

# **International**

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# **DICTIONARY OF MANAGEMENT**

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**Fourth Edition**

"...an invaluable compendium  
of management terminology"

*The Times*

"...A comprehensive and  
practical guide to the language  
of management"

*Marketing*

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**Hans Johannsen and G Terry Page**

178

# **International DICTIONARY OF MANAGEMENT**

**Fourth Edition**

**Hans JONANNSEN  
and G Terry Page**

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# Preface to the Fourth Edition

The success of the first three editions, especially in the United Kingdom and the United States, has encouraged us to undertake again the task of updating, revising and expanding the original dictionary, first published in 1975. This latest edition has some 6,500 entries, in line with the growth in management terms since the third edition appeared in 1986. Developments in management and business terminology make it more difficult than ever to establish the parameters of management but, as in the earlier editions, we have taken a broad and, we hope, catholic view and included a wide range of terms which managers may come across in their daily work. Not all, of course, will be applicable to all managers, but in casting our net wide we have tried to cover both commonplace and specialist areas. We have not only taken the opportunity of updating and refining the original entries but have also placed in a separate section banks, business, professional and employers' associations, and trades unions, added numerous further cross-references, many new terms, so that taken as a whole we hope the book will be a practical and comprehensive reference work for those interested in management terminology.

Hano Johannsen  
G Terry Page



# Dictionary





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# A

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**abandonment.** Where goods covered by an insurance policy, or the remains of such goods, are acquired by the insurance company in return for settlement for the total loss of the goods. Thus the goods are abandoned to the insurance company. The term is used particularly in marine insurance.

**ABC method or analysis (or usage-value analysis).** Analysis of a range of items eg stock levels, customers, sales territories etc into three groups: A = very important; B = important; C = marginal significance. The object is to sort the total into categories which should be handled and controlled in different ways. In the case of customers, for example, the A customers might be the responsibility of the sales manager and warrant regular visits while the C customers whose turnover and potential is insignificant might not justify regular visits at all. The approach is closely allied to *Pareto's Law* and *eighty-twenty rule*.

**Abilene paradox.** Phenomenon first observed by Jerry Harvey, Professor of Management Scheme at George Washington University (US) that people individually or in groups often support a group activity which they do not really agree with or justify it for spurious reasons.

**ability to follow instructions test.** *Personnel selection and vocational guidance* test devised as part of the *engineering apprentice test battery* of the former National Institute of Industrial Psychology in the UK. See also *psychological test(ing)* and *test battery*.

**ability to pay.** Pay theory which implies that wage and salary levels should be based on a company's profitability. Increased profits mean higher pay levels, but lower profits seldom mean pay reductions.

**above-the-line promotion.** Term used by marketing men of *sales promotion* in the form of expenditure on advertising in the press, on television or in other media. The term *below-the-line promotion*, on the other hand, is used for such forms of sales promotion as reduced price special offers, premiums, and point-of-sale displays.

**absenteeism.** Absence from work by an

employee during working hours. 'Voluntary absence' is that which the employee could have avoided. 'Involuntary absence' is that which he could not have avoided for such reasons beyond his control as sickness or accident.

**absorption costing.** Procedure for controlling the assignment of *indirect or overhead costs* to specialized product costing. A variety of methods is used for assigning overheads including the rate of cost per unit system (obtained by dividing the total overheads for a given *cost centre (center)* by the number of units produced), the standard cost rate used in conjunction with *standard costing*, direct materials cost percentage rate, direct wages cost percentage rate, *labour* hour rate and *machine hour rate*.

**abusive dismissal.** Dismissal of an employee in a manner which is lawful in that correct notice of termination of *contract of employment* is given, but is nevertheless an action that is an abuse or unfair use of managerial power. Under many legal systems, abusive dismissals are in themselves illegal. See also *unfair dismissal* and *wrongful dismissal*.

**Academy of Management.** US association of teaching staff in universities and colleges concerned with management and business training.

**ACAS.** See *Advisory, Conciliation and Arbitration Service*.

**ACC.** *Annual capital charge*.

**accelerated depreciation.** Depreciation of *straight-line depreciation*. This makes for a faster return on capital.

**accelerated vocational training.** Uses *activity learning/teaching* methods off-the-job but with a realistic working or industrial environment.

**acceptable quality level (AQL).** Maximum number or percentage of defective items allowable under, for example, *acceptance sampling*.

**acceptance credit.** A company with a significant volume of export business may be

able to arrange an acceptance credit facility with a bank or an *acceptance house* to an agreed percentage of the value of shipments within specified periods. The acceptance house or bank undertakes to accept *bills of exchange* drawn on it up to the agreed maximum figure in a certain period, these bills then being readily discountable with a *discount house*. Where the exporter normally draws bills of exchange on his overseas buyers, similar credit facilities may be granted against the collection of bills which he duly assigns to the bank by way of security.

**acceptance house.** Or accepting house. Financial house, usually a *merchant bank*, specializing in lending money on the security of *bills of exchange* or adding its name as endorser to a bill drawn on another party. A particular service to exporters is the granting of *acceptance credit* facilities. The leading UK acceptance houses are the 17 merchant banks in membership of the *Accepting Houses Committee*.

**acceptance sampling.** Form of *statistical quality control* in which a sample of items is inspected and tested, the results enabling a decision to be made as to whether to accept or reject the total quantity of items. See also *acceptable quality level*, *average outgoing quality*, *average outgoing quality limit*.

**acceptance test.** Made early in the progress of a project, etc with the object of checking that the finished work will be fit for its purpose.

**acceptance test, consumer.** See *consumer acceptance test*.

**accepting house.** As *acceptance house*.

**Accepting Houses Committee.** Body which governs the conduct and safeguards the standards of the leading *acceptance houses* in the UK. Some 17 merchant banks are in membership of the Accepting Houses Committee. Because of the high standing and reputation of the Committee *bills of exchange* drawn on its members tend to be discountable with *discount houses* at rates particularly advantageous to the drawer.

**acceptor.** See *bill of exchange*.

**access control.** Systems for checking and limiting access to high security areas.

**accessions rate (of labour).** Total number of permanent and temporary additions to the payroll over a given period of time. Also known as *hiring rate* (US).

**access time.** Time taken to locate data in the store of a *computer* and transfer it to the *arithmetic unit*. The time taken largely depends on the type of computer.

**accident book.** Record kept by an employer of personal injuries suffered by employees at work.

**accommodation bill.** *Bill of exchange* drawn up with the intention that it should be discounted.

**accommodation note.** Document in which one party acts as guarantor for another in terms of creditworthiness, etc.

**accommodation party.** Guarantor of a *bill of exchange*.

**accomplishment/cost procedure (ACP).** Technique for accurately comparing and contrasting costs and results of large-scale projects developed by Stanford University Research Unit (US). It is essentially a management information and reporting system for effectively managing complex projects.

**accord and satisfaction.** Legal term for the making and completion of an agreed variation of a contract. 'Accord' means there must be agreement that the contract be varied. 'Satisfaction' means satisfactory completion of the replacement contract.

**accountability.** Answerability for action carried out and performance achieved to others, eg by a manager to his superior or by the board of directors to its shareholders. Also used more loosely to describe responsibility.

**accountable management.** Making individuals or units responsible for performance measured as objectively as practicable and, as far as possible, with the cooperation of those individuals or units. It has much in common with *management by objectives* and is likely to involve the establishment of *cost and profit centres* (centers).

**accountancy conventions.** Basic practices and assumptions concerning the preparation of accounts. They include consistency (like compares with like), conservatism (eg realism and pessimism about asset and stock values), the accounting entity (eg company, division, *cost centre* (center) or *profit centre* (center) - whatever unit or organization is treated as separate for accounting purposes), etc. Conventions are giving way to agreed Accountancy Standards.

**accountant's return.** Alternative term for *return on capital* or *book rate of return*.

**account day.** Stock exchange term. See account period.

**account dealing.** Stock exchange transaction for completion on the following account day. See *account period*.

**account executive.** Advertising, public relations, etc agency executive responsible for relations with a particular client or account.

**accounting.** Principles and techniques used in establishing, maintaining, recording and analyzing financial transactions. Normally involves the design of systems and procedures, keeping records, ensuring that the recording and handling of cash is undertaken properly and providing management with accounting data and reports.

**accounting code.** Or accounts code. Numerical or mnemonic code numbers or letters assigned to expenditure and/or income to enable costs and revenue to be classified and allocated internally to budget or cost centres.

**accounting, human asset.** See *human asset accounting*.

**accounting models.** Forms of simulation of a business situation in financial terms. Other forms of model of business situations include *computer models* and *mathematical models*.

**accounting period.** Period of time (a week, a calendar month or a four-weekly period) at the close of which a summary of financial and costing information is prepared and new records started. Ideally, the period chosen should be sufficiently short to reveal significant variations so that management can take prompt remedial action and of a constant length so that comparisons are meaningful.

**accounting rate of return.** A method of capital investment appraisal which calculates the forecast average rate of annual profit from an investment as a percentage of the initial cash outlay. Also known as unadjusted rate of return. See also *investment appraisal*.

**accounting ratios.** As *financial ratios* or *management ratios*. See also *balance sheet ratios*.

**account period.** The *International Stock Exchange*, London, operates in 23 fortnightly and two three-week account periods each year, people buying and selling shares being expected to settle their accounts at the end of each period, on the 'account days', unless they have *contango* or similar facilities. An exception to the account period arrangement is in the buying and selling of *gilt-edged* securities, which transactions are settled daily.

**accounts code.** As *accounting code*.

**accounts payable.** Or *creditors*. Accounts on which monies are owed for goods or services.

**accounts receivable.** Or *debtors*. Accounts on which monies are due from customers. Sometimes cash may be raised against accounts receivable by pledging them as *collateral* for a loan, or by selling them to a commercial factor who pays an agreed figure less than the sum owed but takes responsibility for collecting the debt.

**account trading.** Buying and selling shares within the same stock exchange account: settlement is by paying the difference due. See also *account period*.

**accretion.** Growth of funds (eg pension) resulting from new contributions and/or interest received on capital investments.

**accrual method.** In accounting, a method used to take income into the accounts during the period in which the sales are made yet recording expenses only when incurred. That is, transactions are recorded at the time when they generate income rather than when they incur costs.

**accruals.** Amounts calculated as being owing for goods and services prior to their appearance in the balance sheet.

**accrued expense (or liability).** Expenditure incurred but not yet paid.

**accrued revenue (or asset).** Income or money earned but due to be received at a future date.

**accumulation factor.** Measure of the difference between present cash value and *terminal value*.

**ACER speed and accuracy test.** Clerical *aptitude test* in which pairs of numbers and names are checked against each other within a time limit. The test takes 10 to 15 minutes. See also *psychological testing* and *aptitude tests*.

**achievement analysis.** Examination of stages in the progress of a project, perhaps at *project milestones*.

**achievement test.** Or *attainment test*. General term used in *psychological testing*, particularly in the USA, for a test that measures achievement in a particular occupation (eg *job knowledge test*) rather than potential or *aptitude* or *intelligence*.

**acid test ratio.** Ratio of total cash, debtors

(*accounts receivable*) and market value of saleable investments to *current liabilities*. The ratio is used as a guide to credit worthiness and for *credit rating*. Also known as *quick* or *liquid ratio*.

**ACORN.** Acronym for a classification of residential neighbourhoods (UK). Of importance for direct mail and house-to-house distribution, ACORN recognises 11 main neighbourhood groups, further subdivided into 38 types.

**acoustic coupler.** Instrument enabling a telephone to be used for transmitting and receiving audio signals. Output from one computer can be transmitted by the telephone to another.

**ACP.** *Accomplishment/cost procedure.*

**acquisition.** Purchase of one company by another for *cash* and/or *equity*. See also *merger* and *take-over bid*.

**acquisitive society.** View of the nature of man that holds he is wholly competitive, egoistic and greedy, and that his wants are insatiable. In management terms, this theory implies that one can explain and predict how people behave in the market-place.

**across-the-board settlement.** Agreed pay increase that gives all the employees concerned an equal proportional increase in pay. Thus, such a settlement maintains existing differentials, unlike a *tapered increase*, a *stepped increase* or a *pro-tanto increase*.

**ACT.** Advance corporation tax. This is normally deducted from company dividend payments and offset against the tax liability of a company.

**AC test of creative ability.** Psychological test of US origin devised particularly for engineers and engineering workers. See also *Purdue creativity test*.

**action centred leadership.** Packaged course on leadership developed in the UK by the *Industrial Society* based on John Adair's concepts. Has some affinities with *T-group training*.

**action limit.** *Quality management* and *reliability* term for the point at which action must be taken to rectify or reject an item.

**action research.** Commissioned research which attempts to combine the investigation of a specific problem area within an organization, with making recommendations for a solution and monitoring and evaluating implementation of resulting policies and proce-

dures. Typically, the researcher is associated with an academic institution and the aim is to provide the researcher with real-life problems, come up with solutions after detailed investigation and discussion with interdisciplinary colleagues and maintain a close relationship with the client whilst the new policies are put into effect.

**action skill.** Ability to carry out skilfully the behaviour required by a situation - eg in some forms of *T-group training* or *sensitivity training*.

**action training.** Training with a strong reliance on *activity learning* and such participative techniques as *case studies*, *role playing*, *games* and *simulations*.

**active learning.** As *activity learning*.

**active money.** Money actually in circulation or being used in business transactions.

**activities analysis.** One of three techniques identified by *Drucker* to be used in deciding the organization structure appropriate for a company, the other techniques being *decision analysis* and *relations analysis*. Activities analysis is used to establish what are the key activities in the company, as distinct from generalized assumptions.

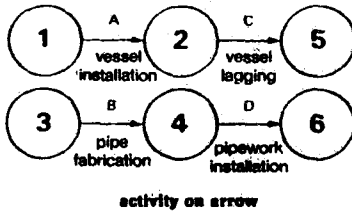
**activity. 1.** An operation or work activity in *critical path planning* or *network analysis* as in *activity on arrow* or *activity on node*. **2.** *Work measurement* term for the task or operation being studied, this operation being broken down into *elements* for timing and rating.

**activity chart.** Diagram showing the breakdown and composition of a series of operations or a process plotted against a time scale.

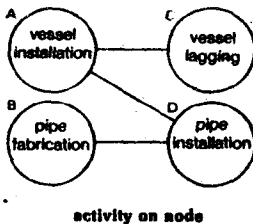
**activity learning/teaching.** Or active learning. Learning through active participation and involvement such as project work and group discussions rather than in passive situations such as lectures or films. See also *discovery method* and *heuristic method*.

**activity network.** Network used in *network analysis/planning*.

**activity on arrow.** Commonly used method of representing a series of associated activities in *critical path scheduling* or *network analysis*. Each activity is denoted by an arrow, as in the diagram. This method of representation, though simple in concept, is often more complicated to use than the *activity on node* system.



**activity on node.** Method of representing a series of associated activities in critical path scheduling or network analysis. Each activity is denoted by a circle or 'node' instead of an arrow, which is conventionally used. The inter-relationships between each activity are shown by lines known as dependencies, as in the diagram, to form precedence diagrams.



**activity rate (for working age population).** Proportion of the population of a given age likely to be in employment or seeking employment.

**activity ratio.** Comparison showing actual against budgeted output during given hours (eg daily or weekly) of work. Expressed as:

$$\frac{\text{Standard hours of actual output}}{\text{Standard hours of budgeted output}} \times \frac{100}{1}$$

**activity sampling.** As work sampling.

**activity vector analysis (AVA).** Psychological test developed in the USA for use in temperament and personality testing. It has had mixed fortunes and reactions as a personnel selection test.

**act of God.** In law, an occurrence altogether beyond man's normal expectation or control - it is not necessarily synonymous with accident.

**actual market volume.** Sum total of supplier's sales made at a given price or in a given price range to a specific market segment. See also market potential, market prospective, market segment capacity, market share, and overall market capacity.

**actuals.** Goods or commodities that are physically available and which are bought and sold immediately (for example, at spot markets), as distinct from markets in futures where trading is in contracts for future delivery.

**actuarial return.** Or internal rate of return. The return on a project or enterprise as measured by discounted cash flow techniques.

**actuary.** Specialist in measuring risk in life assurance or insurance. See also risk economist.

**adaptability test.** Mental ability or intelligence test used particularly in US industry for personnel placement purposes. It is used to predict performance in a wide range of occupations. See also psychological testing.

**adaptable funding.** See controlled funding (of pensions).

**adaptive control.** Method of computer control of industrial processes in which the computer makes calculations based on past experience to change the plant settings in order to improve its performance. Another method of control is evolutionary operation in which subtle changes are constantly made in operating settings in quest of improved performance.

**adaptive program(me).** Flexible form of programmed instruction in which sequencing of frames depends on responses of trainee/student. The sequence is made easier when a trainee has difficulty but kept hard enough to keep him at full stretch. Flexibility is sometimes so great as to require the use of a computer. See also intrinsic branching, linear and skip program(me).

**added hours.** Notional extra hours of work when overtime rates apply. Eg where four hours are worked at time-and-a-half, the added hours are the two hours over and above basic time-related payment scheme.

**added number effect.** Where a person who would not normally seek work takes a job in order to compensate for the unemployment of someone else. Typical example is that of a married woman taking a job because her husband is unemployed.

**added value.** As value added.

**addendum 1.** Addition or explanatory note at the end of a written report, survey, etc.  
**2.** Addition to a motion at a formal meeting.

**add-on sales.** Continuing sales made to a

purchaser who is already a satisfied customer on the strength of earlier purchases. See also *multiple offer* and *solus offer*.

**add-on system.** System, particularly computer system, which can be extended as required.

**adjournment, motion for.** *Motion* at a formal meeting to the effect *a* that the meeting be adjourned either for a stated period or sine die (ie indefinitely), or *b* that discussion of a particular item of business be adjourned, usually until a stated future time.

**adjunctive program(me)s.** Questions presented to trainees/students after they have studied instructional material such as a textbook to establish what learning has and what has not been achieved. Such questions sometimes known as *auto-elucidatory*.

**adjusted earned income.** Taxable income that is earned income.

**adjuster.** Insurance company employee specializing in evaluating claims and advising on policy liabilities and losses incurred. His role is to research into major claims and ensure settlements are fair and reasonable.

**adjusting entry.** An entry in accounts which indicates income earned or expenditure incurred but not yet due for settlement within the period of the accounts. This would apply to *accrued revenue* or *accrued expense*, for example.

**administration.** 1. Responsibility for efficient and effective operations and procedures. 2. Area of management concerned with interpretation of policy and translating it into effective executive action. 3. In public service area may be synonymous with management. 4. Office management.

**administration costs.** *Indirect costs* charged to a department or factory, etc as its share of general administration costs for the organization as a whole over and above indirect costs attributable solely to the department or factory.

**administrative management theory.** *Organization structure-oriented principles* of general management developed by Henri Fayol.

**administrative statistics.** Those derived from an *administrative survey*.

**administrative survey.** Survey which is a by-product or derivative of an administrative process or processes; eg the deriving of

statistics on unemployment from data collected for unemployment benefit purposes. Computerization has increased the value and reliability of such data.

**ADMOS.** Acronym of automatic device for mechanical order selection. A tape or card-activated machine for checking stock availability, selecting quantities of goods required, recording stock balances and conveying items direct to the packing and despatch department.

**ADR. 1.** *European Agreement on the International Carriage of Dangerous Goods.*  
**2.** *American depository receipt.*

**ad valorem.** Description of a tax, duty or fee which varies in proportion to the value of the goods or services on which it is levied.

**advance.** Payment made in respect of work yet to be done or of goods yet to be received.

**advance bill.** Or *invoice*. See *pro forma*.

**advance corporation tax.** See *ACT*.

**advance factory.** Built by the UK Government in regions in need of development, the factory then being rented at attractive rates to an industrial firm setting up in the region. See also *Assisted Area*, *regional development grants*.

**advertising.** Presentation and/or publication of information or opinions on goods, services, institutions, etc with a view to attracting purchasers or to building up a corporate image or prestige among the public (advertising for the latter purpose is sometimes known as 'prestige advertising'). A distinction between advertising and *public relations* is that the latter is concerned with influencing points of view, but not with paid advertisements. See also *marketing mix*.

**advertising agent (or agency).** Specialist in the advertising aspects of *marketing* and in the planning and execution of advertising campaigns. Clients may be charged fees calculated on a percentage of the client's advertising budget or, alternatively, if the advertising agent is used by a client to design, prepare and place advertising in the media, the agent will be paid, not directly by the client firm, but by way of agency discount allowed by the media in which the advertisement is placed.

**advertising contractor.** Organization that sells advertising space for publishers, etc being paid a commission on sales.

**advice note.** Document sent by a supplier to a customer detailing goods despatched.

**Advisory, Conciliation and Arbitration Service (ACAS) (UK).** Autonomous arbitration service established statutorily with the Employment Protection Act 1975, succeeding the former *Conciliation and Arbitration Service*.

**Advisory Council on Pensions and Welfare Benefits Programs.** Advises the US Secretary of Labor on the operation and implementation of the Employee Retirement Income Security Act of 1974.

**AE.** *Anonymos Etairia*, a Greek form of joint stock company. See also *Greek companies*.

**affidavit.** Sworn statement or declaration in writing.

**affiliated company.** One under the same ownership.

**affiliated manager.** Manager who places greater emphasis on being liked and staying on good terms with everybody than on exercising leadership and control.

**affiliation needs.** Psychologist's term for need for acceptance by one's peers.

**affirmative action.** US term for the hiring, employment and promotion of people previously discriminated against.

**AG.** *Aktiengesellschaft*. See *Austrian companies*, *German companies* and *Swiss companies*.

**Agence National Pour l'Emploi (ANPE).** French state employment system.

**Agency for International Development (AID).** US government agency that handles American overseas economic aid program(s). The AID was established in 1961.

**agent.** Person or company authorized to act on behalf of another. The ownership of any goods handled does not pass, even though the agent may carry stock, and the entire profit, after deduction of such expenses as have been approved and a commission on the gross proceeds of sale, is accountable to the person appointing him (the 'principal'). See also *special agent*.

**Agent de Change.** Stockbroker on the Brussels Stock Exchange or the Paris Stock Exchange (or *Bourse*) or one of the *Swiss Stock Exchanges*. The Brussels Exchange also has *Agents de Change Correspondants* who may only deal through an *Agent de Change*.

**Agent de Change Correspondant.** Stockbroker who may deal on the Brussels Stock Exchange, but only through an *Agent de Change*.

**Agent de Cambio y Bolsa.** Spanish stockbroker. See *Spanish stock exchanges*.

**Agenti di Cambio.** Stockbrokers trading on the floors of the Italian stock exchanges. There are also authorized non-bidding dealers, or *remisiers*, who may buy and sell *securities* but not through trading floor biddings.

**age pattern analysis.** Analysis of the age distribution among the different categories of employee in a firm. Can be a significant consideration in *manpower planning*.

**aggregate manpower budgets (also plans).** Broad budgets or plans not taking note of breakdowns between skills or between industries. See *manpower budgeting*.

**aggregate planning.** In production planning, the establishment of medium-term plans (up to two years ahead) to meet agreed output levels in a situation where capacity is considered to be relatively fixed. This is done by adjusting demand and capacity variables within the control of the organization in order to adjust throughput to demand fluctuations.

**aggregate supply (of labo(u)r).** Total supply of labo(u)r without discerning between types of labo(u)r.

**AGM.** See *annual general meeting*.

**agreed procedure.** Negotiated between management and trade union(s) as the procedure to be followed in attempting to solve any grievances before resorting to *strike* action. Where a strike is called without first going through the agreed procedure, it is known as an *unconstitutional strike* or a *wildcat strike*. See also *disputes procedure*, *procedural agreement* and *engineering procedure*.

**agribusiness.** Production, processing, storage, transportation and distribution of farming supplies and produce.

**AH4 Test.** Both a *verbal* and *non-verbal intelligence test* (and also an element of *numerical aptitude test*), taking about an hour to conduct and used with different norms according to the level being tested. See *psychological testing*, *aptitude tests* and *test battery*.

**AH5 Test.** Higher level version of the AH4 Test.

**AI.** *Artificial intelligence*.



**AID.** *Agency for International Development (US).*

**AIDA.** Abbr for attention, interest, desire and action – four key requirements in successful selling. Used as a basis for many sales training programmes.

**aided recall.** *Market research* interview technique used to help interviewees to remember events, products, etc by reminding them of associated events or things. It is a type of technique also used in psychological research.

**aiming.** Type of *psychomotor skill*. An individual's ability to perform swiftly and accurately a sequence of movements demanding eye-hand coordination. See also *motion study*.

**Aksjeselskap (A/S).** *Norwegian joint stock company.*

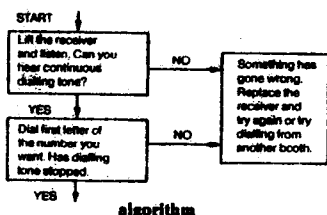
**Aktiebolag (AB).** *Swedish joint stock company.*

**Aktiengesellschaft.** *Joint stock company* under Austrian, German and Swiss company law, having the abbr AG. Also known in Switzerland as *Société Anonyme (SA)*. See also *Austrian companies*, *German companies* and *Swiss companies*.

**Aktieselskab (A/S).** A Danish public company or corporation. See also *Danish Stock Exchange*.

**ALGOL.** Acronym of *Algorithmic Language*. A computer language used particularly for programming scientific problems.

**algorithm.** Logical sequence of deductions for problem solving. They are used to reduce problem solving tasks to a comparatively simple series of operations which at the same time indicate the order in which the operations should be carried out. Progress through an algorithm is determined by a 'yes' or 'no' answer at each stage. Sophisticated algorithms are used in, for example, complex computational processes. See also *decision tree* and *logical tree*.



**Algorithmic Language.** Source of the acronym, *ALGOL*. See also *computer language*.

**all commodity volume.** *Market research* and *retail audit* term for the turnover of all goods in a shop or shops. This information is used, for example, in evaluating the significance of the turnover in the product being market researched or audited.

**all-fours.** Lawyer's term for a direct legal precedent. Eg 'this matter is on all fours with the so-and-so case or judgment'.

**Alliance for Progress.** Agreement made in Uruguay in 1961 between the USA and most of the Latin American countries with the object of improving the economic life of South America. The Alliance is largely financed by the USA's *Agency for International Development*. See also the *Central American Common Market* and the *Latin American Free Trade Association*.

**All-Industrials Index, All-Industries Index, All-Resources Index.** Indices on the Sydney Stock Exchange.

**all-in rate.** Wage rate that incorporates various extras, such as bonus payments, in addition to the basic time-related payment scheme.

**allocation.** Use of mathematical techniques to allocate available men, machines and materials, to get optimum results. See also *operational research*.

**allocation of overheads.** Apportioning *indirect costs* and expenses (eg cleaning materials, lighting, heating and *depreciation*) which cannot be directly identified with particular cost centres (centers). The basis for apportioning will depend on the type of cost. Rent, for example, is typically charged to the cost centres (centers) on the basis of the number of square feet occupied. The aim is to ensure that all such costs together with the direct costs give a realistic picture of total costs.

**allonge.** Piece of paper attached to a *bill of exchange* to give space for extra endorsements when the back of the bill itself has been filled in.

**all-or-none embargo.** Where the employees of a company insist that privileges such as *payments-by-results* work or *overtime* should be granted equally to all or none of them without favouritism.

**allowed time.** As *standard time (1)* in work study.

**all-union shop.** As *closed shop*.