of it supplied, and conversely for a price decrease.
Lead market	:	Market where products are first introduced.

Lead strategy	:	Collecting foreign currency receivables early when a foreign currency is expected to depreciate, and paying foreign currency payables before they are due when a currency is expected to appreciate.
Leader trait	:	Personal characteristics that differentiate leaders from followers.
Leader–member relations	:	Extent that leader has the support, loyalty, and trust of work group.
Leadership	:	Influencing, motivating, and enabling others to contribute toward the effectiveness and success of the organizations of which they are members.
Leadership	:	Influencing employees to voluntarily pursue organizational goals.
Leadership	:	The process of influencing people to direct their efforts toward the achievement of some particular goal or goals.
Leadership Grid	:	A leadership model that assesses leadership effectiveness in terms of the person’s level of task-oriented and people-oriented style.
Leadership Grid	:	Represents four leadership styles found by crossing concern for production and concern for people.
Leadership prototype	:	Mental representation of the traits and behaviors possessed by leaders.
Leadership substitutes	:	A theory that identifies contingencies that either limit the leader’s ability to influence subordinates or make that particular leadership style unnecessary.
Leads	:	As used in this book, converting immediately when payment is to be made in another currency in the belief the other currency will cost more when needed.
Leakage	:	(1) A withdrawal of potential spending from the income-expenditures stream via saving, tax payments, or imports; (2) a withdrawal that reduces the lending potential of the banking system.
Lean production systems	:	Flexible manufacturing technologies pioneered at Toyota and now used in much of the automobile industry.
Learned helplessness	:	Debilitating lack in one’s ability to control the situation.
Learning	:	A relatively permanent change in behavior (or behavior tendency) that occurs as a result of a person’s interaction with the environment.

Learning	:	The acquisition of skills, knowledge, and abilities that results in a relatively permanent change in behavior.
Learning and growth metrics	:	Learning and growth metrics broadly capture the employee, information systems, and motivation.
Learning by doing	:	Achieving greater productivity and lower average total cost through gains in knowledge and skill that accompany repetition of a task; a source of economies of scale.
Learning effects	:	Cost savings from learning by doing.
Learning organization	:	Proactively creates, acquires, and transfers knowledge throughout the organization.
Learning organizations	:	Organization that are able to transform themselves by anticipating change and discovering new ways of creating products and services; they have learned how to learn.
Learning orientation	:	The extent that an organization or individual supports the learning process, particularly opportunities to acquire knowledge through experience and experimentation.
Least-cost combination of resources	:	The quantity of each resource a firm must employ in order to produce a particular output at the lowest total cost; the combination at which the ratio of the marginal product of a resource to its marginal resource cost (to its price if the resource is employed in a competitive market) is the same for the last dollar spent on each of the resources employed.
Left wing	:	Extremely liberal, in the American sense of the word.
Legal cartel theory of regulation	:	The hypothesis that some industries seek regulation or want to maintain regulation so that they may form or maintain a legal cartel.
Legal immigrant	:	A person who lawfully enters a country for the purpose of residing there.
Legal risk	:	The likelihood that a trading partner will opportunistically break a contract or expropriate intellectual property rights.
Legal system	:	System of rules that regulate behavior and the processes by which the laws of a country are enforced and through which redress of grievances is obtained.

Legal tender	:	A legal designation of a nation's official currency (bills and coins). Payment of debts must be accepted in this monetary unit, but creditors can specify the form of payment, for example, "cash only" or "check or credit card only."
Legitimate power	:	The capacity to influence others through formal authority.
Legitimate power	:	Obtaining compliance through formal authority.
Lending potential of an individual commercial bank	:	The amount by which a single bank can safely increase the money supply by making new loans to (or buying securities from) the public; equal to the bank's excess reserves.
Lending potential of the banking system	:	The amount by which the banking system can increase the money supply by making new loans to (or buying securities from) the public; equal to the excess reserves of the banking system multiplied by the monetary multiplier.
Leontief paradox	:	The empirical finding that, in contrast to the predictions of the Heckscher-Ohlin theory, U.S. exports are less capital intensive than U.S. imports.
Less developed countries (LDCs)	:	Countries with low per capita income, low levels of industrialization, high illiteracy, and usually political instability.
Letter of credit	:	Issued by a bank, indicating that the bank will make payments under specific circumstances.
Letter of credit (L/C)	:	A letter issued by a bank indicating that the bank will accept drafts (make payments) under specified circumstances.
Liability	:	A debt with a monetary value; an amount owed by a firm or an individual.
Liaison individuals	:	Those who consistently pass along grapevine information to others.
Liberal	:	In American political usage, a liberal advocates extensive government intervention in business and society.
License	:	An agreement that allows one party to use an industrial property right in exchange for payment to the other party.

Licensing	:	Occurs when a firm (the licensor) licenses the right to produce its product, use its production processes, or use its brand name or trademark to another firm (the licensee). In return for giving the licensee these rights, the licensor collects a royalty fee on every unit the licensee sells.
Licensing	:	A contractual arrangement in which one firm, the licensor, grants access to its patents, trademarks, or technology to another firm, the licensee, for a fee, usually called a royalty.
Life cycle of a company	:	This cycle includes four stages of development
Limited liability	:	Restriction of the maximum loss to a predetermined amount for the owners (stockholders) of a corporation. The maximum loss is the amount they paid for their shares of stock.
Limited-liability Company	:	An unincorporated business whose owners are protected by limited liability.
Line managers	:	Have authority to make organizational decisions.
Lingua franca	:	A foreign language used to communicate among diverse cultures that speak different languages.
Linguistic style	:	A person's typical speaking pattern.
Linkage	:	In international marketing, the creation of demand in a second national market by movement of the product or the customer into that market.
Liquidity	:	The ease with which an asset can be converted quickly into cash with little or no loss of purchasing power. Money is said to be perfectly liquid, whereas other assets have a lesser degree of liquidity.
Listening	:	Actively decoding and interpreting verbal messages.
Loanable funds	:	Money available for lending and borrowing.
Loanable funds theory of interest	:	The concept that the supply of and demand for loanable funds determine the equilibrium rate of interest.
Local area network (LAN)	:	A group of connected computers that spans a few square kilometers or less.
Local content requirement	:	A requirement that some specific fraction of a good be produced domestically.

Localization	:	An approach to developing an expatriate compensation package that involves paying the expat a salary comparable to that of local nationals.
Location economies	:	Cost advantages from performing a value creation activity at the optimal location for that activity.
Location-specific advantages	:	Advantages that arise from using resource endowments or assets that are tied to a particular foreign location and that a firm finds valuable to combine with its own unique assets (such as the firm's technological, marketing, or management know-how).
Lockout	:	A company's refusal to allow workers to enter the facility during a labor dispute.
Lockout	:	An action by a firm that forbids workers to return to work until a new collective bargaining contract is signed; a means of imposing costs (lost wages) on union workers in a collective bargaining dispute.
Logical architecture	:	Defines the system in terms of its software components and the desired functionality of those components.
Logistical advisors and partners	:	Paid, outsourced parties that can provide missing skill sets for a company on an as-needed basis.
Logistics	:	The procurement and physical transmission of material through the supply chain, from suppliers to customers.
Logrolling	:	The trading of votes by legislators to secure favorable outcomes on decisions concerning the provision of public goods and quasi-public goods.
Lombard rate	:	The interest rate that a central bank charges other banks on loans secured by government and other selected securities.
Lomé convention	:	An agreement between 70 African, Caribbean, and Pacific states and the EU by means of which a large percent of the former group's exports are admitted duty-free to the EU.
London Interbank Offered Rate (LIBOR)	:	The interest rate the most creditworthy banks charge one another for loans of Eurodollars overnight in the London market. LIBOR is a cornerstone in the pricing on money market issues and other short-term debt issues by both government and business borrowers. Interest is often stated to be LIBOR plus a fraction.

Long position	:	The position taken when a party buys something for future delivery. This may be done in the expectation that the item bought will increase in value. It may also be done to hedge a currency risk. reconstruct after World War II. Cooperation among the European countries was a forerunner of the EU.
Long run	:	(1) In microeconomics, a period of time long enough to enable producers of a product to change the quantities of all the resources they employ; period in which all resources and costs are variable and no resources or costs are fixed. (2) In macroeconomics, a period sufficiently long for nominal wages and other input prices to change in response to a change in the nation's price level.
Long-run aggregate supply curve	:	The aggregate supply curve associated with a time period in which input prices (especially nominal wages) are fully responsive to changes in the price level.
Long-run competitive equilibrium	:	The price at which firms in pure competition neither obtain economic profit nor suffer losses in the long run and the total quantity demanded and supplied are equal; a price equal to the minimum long-run average total cost of producing the product.
Long-run farm problem	:	The tendency for agriculture to be a declining industry as technological progress increases supply relative to an inelastic and slowly increasing demand.
Long-run supply	:	A schedule or curve showing the prices at which a purely competitive industry will make various quantities of the product available in the long run.
Lorenz curve	:	A curve showing the distribution of income in an economy. The cumulated percentage of families (income receivers) is measured along the horizontal axis and cumulated percentage of income is measured along the vertical axis.
Low-context cultures	:	Primary meaning derived from written and spoken words.
Lump sum method	:	An approach to developing an expatriate compensation package that involves giving the expat a predetermined amount of money and letting the individual make his or her own decisions regarding how to spend it.

Lump-sum tax	:	A tax that is a constant amount (the tax revenue of government is the same) at all levels of GDP.
M1	:	The most narrowly defined money supply, equal to currency in the hands of the public and the checkable deposits of commercial banks and thrift institutions.
M2	:	A more broadly defined money supply, equal to M1 plus non-checkable savings accounts (including money market deposit accounts), small time deposits (deposits of less than \$100,000), and individual money market mutual fund balances.
M3	:	A very broadly defined money supply, equal to M2 plus large time deposits (deposits of \$100,000 or more).
Maastricht Treaty	:	Treaty agreed to in 1991, but not ratified until January 1, 1994, that committed the 12 member states of the European Community to a closer economic and political union.
Machiavellian values	:	The belief that deceit is a natural and acceptable way to influence others.
Macro political risk analysis	:	Analysis that reviews major political decisions likely to affect all enterprises in the country.
Macroeconomics	:	The part of economics concerned with the economy as a whole; with such major aggregates as the household, business, and government sectors; and with measures of the total economy.
Mainframe architecture	:	Type of architecture in which the system built around a single, monolithic computer that is shared by all users on the system.
Maintenance roles	:	Relationship building group behavior.
Maker	:	Person or business initiating a bill of lading (draft).
Managed floating exchange rate	:	An exchange rate that is allowed to change (float) as a result of changes in currency supply and demand but at times is altered (managed) by governments via their buying and selling of particular currencies.
Managed trade	:	Trade managed in some way by governments.
Managed-float system	:	System under which some currencies are allowed to float freely, but the majority are either managed by government intervention or pegged to another currency.

Management	:	Process of working with and through others to achieve organizational objectives efficiently and ethically.
Management by objectives	:	Management system incorporating participation in decision making, goal setting, and feedback.
Management by objectives (MBO)	:	A participative goalsetting process in which organizational objectives are cascaded down to work units and individual employees.
Management by objectives (MBO)	:	A management system for the joint setting of subordinate goals, coaching and counseling personnel, and providing feedback on their performance.
Management by walking around (MBWA)	:	A communication practice in which executives get out of their offices and learn from others in the organization through face-to-face dialogue.
Management contract	:	An agreement by which one firm provides management in all or specific areas to another company for a fee.
Management information system (MIS)	:	The computerized system through which multinational or global executives get timely, relevant information about all the company's units.
Management network	:	A network of informal contact between individual managers.
Management team	:	Group that orchestrates the strategic direction and operations of a startup.
Managerial prerogatives	:	The decisions that management of the firm has the sole right to make; often enumerated in the labor contract (work agreement) between a labor union and a firm.
Managerial-opposition hypothesis	:	An explanation that attributes the relative decline of unionism in the United States to the increased and more aggressive opposition of management to unions.
Managing diversity	:	Creating organizational changes that enable all people to perform up to their maximum potential.
Manufacturers' agents	:	Independent sales representatives of various non competing suppliers.
Manufacturing and distribution processes	:	Also known as supply chains; how a company manufacturers and distributes its goods.

<i>Manufacturing rationalization</i>	:	Division of production among a number of production units, enabling each to produce components for all of a firm's assembly plants.
<i>Maquiladora</i>	:	(in-bond plant) Introduced by the Mexican government to create jobs for its people. Plants along the Mexican-American border cooperate, with the plant on the American side doing the capital-intensive work and the Mexican plant doing the labor-intensive production.
<i>Maquiladora industry</i>	:	An arrangement created by the Mexican government that permits foreign manufacturers to send materials to their Mexican-based plants, process or assemble products, and ship them back out of Mexico with only the value added being taxed.
<i>Marginal analysis</i>	:	The comparison of marginal ("extra" or "additional") benefits and marginal costs, usually for decision making.
<i>Marginal benefit</i>	:	The extra (additional) benefit of consuming 1 more unit of some good or service; the change in total benefit when 1 more unit is consumed.
<i>Marginal cost</i>	:	The extra (additional) cost of producing 1 more unit of output; equal to the change in total cost divided by the change in output (and, in the short run, to the change in total variable cost divided by the change in output).
<i>Marginal product</i>	:	The additional output produced when 1 additional unit of a resource is employed (the quantity of all other resources employed remaining constant); equal to the change in total product divided by the change in the quantity of a resource employed.
<i>Marginal productivity theory of income distribution</i>	:	The contention that the distribution of income is equitable when each unit of each resource receives a money payment equal to its marginal contribution to the firm's revenue (its marginal revenue product).
<i>Marginal propensity to consume</i>	:	The fraction of any change in disposable income spent for consumer goods; equal to the change in consumption divided by the change in disposable income.
<i>Marginal propensity to save</i>	:	The fraction of any change in disposable income that households save; equal to the change in saving divided by the change in disposable income.

Marginal rate of substitution	:	The rate at which a consumer is prepared to substitute one good for another (from a given combination of goods) and remain equally satisfied (have the same total utility); equal to the slope of a consumer's indifference curve at each point on the curve.
Marginal resource cost	:	The amount the total cost of employing a resource increases when a firm employs 1 additional unit of the resource (the quantity of all other resources employed remaining constant); equal to the change in the total cost of the resource divided by the change in the quantity of the resource employed.
Marginal revenue	:	The change in total revenue that results from the sale of 1 additional unit of a firm's product; equal to the change in total revenue divided by the change in the quantity of the product sold.
Marginal revenue product	:	The change in a firm's total revenue when it employs 1 additional unit of a resource (the quantity of all other resources employed remaining constant); equal to the change in total revenue divided by the change in the quantity of the resource employed.
Marginal tax rate	:	The tax rate paid on each additional dollar of income.
Marginal utility	:	The extra utility a consumer obtains from the consumption of 1 additional unit of a good or service; equal to the change in total utility divided by the change in the quantity consumed.
Marginal-revenue–marginal-cost approach	:	A method of determining the total output where economic profit is a maximum (or losses are a minimum) by comparing the marginal revenue and the marginal cost of each additional unit of output.
Market	:	Any institution or mechanism that brings together buyers (demanders) and sellers (suppliers) of a particular good or service.
Market communications	:	All the points of contact that the firm has with its customers. This includes the obvious offline communications such as television advertising, promotions, and sales calls, as well as emergent advertising approaches on the Internet.
Market economies	:	Economies characterized by a relatively large, free (nongovernmental) market sector. There is no such thing as a totally free market; all governments regulate, tax, and intervene in various ways.

Market economy	:	The allocation of resources is determined by the invisible hand of the price system.
Market economy	:	An economy in which only the private decisions of consumers, resource suppliers, and firms determine how resources are allocated; the market system.
Market factors	:	Economic data that correlate highly with market demand for a product.
Market failure	:	The inability of a market to bring about the allocation of resources that best satisfies the wants of society; in particular, the over-allocation or under-allocation of resources to the production of a particular good or service because of spillovers or informational problems or because markets do not provide desired public goods.
Market for externality rights	:	A market in which firms can buy rights to discharge pollutants. The price of such rights is determined by the demand for the right to discharge pollutants and a perfectly inelastic supply of such rights (the latter determined by the quantity of discharges that the environment can assimilate).
Market imperfections	:	Imperfections in the operation of the market mechanism.
Market indicators	:	Economic data used to measure relative market strengths of countries or geographical areas.
Market makers	:	Financial service companies that connect investors and borrowers, either directly or indirectly.
Market method to correct BOP deficit	:	Deflate the economy and devalue the currency.
Market opportunity analysis framework	:	An organizing framework designed to look systematically for unmet or underserved needs. The framework has seven stages
Market opportunity metrics	:	These measurements assess the degree to which a firm can accurately gauge its market opportunity. Generic indicators include the ability of the firm to target the most attractive segments, the ability of the firm to understand and map competitors' strategy evolution, and the ability of the firm to track the evolution of target segment needs.

Market period	:	A period in which producers of a product are unable to change the quantity produced in response to a change in its price and in which there is a perfectly inelastic supply.
Market power	:	Ability of a firm to exercise control over industry prices or output.
Market research	:	Online market research firms collect primary customer data through online surveys or customer submissions. These firms tend to put a strong emphasis on site usability, customer satisfaction, and traffic level. Offline market research includes surveys, experiments, and focus groups.
Market screening	:	A version of environmental scanning in which the firm identifies desirable markets by using the environmental forces to eliminate the less desirable markets.
Market segmentation	:	Identifying groups of consumers whose purchasing behavior differs from others in important ways.
Market system	:	All the product and resource markets of a market economy and the relationships among them; a method that allows the prices determined in those markets to allocate the economy's scarce resources and to communicate and coordinate the decisions made by consumers, firms, and resource suppliers.
Marketing and branding metrics	:	These measurements focus on communication and branding effectiveness; they include metrics to evaluate marketing communication effectiveness and metrics related to brand strength.
Marketing mix	:	Choices about product attributes, distribution strategy, communication strategy, and pricing strategy that a firm offers its targeted markets.
Marketspace	:	The digital equivalent of a physical-world marketplace.
Marshall Plan	:	The U.S. aid program that helped European countries
Masculinity	:	A culture in which the dominant values are success, money, and things.

Masculinity versus femininity	:	Theory of the relationship between gender and work roles. In masculine cultures, sex roles are sharply differentiated and traditional “masculine values” such as achievement and the effective exercise of power determine cultural ideals. In feminine cultures, sex roles are less sharply distinguished, and little differentiation is made between men and women in the same job.
Mass customization	:	Tailor-making mass-production products to meet the expectations of the customers.
Mass customization	:	The production of a wide variety of end products at a unit cost that could once be achieved only through mass production of a standardized output.
Material culture	:	Refers to all human made objects and is concerned with how people make things (technology) and who makes what and why (economics).
Materials management	:	The activity that controls the transmission of physical materials through the value chain, from procurement through production and into distribution.
Matrix organization	:	An organizational structure composed of one or more organizational structures superimposed over one another in an attempt to mesh product, regional, functional, and other expertise.
Matrix overlay	:	An organization whose top-level divisions are required to heed input from a staff composed of experts of another organizational dimension. It attempts to avoid the double-reporting difficulty of a matrix organization but still mesh two or more dimensions.
Matrix structure	:	A type of departmentalization that overlays two organizational forms in order to leverage the benefits of both.
Meaningful segmentation	:	Segmentation that generates real insight on customers but is difficult to address.
Mechanistic organizations	:	Rigid, command-and-control bureaucracies.
Mechanistic structure	:	An organizational structure with a narrow span of control and high degrees of formalization and centralization.

Media infrastructure	:	The various communications companies and their channels of communication, such as radio, television, newspapers, and magazines, used in mass communication with the general public.
Media proliferation	:	The emergence of new sources of mass media since the 1960s.
Media richness	:	The data-carrying capacity of a communication medium, including the volume and variety of information it can transmit.
Median-voter model	:	The theory that under majority rule the median (middle) voter will be in the dominant position to determine the outcome of an election.
Mediator	:	A person who brings both sides (union and management representatives) together and helps them to reach a settlement that is mutually acceptable.
Media-usage fragmentation	:	A trend in which, as media sources have dramatically risen, the audience for each of those sources has declined.
Medicaid	:	A Federal program that helps finance the medical expenses of individuals covered by the Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF) programs.
Medicare	:	A Federal program that is financed by payroll taxes and provides for (1) compulsory hospital insurance for senior citizens and (2) low-cost voluntary insurance to help older Americans pay physicians' fees.
Medium of exchange	:	Any item sellers generally accept and buyers generally use to pay for a good or service; money; a convenient means of exchanging goods and services without engaging in barter.
Mental imagery	:	Mentally practicing a task and visualizing its successful completion.
Mental models	:	The broad worldviews or "theories in-use" that people rely on to guide their perceptions and behaviors.
Mentoring	:	The process of learning the ropes of organizational life from a senior person within the company.
Mentoring	:	Process of forming and maintaining developmental relationships between a mentor and a junior person.
Mercantilism	:	An economic philosophy advocating that countries should simultaneously encourage exports and discourage imports.

Mercantilism	:	The economic philosophy that equates the possession of gold or other international monetary assets with wealth. It also holds that trade activities should be directed or controlled by the government.
Merchant banks	:	Combine long and short-term financing with the underwriting and distributing of securities.
MERCOSUR	:	Pact between Argentina, Brazil, Paraguay, and Uruguay to establish a free trade area.
Merger	:	The combination of two (or more) firms into a single firm.
Met expectations	:	The extent to which one receives what he or she expects from a job.
Meta-analysis	:	Pools the results of many studies through statistical procedure.
Metcalfe's Law	:	The value of a network to each of its members is proportional to the number of other users [which can be expressed as $(n^2 - n)/2$].
Metrics	:	Measurements by which companies can assess the progress and health of their online businesses. Metrics include benchmarks such as sales, margins, profit, and market share, as well as metrics that reflect the entire strategy of the company.
Micro political risk analysis	:	Analysis directed toward government policies and actions that influence selected sectors of the economy or specific foreign businesses in the country.
Microeconomics	:	The part of economics concerned with such individual units as industries, firms, and households and with individual markets, specific goods and services, and product and resource prices.
Microsoft case	:	A 2002 antitrust case in which Microsoft was found guilty of violating the Sherman Act by engaging in a series of unlawful activities designed to maintain its monopoly in operating systems for personal computers; as a remedy the company was prohibited from engaging in a set of specific anticompetitive business practices.
Minimum efficient scale	:	The level of output at which most plant-level scale economies are exhausted.
Minimum efficient scale	:	The lowest level of output at which a firm can minimize long-run average total cost.
Minimum wage	:	The lowest wage employers may legally pay for an hour of work.

Ministry of International Trade and Industry	:	A governmental agency in Japan that identifies and ranks national commercial pursuits and guides the distribution of national resources to meet these goals.
Minorities	:	A group of people of one race or religion living in an area populated by a larger number of people of a different race or religion.
Mission statement	:	Summarizes “why” an organization exists.
Mission statement	:	Abroad statement defining an organization’s scope.
Mitbestimmung	:	German for codetermination. The Germans pioneered codetermination, and their word for it is frequently used.
MITI	:	Japan’s Ministry of International Trade and Industry.
Mixed economy	:	Certain sectors of the economy are left to private ownership and free market mechanisms, while other sectors have significant government ownership and government planning.
Mixed organization structure	:	A structure that is a combination of a global product, area, or functional arrangement.
Mobile wireless technology	:	Allows users to access the Web and receive e-mail via handheld devices that use relatively low bandwidth.
Monetarism	:	The macroeconomic view that the main cause of changes in aggregate output and the price level is fluctuations in the money supply; espoused by advocates of a monetary rule.
Monetary aggregate	:	A composite monetary variable used as a measure of the monetary supply (and as such, sometimes adopted as an intermediate monetary policy objective as an indicator of monetary conditions) that includes a varying range of liquid assets, depending on its definition. Monetary aggregates range from narrow to broad. The narrowly defined aggregate M1 typically includes currency and demand deposits.
Monetary multiplier	:	The multiple of its excess reserves by which the banking system can expand checkable deposits and thus the money supply by making new loans (or buying securities); equal to 1 divided by the reserve requirement.
Monetary policies	:	Government policies regulating whether the country’s money supply grows and, if so, how fast.

Monetary policy	:	A central bank's changing of the money supply to influence interest rates and assist the economy in achieving price stability, full employment, and economic growth.
Monetary rule	:	The rule suggested by monetarism. As traditionally formulated, the rule says that the money supply should be expanded each year at the same annual rate as the potential rate of growth of the real gross domestic product; the supply of money should be increased steadily between 3 and 5 percent per year.
Money	:	Any item that is generally acceptable to sellers in exchange for goods and services.
Money capital	:	Money available to purchase capital; simply money, as defined by economists.
Money laundering	:	The attempt to conceal or disguise the ownership or source of the proceeds of criminal activity and integrate them into legitimate financial systems in such a way that they cannot be distinguished from assets acquired by legitimate means. Typically, this involves the conversion of cash-based proceeds into account-based forms of money.
Money management	:	Managing a firm's global cash resources efficiently.
Money market	:	The market in which the demand for and the supply of money determine the interest rate (or the level of interest rates) in the economy.
Money market deposit accounts (MMDAs)	:	Interest-earning accounts at banks and thrift institutions, which pool the funds of depositors to buy various short-term securities.
Money market mutual funds (MMMFs)	:	Interest-bearing accounts offered by investment companies, which pool depositors' funds for the purchase of short-term securities. Depositors may write checks in minimum amounts or more against their accounts.
Money markets	:	Places where currencies are traded or capital is raised.
Money supply	:	Narrowly defined, M1; more broadly defined, M2 and M3.
Monochronic time	:	Preference for doing one thing at a time because time is limited, precisely segmented, and schedule driven.
Monochronic time schedule	:	A time schedule in which things are done in a linear fashion.

Monopolistic advantage theory	:	The idea that foreign direct investment is made by firms in oligopolistic industries that possess technical and other advantages over indigenous firms.
Monopolistic competition	:	A market structure in which many firms sell a differentiated product, into which entry is relatively easy, in which the firm has some control over its product price, and in which there is considerable non-price competition.
Monopoly	:	A market structure in which the number of sellers is so small that each seller is able to influence the total supply and the price of the good or service.
Monopsony	:	A market structure in which there is only a single buyer of a good, service, or resource.
Moore's Law	:	The power of microprocessor technology doubles and its costs of production fall in half every 18 months.
Moral hazard	:	Arises when people behave recklessly because they know they will be saved if things go wrong.
Moral hazard problem	:	The possibility that individuals or institutions will change their behavior as the result of a contract or agreement. Example
Moral intensity	:	The degree to which an issue demands the application of ethical principles.
Mores	:	Norms seen as central to the functioning of a society and to its social life.
most favored nation (MFN)	:	The policy of nondiscrimination in international commercial policy, extending to all nations the same customs and tariff treatments that are extended to the most favored nation.
Most-favored-nation (MFN) status	:	An agreement by the United States to allow some other nation's exports into the United States at the lowest tariff level levied by the United States, then or at any later time.
Motivation	:	The forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior.
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Motivation	:	Psychological processes that arouse and direct goal-directed behavior.
Motivation	:	A psychologic process through which unsatisfied wants or needs lead to drives that are aimed at goals or incentives.
Motivator–hygiene theory	:	Herzberg’s theory stating that employees are primarily motivated by growth and esteem needs, not by lower-level needs.
Motivators	:	Job characteristics associated with job satisfaction.
Motivators	:	In the two-factor motivation theory, the job content factors which include achievement, recognition, responsibility, advancement, and the work itself.
MP3	:	The acronym for the standards specifications to the MPEG-1 Audio Layer-3.
MPEG-1	:	A computer file format and compression specification for motion video with audio.
MR = MC rule	:	The principle that a firm will maximize its profit (or minimize its losses) by producing the output at which marginal revenue and marginal cost are equal, provided product price is equal to or greater than average variable cost.
MRP = MRC rule	:	The principle that to maximize profit (or minimize losses), a firm should employ the quantity of a resource at which its marginal revenue product (MRP) is equal to its marginal resource cost (MRC), the latter being the wage rate in pure competition.
Multicultural group	:	A group in which there are individuals from three or more different ethnic backgrounds, such as three U.S., three German, three Uruguayan, and three Chinese managers who are looking into mining operations in South Africa.
Multidomestic	:	A firm that operates production plants in different countries but makes no attempt to integrate overall operations.
Multidomestic company	:	An organization with multicountry affiliates, each of which formulates its own business strategy based on perceived market differences.
Multidomestic strategy	:	Emphasizing the need to be responsive to the unique conditions prevailing in different national markets.

Multilateral Agreement on Investment (MAI)	:	An agreement that would make it illegal for signatory states to discriminate against foreign investors; would have liberalized rules governing FDI between OECD states.
Multilateral netting	:	A technique used to reduce the number of transactions between subsidiaries of the firm, thereby reducing the total transaction costs arising from foreign exchange dealings and transfer fees.
Multinational corporations	:	Firms that own production facilities in two or more countries and produce and sell their products globally.
Multinational economic union	:	A group of nations that have reduced barriers to intergroup trade and are cooperating in economic matters.
Multinational enterprise (MNE)	:	A firm that owns business operations in more than one country.
Multinational, company or enterprise (MNC or MNE)	:	Terms used by some authors to mean an organization consisting of a parent company in a home country that owns relatively autonomous subsidiaries in various host countries.
Multiple counting	:	Wrongly including the value of intermediate goods in the gross domestic product; counting the same good or service more than once.
Multiplier	:	The ratio of a change in the equilibrium GDP to the change in investment or in any other component of aggregate expenditures or aggregate demand; the number by which a change in any component of aggregate expenditures or aggregate demand must be multiplied to find the resulting change in the equilibrium GDP.
Multiplier effect	:	The effect on equilibrium GDP of a change in aggregate expenditures or aggregate demand (caused by a change in the consumption schedule, investment, government expenditures, or net exports).
Multipoint competition	:	Arises when two or more enterprises encounter each other in different regional markets, national markets, or industries.
Multipoint pricing	:	Occurs when a pricing strategy in one market may have an impact on a rival's pricing strategy in another market.

<i>Mutual interdependence</i>	:	A situation in which a change in price strategy (or in some other strategy) by one firm will affect the sales and profits of another firm (or other firms). Any firm that makes such a change can expect the other rivals to react to the change.
<i>Mutuality of interest</i>	:	Balancing individual and organizational interests through win-win cooperation.
<i>Myers-Briggs Type Indicator (MBTI)</i>	:	A personality inventory designed to identify individuals' basic preferences for perceiving and processing information.