

# Glossary

**Achievement Tests:** Tests that measure a person's existing knowledge and skills.

**Action Learning:** Training in which teams get an actual problem, work on solving it and commit to an action plan, and are accountable for carrying it out.

**Adventure Learning:** A teamwork and leadership training program based on the use of challenging, structured outdoor activities.

**Affirmative Action:** An organization's active effort to find opportunities to hire or promote people in a particular group.

**Agency Shop:** Union security arrangement that requires the payment of union dues but not union membership.

**Alternative Dispute Resolution (ADR):** Methods of solving a problem by bringing in an impartial outsider but not using the court system.

**Alternative Work Arrangements:** Methods of staffing other than the traditional hiring of full-time employees (for example, use of independent contractors, on-call workers, temporary workers, and contract company workers).

**American Federation of Labor and Congress of Industrial Organizations (AFL-CIO):** An association that seeks to advance the shared interests of its member unions at the national level.

**Apprenticeship:** A work-study training method that teaches job skills through a combination of on-the-job training and classroom training.

**Aptitude Tests:** Tests that assess how well a person can learn or acquire skills and abilities.

**Arbitration:** Conflict resolution procedure in which an arbitrator or arbitration board determines a binding settlement.

**Assessment:** Collecting information and providing feedback to employees about their behavior, communication style, or skills.

**Assessment Center:** A wide variety of specific selection programs that use multiple selection methods to rate applicants or job incumbents on their management potential.

**Associate Union Membership:** Alternative form of union membership in which members receive discounts on insurance and credit cards rather than representation in collective bargaining.

**Avatars:** Computer depictions of trainees, which the trainees manipulate in an online role-play.

**Balanced Scorecard:** A combination of performance measures directed toward the company's long- and short-term goals and used as the basis for awarding incentive pay.

**Behavior Description Interview (BDI):** A structured interview in which the interviewer asks the candidate to describe how he or she handled a type of situation in the past.

**Behavioral Observation Scale (BOS):** A variation of a BARS which uses all behaviors necessary for effective performance to rate performance at a task.

**Behaviorally Anchored Rating Scale (BARS):** Method of performance measurement that rates behavior in terms of a scale showing specific statements of behavior that describe different levels of performance.

**Benchmarking:** A procedure in which an organization compares its own practices against those of successful competitors.

**Benchmarks:** A measurement tool that gathers ratings of a manager's use of skills associated with success in managing.

**Bona Fide Occupational Qualification (BFOQ):** A necessary (not merely preferred) qualification for performing a job.

**Cafeteria-Style Plan:** A benefits plan that offers employees a set of alternatives from which they can choose the types and amounts of benefits they want.

**Calibration Meeting:** Meeting at which managers discuss employee performance ratings and provide evidence supporting their ratings with the goal of eliminating the influence of rating errors.

**Cash Balance Plan:** Retirement plan in which the employer sets up an individual account for each employee and contributes a percentage of the employee's salary; the account earns interest at a predefined rate.

**Checkoff Provision:** Contract provision under which the employer, on behalf of the union, automatically deducts union dues from employees' paychecks.

**Closed Shop:** Union security arrangement under which a person must be a union member before being hired; illegal for those covered by the National Labor Relations Act.

**Coach:** A peer or manager who works with an employee to motivate the employee, help him or her develop skills, and provide reinforcement and feedback.

**Cognitive Ability Tests:** Tests designed to measure such mental abilities as verbal skills, quantitative skills, and reasoning ability.

**Collective Bargaining:** Negotiation between union representatives and management representatives to arrive at a contract defining conditions of employment for the term of the contract and to administer that contract.

**Commissions:** Incentive pay calculated as a percentage of sales.

**Compensatory Model:** Process of arriving at a selection decision in which a very high score on one type of assessment can make up for a low score on another.

**Concurrent Validation:** Research that consists of administering a test to people who currently hold a job, then comparing their scores to existing measures of job performance.

**Consolidated Omnibus Budget Reconciliation Act (COBRA):** Federal law that requires employers to permit employees or their dependents to extend their health insurance coverage at group rates for up to 36 months following a qualifying event, such as a layoff, reduction in hours, or the employee's death.

**Construct Validity:** Consistency between a high score on a test and high level of a construct such as intelligence or leadership ability, as well as between mastery of this construct and successful performance of the job.

**Content Validity:** Consistency between the test items or problems and the kinds of situations or problems that occur on the job.

**Continuous Learning:** Each employee's and each group's ongoing efforts to gather information and apply the information to their decisions in a learning organization.

**Contributory Plan:** Retirement plan funded by contributions from the employer and employee.

**Coordination Training:** Team training that teaches the team how to share information and make decisions to obtain the best team performance.

**Core Competency:** A set of knowledges and skills that make the organization superior to competitors and create value for customers.

**Corporate Campaigns:** Bringing public, financial, or political pressure on employers during union organization and contract negotiation.

**Corporate Social Responsibility:** A company's commitment to meeting the needs of its stakeholders.

**Craft Union:** Labor union whose members all have a particular skill or occupation.

**Criterion-Related Validity:** A measure of validity based on showing a substantial correlation between test scores and job performance scores.

**Critical-Incident Method:** Method of performance measurement based on managers' records of specific examples of the employee acting in ways that are either effective or ineffective.

**Cross-Cultural Preparation:** Training to prepare employees and their family members for an assignment in a foreign country.

**Cross-Training:** Team training in which team members understand and practice each other's skills so that they are prepared to step in and take another member's place.

**Culture Shock:** Disillusionment and discomfort that occur during the process of adjusting to a new culture.

**Decision Support Systems:** Computer software systems designed to help managers solve problems by showing how results vary when the manager alters assumptions or data.

**Defined Benefit Plan:** Pension plan that guarantees a specified level of retirement income.

**Defined Contribution Plan:** Retirement plan in which the employer sets up an individual account for each employee and specifies the size of the investment into that account.

**Delaying:** Reducing the number of levels in the organization's job structure.

**Development:** The acquisition of knowledge, skills, and behaviors that improve an employee's ability to meet changes in job requirements and in customer demands.

**Differential Piece Rates:** Incentive pay in which the piece rate is higher when a greater amount is produced.

**Direct Applicants:** People who apply for a vacancy without prompting from the organization.

**Disability:** Under the Americans with Disabilities Act, a physical or mental impairment that substantially

limits one or more major life activities, a record of having such an impairment, or being regarded as having such an impairment.

**Disparate Impact:** A condition in which employment practices are seemingly neutral yet disproportionately exclude a protected group from employment opportunities.

**Disparate Treatment:** Differing treatment of individuals, where the differences are based on the individuals' race, color, religion, sex, national origin, age, or disability status.

**Diversity Training:** Training designed to change employee attitudes about diversity and/or develop skills needed to work with a diverse workforce.

**Downsizing:** The planned elimination of large numbers of personnel with the goal of enhancing the organization's competitiveness.

**Downward Move:** Assignment of an employee to a position with less responsibility and authority.

**Due-Process Policies:** Policies that formally lay out the steps an employee may take to appeal the employer's decision to terminate that employee.

**EEO-1 Report:** The EEOC's Employer Information Report, which details the number of women and minorities employed in nine different job categories.

**E-Learning:** Receiving training via the Internet or the organization's intranet.

**Electronic Human Resource Management (e-HRM):** The processing and transmission of digitized HR information, especially using computer networking and the Internet.

**Employee Assistance Program (EAP):** A referral service that employees can use to seek professional treatment for emotional problems or substance abuse.

**Employee Benefits:** Compensation in forms other than cash.

**Employee Development:** The combination of formal education, job experiences, relationships, and assessment of personality and abilities to help employees prepare for the future of their careers.

**Employee Empowerment:** Giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service.

**Employee Retirement Income Security Act (ERISA):** Federal law that increased the responsibility of pension plan trustees to protect retirees, established certain rights related to vesting and portability, and created the Pension Benefit Guarantee Corporation.

**Employee Stock Ownership Plan (ESOP):** An arrangement in which the organization distributes shares of stock to all its employees by placing it in a trust.

**Employee Wellness Program (EWP):** A set of communications, activities, and facilities designed to change health-related behaviors in ways that reduce health risks.

**Employment at Will:** Employment principle that if there is no specific employment contract saying otherwise, the employer or employee may end an employment relationship at any time, regardless of cause.

**Equal Employment Opportunity (EEO):** The condition in which all individuals have an equal chance for employment, regardless of their race, color, religion, sex, age, disability, or national origin.

**Equal Employment Opportunity Commission (EEOC):** Agency of the Department of Justice charged with enforcing Title VII of the Civil Rights Act of 1964 and other antidiscrimination laws.

**Ergonomics:** The study of the interface between individuals' physiology and the characteristics of the physical work environment.

**Ethics:** The fundamental principles of right and wrong.

**Evidence-Based HR:** Collecting and using data to show that human resource practices have a positive influence on the company's bottom line or key stakeholders.

**Exempt Employees:** Managers, outside salespeople, and any other employees not covered by the FLSA requirement for overtime pay.

**Exit Interview:** A meeting of a departing employee with the employee's supervisor and/or a human resource specialist to discuss the employee's reasons for leaving.

**Expatriates:** Employees assigned to work in another country.

**Experience Rating:** The number of employees a company has laid off in the past and the cost of providing them with unemployment benefits.

**Experiential Programs:** Training programs in which participants learn concepts and apply them by simulating behaviors involved and analyzing the activity, connecting it with real-life situations.

**Expert Systems:** Computer systems that support decision making by incorporating the decision rules used by people who are considered to have expertise in a certain area.

**External Labor Market:** Individuals who are actively seeking employment.

**Externship:** Employee development through a full-time temporary position at another organization.

**Fact Finder:** Third party to collective bargaining who reports the reasons for a dispute, the views and arguments of both sides, and possibly a recommended settlement, which the parties may decline.

**Fair Labor Standards Act (FLSA):** Federal law that establishes a minimum wage and requirements for over-time pay and child labor.

**Family and Medical Leave Act (FMLA):** Federal law requiring organizations with 50 or more employees to provide up to 12 weeks of unpaid leave after childbirth or adoption, to care for a seriously ill family member, or for an employee's own serious illness.

**Feedback:** Information employers give employees about their skills and knowledge and where these assets fit into the organization's plans.

**Fleishman Job Analysis System:** Job analysis technique that asks subject-matter experts to evaluate a job in terms of the abilities required to perform the job.

**Flexible Spending Account:** Employee-controlled pre-tax earnings set aside to pay for certain eligible expenses such as health care expenses during the same year.

**Flextime:** A scheduling policy in which full-time employees may choose starting and ending times within guidelines specified by the organization.

**Forced-Distribution Method:** Method of performance measurement that assigns a certain percentage of employees to each category in a set of categories.

**Forecasting:** The attempts to determine the supply of and demand for various types of human resources to predict areas within the organization where there will be labor shortages or surpluses.

**Four-Fifths Rule:** Rule of thumb that finds evidence of discrimination if an organization's hiring rate for a minority group is less than four-fifths the hiring rate for the majority group.

**Gainsharing:** Group incentive program that measures improvements in productivity and effectiveness objectives and distributes a portion of each gain to employees.

**Generalizable:** Valid in other contexts beyond the context in which the selection method was developed.

**Glass Ceiling:** Circumstances resembling an invisible barrier that keep most women and minorities from attaining the top jobs in organizations.

**Global Organization:** An organization that chooses to locate a facility based on the ability to effectively,

efficiently, and flexibly produce a product or service, using cultural differences as an advantage.

**Graphic Rating Scale:** Method of performance measurement that lists traits and provides a rating scale for each trait; the employer uses the scale to indicate the extent to which an employee displays each trait.

**Grievance Procedure:** The process for resolving union-management conflicts over interpretation or violation of a collective bargaining agreement.

**Health Maintenance Organization (HMO):** A health care plan that requires patients to receive their medical care from the HMO's health care professionals, who are often paid a flat salary, and provides all services on a prepaid basis.

**High-Performance Work System:** An organization in which technology, organizational structure, people, and processes all work together to give an organization an advantage in the competitive environment.

**Host Country:** A country (other than the parent country) in which an organization operates a facility.

**Hot-Stove Rule:** Principle of discipline that says discipline should be like a hot stove, giving clear warning and following up with consistent, objective, immediate consequences.

**Hourly Wage:** Rate of pay for each hour worked.

**HR Dashboard:** A display of a series of HR measures, showing the measure and progress toward meeting it.

**HRM Audit:** A formal review of the outcomes of HRM functions, based on identifying key HRM functions and measures of business performance.

**Human Capital:** An organization's employees, described in terms of their training, experience, judgment, intelligence, relationships, and insight.

**Human Resource Information System (HRIS):** A computer system used to acquire, store, manipulate, analyze, retrieve, and distribute information related to an organization's human resources.

**Human Resource Management (HRM):** The policies, practices, and systems that influence employees' behavior, attitudes, and performance.

**Human Resource Planning:** Identifying the numbers and types of employees the organization will require in order to meet its objectives.

**Immigration Reform and Control Act of 1986:** Federal law requiring employers to verify and maintain records on applicants' legal rights to work in the United States.

**Incentive pay:** Forms of pay linked to an employee's performance as an individual, group member, or organization member.

**Industrial Engineering:** The study of jobs to find the simplest way to structure work in order to maximize efficiency.

**Industrial Union:** Labor union whose members are linked by their work in a particular industry.

**Instructional Design:** A process of systematically developing training to meet specified needs.

**Interactional Justice:** A judgment that the organization carried out its actions in a way that took the employee's feelings into account.

**Internal Labor Force:** An organization's workers (its employees and the people who have contracts to work at the organization).

**International Organization:** An organization that sets up one or a few facilities in one or a few foreign countries.

**Internship:** On-the-job learning sponsored by an educational institution as a component of an academic program.

**Involuntary Turnover:** Turnover initiated by an employer (often with employees who would prefer to stay).

**Job:** A set of related duties.

**Job Analysis:** The process of getting detailed information about jobs.

**Job Description:** A list of the tasks, duties, and responsibilities (TDRs) that a particular job entails.

**Job Design:** The process of defining how work will be performed and what tasks will be required in a given job.

**Job Enlargement:** Broadening the types of tasks performed in a job.

**Job Enrichment:** Empowering workers by adding more decision-making authority to jobs.

**Job Evaluation:** An administrative procedure for measuring the relative internal worth of the organization's jobs.

**Job Experiences:** The combination of relationships, problems, demands, tasks, and other features of an employee's job.

**Job Extension:** Enlarging jobs by combining several relatively simple jobs to form a job with a wider range of tasks.

**Job Hazard Analysis Technique:** Safety promotion technique that involves breaking down a job into basic elements, then rating each element for its potential for harm or injury.

**Job Involvement:** The degree to which people identify themselves with their jobs.

**Job Posting:** The process of communicating information about a job vacancy on company bulletin boards, in employee publications, on corporate intranets, and anywhere else the organization communicates with employees.

**Job Rotation:** Enlarging jobs by moving employees among several different jobs.

**Job Satisfaction:** A pleasant feeling resulting from the perception that one's job fulfills or allows for the fulfillment of one's important job values.

**Job Sharing:** A work option in which two part-time employees carry out the tasks associated with a single job.

**Job Specification:** A list of the knowledge, skills, abilities, and other characteristics (KSAOs) that an individual must have to perform a particular job.

**Job Structure:** The relative pay for different jobs within the organization.

**Job Withdrawal:** A set of behaviors with which employees try to avoid the work situation physically, mentally, or emotionally.

**Knowledge Workers:** Employees whose main contribution to the organization is specialized knowledge, such as knowledge of customers, a process, or a profession.

**Labor Relations:** Field that emphasizes skills that managers and union leaders can use to minimize costly forms of conflict (such as strikes) and seek win-win solutions to disagreements.

**Leaderless Group Discussion:** An assessment center exercise in which a team of five to seven employees is assigned a problem and must work together to solve it within a certain time period.

**Leading Indicators:** Objective measures that accurately predict future labor demand.

**Learning Management System (LMS):** A computer application that automates the administration, development, and delivery of training programs.

**Learning Organization:** An organization that supports lifelong learning by enabling all employees to acquire and share knowledge.

**Long-Term Disability Insurance:** Insurance that pays a percentage of a disabled employee's salary after an initial period and potentially for the rest of the employee's life.

**Maintenance of Membership:** Union security rules not requiring union membership but requiring that employees who join the union remain members for a certain period of time.

**Management by Objectives (MBO):** A system in which people at each level of the organization set goals

in a process that flows from top to bottom, so employees at all levels are contributing to the organization's overall goals; these goals become the standards for evaluating each employee's performance.

**Material Safety Data Sheets (MSDSs):** Forms on which chemical manufacturers and importers identify the hazards of their chemicals.

**Mediation:** Conflict resolution procedure in which a mediator hears the views of both sides and facilitates the negotiation process but has no formal authority to dictate a resolution.

**Mentor:** An experienced, productive senior employee who helps develop a less experienced employee (a protégé).

**Merit Pay:** A system of linking pay increases to ratings on performance appraisals.

**Minimum Wage:** The lowest amount that employers may pay under federal or state law, stated as an amount of pay per hour.

**Mixed-Standard Scales:** Method of performance measurement that uses several statements describing each trait to produce a final score for that trait.

**Multinational Company:** An organization that builds facilities in a number of different countries in an effort to minimize production and distribution costs.

**Multiple-Hurdle Model:** Process of arriving at a selection decision by eliminating some candidates at each stage of the selection process.

**Myers-Briggs Type Indicator (MBTI):** Psychological inventory that identifies individuals' preferences for source of energy, means of information gathering, way of decision making, and lifestyle, providing information for team building and leadership development.

**National Labor Relations Act (NLRA):** Federal law that supports collective bargaining and sets out the rights of employees to form unions.

**National Labor Relations Board (NLRB):** Federal government agency that enforces the NLRA by conducting and certifying representation elections and investigating unfair labor practices.

**Needs Assessment:** The process of evaluating the organization, individual employees, and employees' tasks to determine what kinds of training, if any, are necessary.

**Nepotism:** The practice of hiring relatives.

**Noncontributory Plan:** Retirement plan funded entirely by contributions from the employer.

**Nondirective Interview:** A selection interview in which the interviewer has great discretion in choosing questions to ask each candidate.

**Nonexempt Employees:** Employees covered by the FLSA requirements for overtime pay.

**Occupational Safety and Health Act (OSH Act):** U.S. law authorizing the federal government to establish and enforce occupational safety and health standards for all places of employment engaging in interstate commerce.

**Occupational Safety and Health Administration (OSHA):** Labor Department agency responsible for inspecting employers, applying safety and health standards, and levying fines for violation.

**Office of Federal Contract Compliance Procedures (OFCCP):** The agency responsible for enforcing the executive orders that cover companies doing business with the federal government.

**Offshoring:** Moving operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available.

**On-the-Job Training (OJT):** Training methods in which a person with job experience and skill guides trainees in practicing job skills at the workplace.

**Open-Door Policy:** An organization's policy of making managers available to hear complaints.

**Organization Analysis:** A process for determining the appropriateness of training by evaluating the characteristics of the organization.

**Organizational Behavior Modification (OBM):** A plan for managing the behavior of employees through a formal system of feedback and reinforcement.

**Organizational Commitment:** The degree to which an employee identifies with the organization and is willing to put forth effort on its behalf.

**Orientation:** Training designed to prepare employees to perform their jobs effectively, learn about their organization, and establish work relationships.

**Outcome Fairness:** A judgment that the consequences given to employees are just.

**Outplacement Counseling:** A service in which professionals try to help dismissed employees manage the transition from one job to another.

**Outsourcing:** Contracting with another organization (vendor, third-party provider, or consultant) to provide services.

**Paired-Comparison Method:** Method of performance measurement that compares each employee with each other employee to establish rankings.

**Panel Interview:** Selection interview in which several members of the organization meet to interview each candidate.

**Parent Country:** The country in which an organization's headquarters is located.

**Patient Protection and Affordable Care Act:** Health care reform law passed in 2010 that includes incentives and penalties for employers providing health insurance as a benefit.

**Pay Differential:** Adjustment to a pay rate to reflect differences in working conditions or labor markets.

**Pay Grades:** Sets of jobs having similar worth or content, grouped together to establish rates of pay.

**Pay Level:** The average amount (including wages, salaries, and bonuses) the organization pays for a particular job.

**Pay Policy Line:** A graphed line showing the mathematical relationship between job evaluation points and pay rate.

**Pay Ranges:** A set of possible pay rates defined by a minimum, maximum, and midpoint of pay for employees holding a particular job or a job within a particular pay grade.

**Pay Structure:** The pay policy resulting from job structure and pay level decisions.

**Peer Review:** Process for resolving disputes by taking them to a panel composed of representatives from the organization at the same levels as the people in the dispute.

**Pension Benefit Guarantee Corporation (PBGC):** Federal agency that insures retirement benefits and guarantees retirees a basic benefit if the employer experiences financial difficulties.

**Performance Management:** The process through which managers ensure that employees' activities and outputs contribute to the organization's goals.

**Person Analysis:** A process for determining individuals' needs and readiness for training.

**Personnel Selection:** The process through which organizations make decisions about who will or will not be allowed to join the organization.

**Piecework Rate:** Rate of pay for each unit produced.

**Position:** The set of duties (job) performed by a particular person.

**Position Analysis Questionnaire (PAQ):** A standardized job analysis questionnaire containing 194 questions about work behaviors, work conditions, and job characteristics that apply to a wide variety of jobs.

**Predictive Validation:** Research that uses the test scores of all applicants and looks for a relationship between the scores and future performance of the applicants who were hired.

**Preferred Provider Organization (PPO):** A health care plan that contracts with health care professionals to provide services at a reduced fee and gives patients financial incentives to use network providers.

**Procedural Justice:** A judgment that fair methods were used to determine the consequences an employee receives.

**Profit Sharing:** Incentive pay in which payments are a percentage of the organization's profits and do not become part of the employees' base salary.

**Progressive Discipline:** A formal discipline process in which the consequences become more serious if the employee repeats the offense.

**Promotion:** Assignment of an employee to a position with greater challenges, more responsibility, and more authority than in the previous job, usually accompanied by a pay increase.

**Protean Career:** A career that frequently changes based on changes in the person's interests, abilities, and values and in the work environment.

**Psychological Contract:** A description of what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange for those contributions.

**Readability:** The difficulty level of written materials.

**Readiness for Training:** A combination of employee characteristics and positive work environment that permit training.

**Realistic Job Preview:** Background information about a job's positive and negative qualities.

**Reality Check:** Information employers give employees about their skills and knowledge and where these assets fit into the organization's plans.

**Reasonable Accommodation:** An employer's obligation to do something to enable an otherwise qualified person to perform a job.

**Recruiting:** Any activity carried on by the organization with the primary purpose of identifying and attracting potential employees.

**Recruitment:** The process through which the organization seeks applicants for potential employment.

**Reengineering:** A complete review of the organization's critical work processes to make them more efficient and able to deliver higher quality.

**Referrals:** People who apply for a vacancy because someone in the organization prompted them to do so.

**Reliability:** The extent to which a measurement is from random error.

**Repatriation:** The process of preparing expatriates to return home from a foreign assignment.

**Right-to-Know Laws:** State laws that require employers to provide employees with information about the health risks associated with exposure to substances considered hazardous.

**Right-to-Work Laws:** State laws that make union shops, maintenance of membership, and agency shops illegal.

**Role:** The set of behaviors that people expect of a person in a particular job.

**Role Ambiguity:** Uncertainty about what the organization expects from the employee in terms of what to do or how to do it.

**Role Analysis Technique:** A process of formally identifying expectations associated with a role.

**Role Conflict:** An employee's recognition that demands of the job are incompatible or contradictory.

**Role Overload:** A state in which too many expectations or demands are placed on a person.

**Sabbatical:** A leave of absence from an organization to renew or develop skills.

**Salary:** Rate of pay for each week, month, or year worked.

**Scanlon Plan:** A gainsharing program in which employees receive a bonus if the ratio of labor costs to the sales value of production is below a set standard.

**Selection:** The process by which the organization attempts to identify applicants with the necessary knowledge, skills, abilities, and other characteristics that will help the organization achieve its goals.

**Self-Assessment:** The use of information by employees to determine their career interests, values, aptitudes, and behavioral tendencies.

**Self-Service:** System in which employees have online access to information about HR issues and go online to enroll themselves in programs and provide feedback through surveys.

**Sexual Harassment:** Unwelcome sexual advances as defined by the EEOC.

**Short-Term Disability Insurance:** Insurance that pays a percentage of a disabled employee's salary as benefits to the employee for six months or less.

**Simple Ranking:** Method of performance measurement that requires managers to rank employees in their group from the highest performer to the poorest performer.

**Simulation:** A training method that represents a real-life situation, with trainees making decisions resulting in outcomes that mirror what would happen on the job.

**Situational Interviews:** A structured interview in which the interviewer describes a situation likely to arise on the job, then asks the candidate what he or she would do in that situation.

**Skill-Based Pay Systems:** Pay structures that set pay according to the employees' levels of skill or knowledge and what they are capable of doing.

**Social Security:** The federal Old Age, Survivors, Disability, and Health Insurance (OASDHI) program, which combines old age (retirement) insurance, survivor's insurance, disability insurance, hospital insurance (Medicare Part A), and supplementary medical insurance (Medicare Part B) for the elderly.

**Stakeholders:** The parties with an interest in the company's success (typically, shareholders, the community, customers, and employees).

**Standard Hour Plan:** An incentive plan that pays workers extra for work done in less than a preset "standard time."

**Stock Options:** Rights to buy a certain number of shares of stock at a specified price.

**Straight Piecework Plan:** Incentive pay in which the employer pays the same rate per piece, no matter how much the worker produces.

**Strike:** A collective decision by union members not to work until certain demands or conditions are met.

**Structured Interview:** A selection interview that consists of a predetermined set of questions for the interviewer to ask.

**Succession Planning:** The process of identifying and tracking high-potential employees who will be able to fill top management positions when they become vacant.

**Summary Plan Description:** Report that describes a pension plan's funding, eligibility requirements, risks, and other details.

**Task Analysis:** The process of identifying and analyzing tasks to be trained for.

**Team Leader Training:** Training in the skills necessary for effectively leading the organization's teams.

**Teamwork:** The assignment of work to groups of employees with various skills who interact to assemble a product or provide a service.

**Technic of Operations Review (TOR):** Method of promoting safety by determining which specific element of a job led to a past accident.

**Third Country:** A country that is neither the parent country nor the host country of an employer.

**360-Degree Performance Appraisal:** Performance measurement that combines information from the employee's managers, peers, subordinates, self, and customers.

**Total Quality Management (TQM):** A companywide effort to continuously improve the ways people, machines, and systems accomplish work.

**Training:** An organization's planned efforts to help employees acquire job-related knowledge, skills, abilities, and behaviors, with the goal of applying these on the job.

**Transaction Processing:** Computations and calculations involved in reviewing and documenting HRM decisions and practices.

**Transfer:** Assignment of an employee to a position in a different area of the company, usually in a lateral move.

**Transfer of Training:** On-the-job use of knowledge, skills, and behaviors learned in training.

**Transitional Matrix:** A chart that lists job categories held in one period and shows the proportion of employees in each of those job categories in a future period.

**Transnational HRM System:** Type of HRM system that makes decisions from a global perspective, includes managers from many countries, and is based on ideas contributed by people representing a variety of cultures.

**Trend Analysis:** Constructing and applying statistical models that predict labor demand for the next year, given relatively objective statistics from the previous year.

**Unemployment Insurance:** A federally mandated program to minimize the hardships of unemployment through payments to unemployed workers, help in finding new jobs, and incentives to stabilize employment.

**Uniform Guidelines on Employee Selection Procedures:** Guidelines issued by the EEOC and other agencies to identify how an organization should develop and administer its system for selecting employees so as not to violate antidiscrimination laws.

**Union Shop:** Union security arrangement that requires employees to join the union within a certain amount of time (30 days) after beginning employment.

**Union Steward:** An employee elected by union members to represent them in ensuring that the terms of the labor contract are enforced.

**Unions:** Organizations formed for the purpose of representing their members' interests in dealing with employers.

**Utility:** The extent to which something provides economic value greater than its cost.

**Validity:** The extent to which performance on a measure (such as a test score) is related to what the measure is designed to assess (such as job performance).

**Vesting Rights:** Guarantee that when employees become participants in a pension plan and work a specified number of years, they will receive a pension at retirement age, regardless of whether they remained with the employer.

**Virtual Reality:** A computer-based technology that provides an interactive, three-dimensional learning experience.

**Voluntary Turnover:** Turnover initiated by employees (often when the organization would prefer to keep them).

**Work Flow Design:** The process of analyzing the tasks necessary for the production of a product or service.

**Workers' Compensation:** State programs that provide benefits to workers who suffer work-related injuries or illnesses, or to their survivors.

**Workforce Utilization Review:** A comparison of the proportion of employees in protected groups with the proportion that each group represents in the relevant labor market.

**Yield Ratio:** A ratio that expresses the percentage of applicants who successfully move from one stage of the recruitment and selection process to the next.