

Term	Brief Definition
<i>P = MC rule</i>	: The principle that a purely competitive firm will maximize its profit or minimize its loss by producing that output at which the price of the product is equal to marginal cost, provided that price is equal to or greater than average variable cost in the short run and equal to or greater than average total cost in the long run.
<i>Packet</i>	: A short block of data (often a piece of a larger file) transmitted in a packet-switching network.
<i>Packet switching</i>	: A method of data transmission in which small blocks of data are transmitted rapidly over a channel dedicated to the connection only for the duration of the packet's transmission. Not all packets, even for the same file or message, necessarily follow the same route.
<i>Page schematics</i>	: Simple drawings or diagrams that serve as a conceptual layout for what each page on the site will look like.
<i>Paper money</i>	: Pieces of paper used as a medium of exchange; in the United States, Federal Reserve Notes.
<i>Par value</i>	: The value that a government, by agreement or regulation, sets on its currency in terms of other currencies. At Bretton Woods, other currencies were assigned par values in terms of the U.S. dollar.
<i>Paradox</i>	: A statement that appears to be contradictory but is not, such as "increases in product quality often result in a decline of the cost of producing the goods."
<i>Paradox of voting</i>	: A situation where paired-choice voting by majority rule fails to provide a consistent ranking of society's preferences for public goods or services.
<i>Parallel importing</i>	: The importing of a product by an independent operator that is not part of the manufacturer's channel of distribution. The parallel importer may compete with the authorized importer or with a subsidiary of the foreign manufacturer that produces the product in the local market.
<i>Parallel learning structures</i>	: Highly participative groups constructed alongside (i.e. parallel to) the formal organization with the purpose of increasing the organization's learning and producing meaningful organizational change.

Parent company	:	A company that owns subsidiary companies.
Paris Convention for the Protection of Industrial Property	:	International agreement to protect intellectual property; signed by 96 countries.
Parity concept	:	The idea that year after year a specific output of a farm product should enable a farmer to acquire a constant amount of nonagricultural goods and services.
Parity ratio	:	The ratio of the price received by farmers from the sale of an agricultural commodity to the prices of other goods paid by them; usually expressed as a percentage; used as a rationale for price supports.
Parochialism	:	The tendency to view the world through one's own eyes and perspectives.
Participative leadership	:	The use of both a work- or task centered and people-centered approach to leading subordinates.
Participative management	:	Involving employees in various aspects of decision making.
Particularism	:	The belief that circumstances dictate how ideas and practices should be applied and something cannot be done the same everywhere.
Partnership	:	An unincorporated firm owned and operated by two or more persons.
Patent	:	Grants the inventor of a new product or process exclusive rights to the manufacture, use, or sale of that invention.
Patent	:	An exclusive right given to inventors to produce and sell a new product or machine for 20 years from the time of patent application.
Patent	:	A grant that gives the owner the sole right to make, use, and sell his invention.
Paternalism	:	A system in which a chief, sheik, or other authority figure cares for all the people as if he were their father.
Paternalistic leadership	:	The use of work-centered behavior coupled with a protective employee-centered concern.
Path-goal leadership theory	:	A contingency theory of leadership based on expectancy theory of motivation that relates several leadership styles to specific employee and situational contingencies.

Pay for performance	:	Monetary incentives tied to one's results or accomplishments.
Payment and billing processes	:	Processes that allow a company to correctly and efficiently collect money from its customers and pay its vendors.
Payment gateway	:	Provides merchants with real-time authorizations for credit cards.
Payroll tax	:	A tax levied on employers of labor equal to a percentage of all or part of the wages and salaries paid by them and on employees equal to a percentage of all or part of the wages and salaries received by them.
Peer-to-peer (P2P)	:	Exchanges that involve transactions between and among peers or consumers. These exchanges may or may not include third-party involvement, as in the case of the auction-exchange eBay.
Pegged exchange rate	:	Currency value is fixed relative to a reference currency.
Pegged exchange rate	:	An exchange rate in which a country's currency is fixed in terms of another country's currency. Frequently, the other country is a major trading partner or a country with which there was a colonial relationship.
People	:	Part of the organizational architecture that includes strategy used to recruit, compensate, and retain employees.
Per capita GDP	:	Gross domestic product (GDP) per person; the average GDP of a population.
Per capita income	:	A nation's total income per person; the average income of a population.
Per se violations	:	Collusive actions, such as attempts by firms to fix prices or divide a market, that are violations of the antitrust laws, even if the actions themselves are unsuccessful.
Perception	:	The process of receiving information about and making sense of the world around us.
Perception	:	Process of interpreting one's environment.
Perception	:	A person's view of reality.
Perceptual model of communication	:	Process in which receivers create their own meaning.
Perfectly elastic demand	:	Product or resource demand in which quantity demanded can be of any amount at a particular product price; graphs as a horizontal demand curve.

Perfectly elastic supply	:	Product or resource supply in which quantity supplied can be of any amount at a particular product or resource price; graphs as a horizontal supply curve.
Perfectly inelastic demand	:	Product or resource demand in which price can be of any amount at a particular quantity of the product or resource demanded; quantity demanded does not respond to a change in price; graphs as a vertical demand curve.
Perfectly inelastic supply	:	Product or resource supply in which price can be of any amount at a particular quantity of the product or resource demanded; quantity supplied does not respond to a change in price; graphs as a vertical supply curve.
Performance ambiguity	:	Occurs when the causes of good or bad performance are not clearly identifiable.
Performance appraisal	:	Judgmental evaluation of one's traits, behavior, or accomplishments as basis for personnel decisions and development plans.
Performance Dashboard	:	Standards that reflect the health of a business, comprising of five categories of metrics
Performance-to-outcome (P-to-O) expecta	:	The perceived probability that a specific behavior or performance level will lead to specific outcomes.
Peril point	:	In U.S. law, a point below which a tariff cannot be lowered without causing or threatening serious injury to U.S. producers of competitive products.
Permission marketing	:	Customers agree to share personal information in exchange for receiving targeted market communications; presumes successful marketing campaigns can be created by establishing a mutually beneficial and trusting relationship between the firm and its customers.
Persistence	:	Extent to which effort is expended on a task over time.
Personal consumption expenditures	:	The expenditures of households for durable and nondurable consumer goods and services.
Personal controls	:	Achieving control by personal contact with subordinates.
Personal distance	:	In communicating, the physical distance used for talking with family and close friends.

Personal distribution of income	:	The manner in which the economy's personal or disposable income is divided among different income classes or different households or families.
Personal income	:	The earned and unearned income available to resource suppliers and others before the payment of personal taxes.
Personal income tax	:	A tax levied on the taxable income of individuals, households, and unincorporated firms.
Personal initiative	:	Going beyond formal job requirements and being an active self-starter.
Personal Responsibility Act	:	A 1996 law that eliminated the Federal government's six-decade-long guarantee of cash assistance for poor families, whether adults in the family work or not; sets a limit of 5 years on receiving Temporary Assistance for Needy Families (TANF) benefits and requires that able-bodied adults work after 2 years to continue to receive public assistance.
Personal saving	:	The personal income of households less personal taxes and personal consumption expenditures; disposable income not spent for consumer goods.
Personality	:	The relatively stable pattern of behaviors and consistent internal states that explain a person's behavioral tendencies.
Personality	:	Stable physical and mental characteristics responsible for a person's identity.
Personality conflict	:	Interpersonal opposition driven by personal dislike or disagreement.
Personalization	:	A form of customization initiated by the user that enables the user to modify site content and context based on consciously articulated and acted-upon preferences. The user can make layout selections and content source selections.
Personalized online communications	:	A category of market communications that includes personalized permission e-mail, personalized recommendations, personalized advertisements, personalized webpages, and personalized e-commerce stores.
Personalized power	:	Directed at helping oneself.

Persuasion	:	Using logical arguments, facts, and emotional appeals to encourage people to accept a request or message.
Per-unit production cost	:	The average production cost of a particular level of output; total input cost divided by units of output.
Phillips Curve	:	A curve showing the relationship between the unemployment rate (on the horizontal axis) and the annual rate of increase in the price level (on the vertical axis).
Physical architecture	:	Defines the hardware of third-party software needed to host and maintain a site.
Physical product	:	The basic physical product produced by a firm's production system. It does not include attributes added after production, such as packaging, brand name, service, and financing.
Physiologic needs	:	Food, clothing, shelter, and other basic, physical needs.
Pioneering costs	:	Costs an early entrant bears that later entrants avoid, such as the time and effort in learning the rules, failure due to ignorance, and the liability of being a foreigner.
Planned investment	:	The amount that firms plan or intend to invest.
Plant	:	A physical establishment that performs one or more functions in the production, fabrication, and distribution of goods and services.
Platform for Privacy Preferences (P3P)	:	An XML-based language that facilitates the matching of a site's privacy policy to the preferences of users on their browsers.
Platform teams	:	Temporary teams consisting of people from marketing, design, and other areas, who are responsible for developing a product or service.
Plug-in	:	A software program that extends the capabilities of a Web browser or other application, also known as an add-in.
Policy economics	:	The formulation of courses of action to bring about desired economic outcomes or to prevent undesired occurrences.
Political business cycle	:	The alleged tendency of Congress to destabilize the economy by reducing taxes and increasing government expenditures before elections and to raise taxes and lower expenditures after elections.
Political economy	:	The study of how political factors influence the functioning of an economic system.

Political imperative	:	Strategic formulation and implementation utilizing strategies that are country responsive and designed to protect local market niches.
Political risk	:	The likelihood that a business's foreign investment will be constrained by a host government's policies.
Political risk	:	The likelihood that political forces will cause drastic changes in a country's business environment that will adversely affect the profit and other goals of a particular business enterprise.
Political risks	:	The risks to a business and its employees that stem from political unrest in an area. As a result of such unrest, the markets or supplies of the business may be disrupted or the business may be nationalized and its employees may lose their jobs or be kidnapped, injured, or even killed.
Political system	:	System of government in a nation.
Political union	:	A central political apparatus coordinates economic, social, and foreign policy.
Polycentric MNC	:	An MNC that places local nationals in key positions and allows these managers to appoint and develop their own people.
Polycentric predisposition	:	A philosophy of management whereby strategic decisions are tailored to suit the cultures of the countries where the MNC operates.
Polycentric staffing	:	A staffing policy in an MNE in which host-country nationals are recruited to manage subsidiaries in their own country, while parent-country nationals occupy key positions at corporate headquarters.
Polychronic time	:	Preference for doing more than one thing at a time because time is flexible and multidimensional.
Polychronic time schedule	:	A time schedule in which people tend to do several things at the same time and place higher value on personal involvement than on getting things done on time.
Polymetallic deposits	:	Deposits that contain a number of metals.
Population density	:	A measure of the number of inhabitants per area unit (inhabitants per kilometer or mile).
Population distribution	:	A measure of how the inhabitants are distributed over a nation's area.

Portal site	:	A website that consists almost exclusively of absolute links to a large number of other sites.
Portfolio investment	:	The purchase of stocks and bonds to obtain a return in the money invested. The investors are not interested in assuming control of the firm.
Position power	:	Degree to which leader has formal power.
Positive affectivity (PA)	:	The tendency to experience positive emotional states.
Positive economics	:	The analysis of facts or data to establish scientific generalizations about economic behavior.
Positive GDP gap	:	A situation in which actual gross domestic product exceeds potential output.
Positive inequity	:	Comparison in which another person receives lesser outcomes for similar inputs.
Positive reinforcement	:	Occurs when the introduction of a consequence increases or maintains the frequency or future probability of a behavior.
Positive reinforcement	:	Making behavior occur more often by contingently presenting something positive.
Positive relationship	:	A direct relationship between two variables.
Positive-sum game	:	A situation in which all countries can benefit even if some benefit more than others.
Post hoc, ergo propter hoc fallacy	:	The false belief that when one event precedes another, the first event must have caused the second event.
Postdecisional justification	:	Justifying choices by unconsciously inflating the quality of the selected option and deflating the quality of the discarded options.
Postmoney valuation	:	The value of the company immediately after an investment.
Potential competition	:	The new competitors that may be induced to enter an industry if firms now in that industry are receiving large economic profits.
Potential output	:	The real output (GDP) an economy can produce when it fully employs its available resources.
Poverty	:	A situation in which the basic needs of an individual or family exceed the means to satisfy them.

Poverty rate	:	The percentage of the population with incomes below the official poverty income levels that are established by the Federal government.
Power	:	The capacity of a person, team, or organization to influence others.
Power distance	:	The extent to which people accept unequal distribution of power in a society.
Power distance	:	The extent to which less powerful members of institutions and organizations accept that power is distributed unequally.
Power distance	:	Theory of how a society deals with the fact that people are unequal in physical and intellectual capabilities. High power distance cultures are found in countries that let inequalities grow over time into inequalities of power and wealth. Low power distance cultures are found in societies that try to play down such inequalities as much as possible.
Practical school of management thought	:	A traditional approach to international management, which holds that effective managerial behavior is universal
Predatory pricing	:	Reducing prices below fair market value as a competitive weapon to drive weaker competitors out of the market (“fair” being cost plus some reasonable profit margin).
Preferred provider organization (PPO)	:	An arrangement in which doctors and hospitals agree to provide health care to insured individuals at rates negotiated with an insurer.
Preindustrial societies	:	A designation that can signify anything from traditional societies through societies in the early stages of agricultural and industrial organization.
Prejudice	:	The unfounded negative emotions and attitudes toward people belonging to a particular stereotyped group.
Premoney valuation	:	The value that the investor puts on the company before making an investment.
Presentation layer	:	Layer of a website responsible for all communications with a user's computer.
Preventive (planned) maintenance	:	Maintenance done according to plan, not when a machine breaks down.

Price	:	The amount of money needed to buy a particular good, service, or resource.
Price and wage controls	:	Government limits on prices that may be charged and wages that may be paid.
Price ceiling	:	A legally established maximum price for a good or service.
Price discrimination	:	The practice of charging different prices for the same product in different markets.
Price discrimination	:	The selling of a product to different buyers at different prices when the price differences are not justified by differences in cost.
Price elasticity of demand	:	A measure of how responsive demand for a product is to changes in price.
Price elasticity of demand	:	The ratio of the percentage change in quantity demanded of a product or resource to the percentage change in its price; a measure of the responsiveness of buyers to a change in the price of a product or resource.
Price elasticity of supply	:	The ratio of the percentage change in quantity supplied of a product or resource to the percentage change in its price; a measure of the responsiveness of producers to a change in the price of a product or resource.
Price fixing	:	The conspiring by two or more firms to set the price of their products; an illegal practice under the Sherman Act.
Price floor	:	A legally determined price above the equilibrium price.
Price index	:	An index number that shows how the weighted-average price of a "market basket" of goods changes over time.
Price leadership	:	An informal method that firms in an oligopoly may employ to set the price of their product
Price level	:	The weighted average of the prices of all the final goods and services produced in an economy.
Price maker	:	A seller (or buyer) of a product or resource that is able to affect the product or resource price by changing the amount it sells (or buys).
Price support	:	A minimum price that government allows sellers to receive for a good or service; a legally established or maintained minimum price.

Price taker	:	A seller (or buyer) of a product or resource that is unable to affect the price at which a product or resource sells by changing the amount it sells (or buys).
Price war	:	Successive and continued decreases in the prices charged by firms in an oligopolistic industry. Each firm lowers its price below rivals' prices, hoping to increase its sales and revenues at its rivals' expense.
Price-level stability	:	A steadiness of the price level from one period to the next; zero or low annual inflation; also called "price stability."
Price-level surprises	:	Unanticipated changes in the price level.
Primacy effect	:	A perceptual error in which we quickly form an opinion of people based on the first information we receive about them.
Primary appraisal	:	Determining whether a stressor is irrelevant, positive, or stressful.
Prime interest rate	:	The benchmark interest rate that banks use as a reference point for a wide range of loans to businesses and individuals.
Principal-agent problem	:	A conflict of interest that occurs when agents (workers or managers) pursue their own objectives to the detriment of the principals' (stockholders') goals.
Principle of sovereignty	:	An international principle of law which holds that governments have the right to rule themselves as they see fit.
Privacy issues	:	There are three main privacy issues
Privacy seals	:	A seal issued by a company such as TrustE that sets guidelines for how companies can collect and use their customers' information.
Private good	:	A good or service that is individually consumed and that can be profitably provided by privately owned firms because they can exclude nonpayers from receiving the benefits.
Private international law	:	Laws governing transactions of individuals and companies crossing international borders.
Private property	:	The right of private persons and firms to obtain, own, control, employ, dispose of, and bequeath land, capital, and other property.
Private sector	:	The households and business firms of the economy.
Privatization	:	The sale of state-owned enterprises to private investors.

Privatization	:	When a government transfers ownership, operation, or both of a government-owned enterprise to private owners/operators.
Pro forma invoice	:	Exporter's formal quotation containing a description of the merchandise, price, delivery time, method of shipping, terms of sale, and points of entry.
Proactive personality	:	Action oriented person who shows initiative and perseveres to change things.
Problem	:	Gap between an actual and desired situation.
Problem-solving teams	:	Employee groups that discuss ways of improving quality, efficiency, and the overall work environment.
Procedural justice	:	The fairness of the procedures used to decide the distributions of resources.
Procedural justice	:	The perceived fairness of the process and procedures used to make allocation decisions.
Process consultation.	:	Involves helping the organization solve its own problems by making it aware of organizational processes, the consequences of those processes, and the means by which they can be changed.
Process innovation	:	The development and use of new or improved production or distribution methods.
Process losses	:	Resources (including time and energy) expended toward team development and maintenance rather than the task.
Process theories	:	Theories that explain work motivation by how employee behavior is initiated, redirected, and halted.
Processes	:	Manner in which decisions are made and work is performed.
Processes	:	The patterns of interaction, coordination, communication, and decision-making that employees use to standardize how work is done.
Processing power	:	The amount of data that can be processed at a given time.
Producer surplus	:	The difference between the actual price a producer receives (or producers receive) and the minimum acceptable price; the triangular area above the supply curve and below the market price.

Product differentiation	:	A strategy in which one firm's product is distinguished from competing products by means of its design, related services, quality, location, or other attributes (except price).
Product innovation	:	The development and sale of a new or improved product (or service).
Product liability	:	Involves holding a firm and its officers responsible when a product causes injury, death, or damage.
Product liability	:	Liability of a product's manufacturer for damage caused by the product.
Product life-cycle theory	:	The optimal location in the world to produce a product change as the market for the product matures.
Product market	:	A market in which products are sold by firms and bought by households.
Product proliferation	:	The creation of a wide array of products that the competition cannot copy quickly enough.
Product safety laws	:	Set certain safety standards to which a product must adhere.
Production	:	Activities involved in creating a product.
Production blocking	:	A time constraint in team decision making due to the procedural requirement that only one person may speak at a time.
Production possibilities curve	:	A curve showing the different combinations of two goods or services that can be produced in a full-employment, full-production economy where the available supplies of resources and technology are fixed.
Productive efficiency	:	The production of a good in the least costly way; occurs when production takes place at the output at which average total cost is a minimum and marginal product per dollar's worth of input is the same for all inputs.
Productivity	:	A measure of average output or real output per unit of input. For example, the productivity of labor is determined by dividing real output by hours of work.
Productivity growth	:	The percentage change in productivity from one period to another.
Profiling	:	Identifying users and tracking their behavior through the use of cookies.

Profit	:	The amount remaining after all expenses are deducted from total revenues.
Profit	:	Difference between revenues and costs.
Profit	:	The return to the resource entrepreneurial ability; total revenue minus total cost.
Profit sharing	:	A reward system that pays bonuses to employees based on the previous year's level of corporate profits.
Profitability	:	A rate of return concept.
Profit-maximizing combination of resources	:	The quantity of each resource a firm must employ to maximize its profit or minimize its loss; the combination in which the marginal revenue product of each resource is equal to its marginal resource cost (to its price if the resource is employed in a competitive market).
Profit-sharing plan	:	A compensation device through which workers receive part of their pay in the form of a share of their employer's profit (if any).
Programmed conflict	:	Encourages different opinions without protecting management's personal feelings.
Programmed decision	:	Routine decisions whereby decision makers can follow standard operating procedures to select the preferred solution without the need to identify or evaluate alternative choices.
Programmed-management approach	:	A middle-ground advertising strategy between globally standardized and entirely local programs.
Progressive tax	:	A tax whose average tax rate increases as the taxpayer's income increases and decreases as the taxpayer's income decreases.
Project plan	:	Lays out the checkpoints, milestones, and resources that are expected to be required to move the project forward to completion.
Projected rate	:	The spot exchange rate forecast for the end of the budget period.
Projection bias	:	A perceptual error in which an individual believes that other people have the same beliefs and behaviors that we do.
Promotion	:	All forms of communication between a firm and its publics.
Promotional mix	:	A blend of the promotional methods a firm uses to sell its products.
Propensity to trust	:	A personality trait involving one's general willingness to trust others.

Property rights	:	Bundle of legal rights over the use to which a resource is put and over the use made of any income that may be derived from that resource.
Property tax	:	A tax on the value of property (capital, land, stocks and bonds, and other assets) owned by firms and households.
Proportional tax	:	A tax whose average tax rate remains constant as the taxpayer's income increases or decreases.
Proprietor's income	:	The net income of the owners of unincorporated firms (proprietorships and partnerships).
Protective and defensive techniques	:	Techniques that discourage the host government from interfering in operations.
Protective principle	:	A jurisdictional principle of international law which holds that every country has jurisdiction over behavior that adversely affects its national security, even if the conduct occurred outside that country.
Protective tariff	:	A tariff designed to shield domestic producers of a good or service from the competition of foreign producers.
Protestant work ethic	:	The duty of Christians to glorify God by hard work and the practice of thrift.
Proxemics	:	Hall's term for the study of cultural expectations about interpersonal space.
Proxemics	:	The study of the way people use physical space to convey messages.
Proxy server	:	A computer that forwards packets from a company's internal network of PCs to the Internet. Many proxy servers also cache information to improve performance on the network.
Psychological contract	:	The individual's beliefs about the terms and conditions of a reciprocal exchange agreement between that person and another party.
Public assistance programs	:	Government programs that pay benefits to those who are unable to earn income (because of permanent disabilities or because they have very low income and dependent children); financed by general tax revenues and viewed as public charity (rather than earned rights).
Public choice theory	:	The economic analysis of government decision making, politics, and elections.

Public debt	:	The total amount owed by the Federal government to the owners of government securities; equal to the sum of past government budget deficits less government budget surpluses.
Public distance	:	In communicating, the distance used when calling across the room or giving a talk to a group.
Public good	:	A good or service that is characterized by nonrivalry and nonexcludability; a good or service with these characteristics provided by government.
Public interest theory of regulation	:	The presumption that the purpose of the regulation of an industry is to protect the public (consumers) from abuse of the power possessed by natural monopolies.
Public international law	:	Legal relations between nations.
Public investments	:	Government expenditures on public capital (such as roads, highways, bridges, mass-transit systems, and electric power facilities) and on human capital (such as education, training, and health).
Public policy infrastructure	:	The laws and regulations that influence strategies, technology, capital, and media in business.
Public relations	:	Various methods of communicating with the firm's publics to secure a favorable impression.
Public sector	:	The part of the economy that contains all government entities; government.
Public utility	:	A firm that produces an essential good or service, has obtained from a government the right to be the sole supplier of the good or service in the area, and is regulated by that government to prevent the abuse of its monopoly power.
Pull strategy	:	A marketing strategy emphasizing mass media advertising as opposed to personal selling.
Punishment	:	Occurs when a consequence decreases the frequency or future probability of a behavior.
Punishment	:	Making behavior occur less often by contingently presenting something negative or withdrawing something positive.

Purchasing power	:	The amount of goods and services that a monetary unit of income can buy.
Purchasing power parity	:	The relative ability of one unit of two countries' currencies to purchase similar goods. From this relative ability is derived an indication of what the market exchange rate between the two currencies should be.
Purchasing power parity	:	The idea that exchange rates between nations equate the purchasing power of various currencies. Exchange rates between any two nations adjust to reflect the price-level differences between the countries.
Purchasing power parity (PPP)	:	An adjustment in gross domestic product per capita to reflect differences in the cost of living.
Pure competition	:	A market structure in which a very large number of firms sells a standardized product, into which entry is very easy, in which the individual seller has no control over the product price, and in which there is no nonprice competition; a market characterized by a very large number of buyers and sellers.
Pure monopoly	:	A market structure in which one firm sells a unique product, into which entry is blocked, in which the single firm has considerable control over product price, and in which nonprice competition may or may not be found.
Pure rate of interest	:	An essentially risk-free, long-term interest rate that is free of the influence of market imperfections.
Push strategy	:	A marketing strategy emphasizing personal selling rather than mass media advertising.
Quality circles	:	Small groups of volunteers who strive to solve quality related problems.
Quality circles (quality control circles)	:	Small work groups that meet periodically to discuss ways to improve their functional areas in the firm and the quality of the products.
Quality control circle (QCC)	:	A group of workers who meet on a regular basis to discuss ways of improving the quality of work.

Quality imperative	:	Strategic formulation and implementation utilizing strategies of total quality management to meet or exceed customers' expectations and continuously improve products and/or services.
Quantity demanded	:	The amount of a good or service that buyers (or a buyer) desire to purchase at a particular price during some period.
Quantity supplied	:	The amount of a good or service that producers (or a producer) offer to sell at a particular price during some period.
Quasi-public bank	:	A bank that is privately owned but governmentally (publicly) controlled; each of the U.S. Federal Reserve Banks.
Quasi-public good	:	A good or service to which excludability could apply but that has such a large spillover benefit that government sponsors its production to prevent an underallocation of resources.
Questionable or dubious payments	:	Bribes.
Quota	:	(1) A limitation on imports by number or by weight; for example, only so many of a given item or only so many pounds or kilos may be imported. (2) At the IMF, each member nation has a quota that determines the amount of its subscription and how much it can borrow.
Quota rent	:	Extra profit producers make when supply is artificially limited by an import quota.
R&D	:	Research and development activities undertaken to bring about technological advance.
Rate of exchange	:	The price paid in one's own money to acquire 1 unit of a foreign currency; the rate at which the money of one nation is exchanged for the money of another nation.
Rate of return	:	The gain in net revenue divided by the cost of an investment or an R&D expenditure; expressed as a percentage.
Rational behavior	:	Human behavior based on comparison of marginal costs and marginal benefits; behavior designed to maximize total utility.
Rational expectations theory	:	The hypothesis that firms and households expect monetary and fiscal policies to have certain effects on the economy and (in pursuit of their own self-interests) take actions that make these policies ineffective.

<i>Rational model</i>	:	Logical four-step approach to decision making.
<i>Rationing function of prices</i>	:	The ability of market forces in competitive markets to equalize quantity demanded and quantity supplied and to eliminate shortages and surpluses via changes in prices.
<i>Readiness</i>	:	Follower's ability and willingness to complete a task.
<i>Real gross domestic product (GDP)</i>	:	Gross domestic product adjusted for inflation; gross domestic product in a year divided by the GDP price index for that year, the index expressed as a decimal.
<i>Real income</i>	:	The amount of goods and services that can be purchased with nominal income during some period of time; nominal income adjusted for inflation.
<i>Real interest rate</i>	:	The interest rate expressed in dollars of constant value (adjusted for inflation) and equal to the nominal interest rate less the expected rate of inflation.
<i>Real wage</i>	:	The amount of goods and services a worker can purchase with his or her nominal wage; the purchasing power of the nominal wage.
<i>Real-balances effect</i>	:	The tendency for increases in the price level to lower the real value (or purchasing power) of financial assets with fixed money value and, as a result, to reduce total spending and real output, and conversely for decreases in the price level.
<i>Real-business-cycle theory</i>	:	A theory that business cycles result from changes in technology and resource availability, which affect productivity and thus increase or decrease long-run aggregate supply.
<i>Realistic job preview</i>	:	Presents both positive and negative aspects of a job.
<i>Realistic job preview (RJP)</i>	:	Giving job applicants a balance of positive and negative information about the job and work context.
<i>Reality shock</i>	:	Perceived discrepancies between preemployment expectations and on-the-job reality.
<i>Reality shock</i>	:	A newcomer's feeling of surprise after experiencing unexpected situations or events.
<i>Recency effect</i>	:	A perceptual error in which the most recent information dominates one's perception of others.

<i>Recession</i>	:	A period of declining real GDP, accompanied by lower real income and higher unemployment.
<i>Recessionary gap</i>	:	The amount by which the aggregate expenditures schedule must shift upward to increase the real GDP to its full-employment, noninflationary level.
<i>Reciprocal Trade Agreements Act</i>	:	A 1934 Federal law that authorized the president to negotiate up to 50 percent lower tariffs with foreign nations that agreed to reduce their tariffs on U.S. goods. (Such agreements incorporated the most-favored-nation clause.)
<i>Recruitment practices</i>	:	Attempts to attract qualified, diverse employees at all levels.
<i>Red herring</i>	:	A preliminary prospectus that is sent to the SEC for review.
<i>Redundancy</i>	:	Having two or more of an essential component configured so that if one fails, the other can take over.
<i>Reengineering</i>	:	A radical redesign of business processes to achieve dramatic improvements in critical measures of performance, such as cost, quality, service, or speed.
<i>Referent power</i>	:	The capacity to influence others based on the identification and respect they have for the power holder.
<i>Referent power</i>	:	Obtaining compliance through charisma or personal attraction.
<i>Refinancing the public debt</i>	:	Paying owners of maturing government securities with money obtained by selling new securities or with new securities.
<i>Refreezing</i>	:	The latter part of the change process in which systems and conditions are introduced that reinforce and maintain the desired behaviors.
<i>Regiocentric MNC</i>	:	An MNC that relies on local managers from a particular geographic region to handle operations in and around that area.
<i>Regiocentric predisposition</i>	:	A philosophy of management whereby the firm tries to blend its own interests with those of its subsidiaries on a regional basis.
<i>Regional dualism</i>	:	A situation in which some regions of a nation have high productivity and high incomes while other regions of the same country have little economic development and lower incomes.

Regional economic integration	:	Agreements among countries in a geographic region to reduce and ultimately remove tariff and nontariff barriers to the free flow of goods, services, and factors of production between each other.
Regional internationals	:	Subdivisions of the global affiliation; regional applications of the global's activities.
Regional system	:	An approach to developing an expatriate compensation package that involves setting a compensation system for all expats who are assigned to a particular region and paying everyone in accord with that system.
Regressive tax	:	A tax whose average tax rate decreases as the taxpayer's income increases and increases as the taxpayer's income decreases.
Regulatory agency	:	An agency, commission, or board established by the Federal government or a state government to control the prices charged and the services offered by a natural monopoly.
Reinforcement	:	Complementarity—or synergy—among each of the 7Cs.
Reinvoicing	:	Centralizing all international invoicing by an IC. The reinvoicing center decides which currencies should be used and where, how, and when.
Relatedness needs	:	A person's needs to interact with other people, receive public recognition, and feel secure around other people.
Relational database	:	Database in which data are store in a series of tables.
Relatively efficient market	:	One in which few impediments to international trade and investment exist.
Reliability	:	The amount of time a system can be expected to be available to its users.
Religion	:	A system of shared beliefs and rituals concerned with the sacred.
Rental income	:	The payments (income) received by those who supply land to the economy.
Rent-seeking behavior	:	The actions by persons, firms, or unions to gain special benefits from government at the taxpayers' or someone else's expense.
Repatriation	:	The return to one's home country from an overseas management assignment.
Repatriation	:	The transfer home of assets held abroad.

Repatriation agreement	:	Agreement whereby the firm tells the individual how long she or he will be posted overseas and promises to give the individual, on return, a job that is mutually acceptable.
Representative democracy	:	A political system in which citizens periodically elect individuals to represent them in government.
Representative office	:	An office of an out-of-state or foreign bank that is not permitted to conduct direct banking functions. The purpose of such an office is to solicit business for its parent bank, where it can conduct such functions.
Representativeness heuristic	:	Tendency to assess the likelihood of an event occurring based on impressions about similar occurrences.
Required reserves	:	The funds that banks and thrifts must deposit with the Federal Reserve Bank (or hold as vault cash) to meet the legal reserve requirement; a fixed percentage of the bank's or thrift's checkable deposits.
Reserve requirement	:	The specified minimum percentage of its checkable deposits that a bank or thrift must keep on deposit at the Federal Reserve Bank in its district or hold as vault cash.
Resilience to change	:	Composite personal characteristic reflecting high self-esteem, optimism, and an internal locus of control.
Resistance to change	:	Emotional/behavioral response to real or imagined work changes.
Resource	:	A natural, human, or manufactured item that helps produce goods and services; a productive agent or factor of production.
Resource allocation processes	:	Formalization of the tradeoffs and prioritizations that a company makes when choosing which opportunities to pursue.
Resource market	:	A market in which households sell and firms buy resources or the services of resources.
Resource system	:	A unique combination of resources within and outside of a firm that delivers promised benefits.
Respondent behavior	:	Skinner's term for unlearned stimulus-response reflexes.
Retiring the public debt	:	Reducing the size of the public debt by purchasing U.S. government securities or by not reissuing maturing securities.
Return on investment	:	Return measured by dividing profit by assets.

Revaluation of a currency	:	An increase in a currency's value in terms of other currencies.
Revenue model	:	How a company plans to generate revenue.
Revenue tariff	:	A tariff designed to produce income for the Federal government.
Reverse discrimination	:	The view that the preferential treatment associated with affirmative action efforts constitutes discrimination against other groups.
Reverse engineering	:	Dismantling a competitor's product to learn everything possible about it.
Reverse imports	:	Products made by a multinational's overseas subsidiaries that are exported to the home country.
Revocable letters of credit (L/Cs)	:	L/Cs that the opening bank may revoke at any time without notice to the beneficiary.
Reward equality norm	:	Everyone should get the same rewards.
Reward equity norm	:	Rewards should be tied to contributions.
Reward power	:	Obtaining compliance with promised or actual rewards.
Rhine waterway	:	A system of rivers and canals that is the main transportation artery of Europe.
Right wing	:	Extremely conservative politically.
Right-to-work law	:	A state law (in about 22 states) that makes it illegal to require that a worker join a labor union in order to retain his or her job; laws that make union shops and agency shops illegal.
Right-wing totalitarianism	:	A political system in which political power is monopolized by a party, group, or individual that generally permits individual economic freedom but restricts individual political freedom, including free speech, often on the grounds that it would lead to the rise of communism.
Ringisei	:	From Japan, decision making by consensus.
Rituals	:	The programmed routines of daily organizational life that dramatize the organization's culture.
Robotics	:	Machines, usually computer controlled, doing work previously done by human workers.
		A lack of clarity and predictability of the outcomes of one's behavior.

Role ambiguity	:	Others' expectations are unknown.
Role conflict	:	Incongruity or incompatibility of expectations associated with the person's role.
Role conflict	:	Others have conflicting or inconsistent expectations.
Role overload	:	Others' expectations exceed one's ability.
Role perceptions	:	A person's beliefs about the specific tasks assigned to them, their relative importance, and the preferred behaviors to accomplish those tasks.
Roles	:	Expected behaviors for a given position.
RO-RO	:	Specially designed oceangoing vessel that permits any equipment on wheels to be rolled on board.
Roundabout production	:	The construction and use of capital to aid in the production of consumer goods.
Router	:	A computer or appliance in a network that handles data transfer between computers.
Royalties	:	Remuneration paid to the owners of technology, patents, or trade names for the use of same.
Rule of 70	:	A method for determining the number of years it will take for some measure to double, given its annual percentage increase. Example
Rule of reason	:	The rule stated and applied in the U.S. Steel case that only combinations and contracts unreasonably restraining trade are subject to actions under the antitrust laws and that size and possession of monopoly power are not illegal.
Rural-to-urban shift	:	Describes the movement of a nation's population from rural areas to cities.