

Glossary

A

Absenteeism Any failure by an employee to report for work as scheduled or to stay at work when scheduled.

Acceptance rate Percent of applicants hired divided by total number of applicants offered jobs.

Active practice Performance of job-related tasks and duties by trainees during training.

Adult learning Ways in which adults learn differently than younger people.

Adverse selection Situation in which *only* higher-risk employees select and use certain benefits.

Affirmative action Employers are urged to hire groups of people based on their race, age, gender, or national origin to make up for historical discrimination.

Affirmative action plan (AAP) A document reporting on the composition of an employer's workforce, required for federal contractors.

Alternate work arrangements Nontraditional schedules that provide flexibility to employees.

Applicant pool All persons who are actually evaluated for selection.

Applicant population A subset of the labor force population that is available for selection using a particular recruiting approach.

Arbitration Process that uses a neutral third party to make a decision.

Assessment centers Collections of instruments and exercises designed to diagnose individuals' development needs.

Attitude survey A survey that focuses on employees' feelings and beliefs about their jobs and the organization.

Autonomy Extent of individual freedom and discretion in the work and its scheduling.

Availability analysis Identifies the number of protected-class members available to work in the appropriate labor markets for given jobs.

B

Balanced scorecard A framework used to report a diverse set of performance measures.

Balance-sheet approach Compensation plan that equalizes cost differences between the international assignment and the same assignment in the home country.

Base pay Basic compensation that an employee receives, usually as a wage or salary.

Behavior modeling Copying someone else's behavior.

Behavioral interview Interview in which applicants give specific examples of how they have performed a certain task or handled a problem in the past.

Benchmark jobs Jobs found in many organizations that can be used for the purposes of comparison.

Benchmarking Comparing the business results to industry standards.

Benefit An indirect reward given to an employee or group of employees as part of membership in the organization.

Blended learning Learning approach that combines methods, such as short, fast-paced, interactive computer-based lessons and teleconferencing with traditional classroom instruction and simulation.

Blind to differences Differences among people should be ignored and everyone should be treated equally.

Bona fide occupational qualification (BFOQ) Characteristic providing a legitimate reason why an employer can exclude persons on otherwise illegal bases of consideration.

Bonus One-time payment that does not become part of the employee's base pay.

Broadbanding Practice of using fewer pay grades with much broader ranges than in traditional compensation systems.

Burden of proof What individuals who file suit against employers must prove in order to establish that illegal discrimination has occurred.

Business agent A full-time union official who operates the union office and assists union members.

Business necessity A practice necessary for safe and efficient organizational operations.

Business process reengineering (BPR) Measures for improving such activities as product development, customer service, and service delivery.

C

Career Series of work-related positions a person occupies throughout life.

Career paths Represent employees' movements through opportunities over time.

Cash balance plan Retirement program in which benefits are based on an accumulation of annual company contributions plus interest credited each year.

Central tendency error Occurs when a rater gives all employees a score within a narrow range in the middle of the scale.

Churn Hiring new workers while laying off others.

Closed shop Firm that requires individuals to join a union before they can be hired.

Codetermination Practice whereby union or worker representatives are given positions on a company's board of directors.

Cognitive ability tests Tests that measure an individual's thinking, memory, reasoning, verbal, and mathematical abilities.

Collective bargaining Process whereby representatives of management and workers negotiate over wages, hours, and other terms and conditions of employment.

Commission Compensation computed as a percentage of sales in units or dollars.

Compa-ratio Pay level divided by the midpoint of the pay range.

Compensable factor Job value commonly present throughout a group of jobs within an organization.

Compensation committee Subgroup of the board of directors that is composed of directors who are not officers of the firm.

Competencies Individual capabilities that can be linked to enhanced performance by individuals or teams.

Competency-based pay Rewards individuals for the capabilities they demonstrate and acquire.

Complaint Indication of employee dissatisfaction.

Compressed workweek

A workweek in which a full week's work is accomplished in fewer than five 8-hour days.

Conciliation Process by which a third party assists union and management negotiators to reach a voluntary settlement.

Concurrent validity Measured when an employer tests current employees and correlates the scores with their performance ratings.

Constructive discharge Process of deliberately making conditions intolerable to get an employee to quit.

Consumer-driven health (CDH) plan Health plan that provides employer financial contributions to employees to help cover their own health-related expenses.

Contingent worker Someone who is not an employee, but a temporary or part-time worker for a specific period of time and type of work.

Contractual rights Rights based on a specific contract between an employer and an employee.

Contrast error Tendency to rate people relative to others rather than against performance standards.

Contributory plan Pension plan in which the money for pension benefits is paid by both employees and the employer.

Copayment Strategy of requiring employees to pay a portion of the cost of insurance premiums, medical care, and prescription drugs.

Core competency A unique capability that creates high value and differentiates an organization from its competition.

Correlation coefficient Index number that gives the relationship between a predictor variable and a criterion variable.

Cost-benefit analysis Comparison of costs and benefits associated with training.

Craft union Union whose members do one type of work, often using specialized skills and training.

Cross training Training people to do more than one job.

Cumulative trauma disorders (CTDs) Muscle and skeletal injuries that occur when workers repetitively use the same muscles to perform tasks.

D

Decertification Process whereby a union is removed as the representative of a group of employees.

Defined-benefit plan Retirement program in which employees are promised a pension amount based on age and service.

Defined-contribution plan Retirement program in which the employer makes an annual payment to an employee's pension account.

Development Efforts to improve employees' abilities to handle a variety of assignments and to cultivate employees' capabilities beyond those required by the current job.

Disabled person Someone who has a physical or mental impairment that substantially limits life activities, who has a record of such an impairment, or who is regarded as having such an impairment.

Discharge When an employee is removed from a job at an employer.

Discipline Form of training that enforces organizational rules.

Disparate impact Occurs when members of a protected category are substantially underrepresented as a result of employment decisions that work to their disadvantage.

Disparate treatment Occurs when members of a group are treated differently from others.

Distributive justice Perceived fairness in the distribution of outcomes.

Diversity Differences in human characteristics and composition in an organization.

Draw Amount advanced against, and repaid from, future commissions earned by the employee.

Dual-career ladder System that allows a person to advance up either a management or a technical/professional ladder.

Due diligence A comprehensive assessment of all aspects of the business being acquired.

Due process Requirement that the employer use a fair process to determine employee wrongdoing and that the employee have an opportunity to explain and defend his or her actions.

Duty Work segment composed of several tasks that are performed by an individual.

E

Effectiveness The ability to produce a specific desired effect or result that can be measured.

Efficiency The degree to which operations are done in an economical manner.

Electronic human resource management systems (e-HRM) The planning, implementation, and application of information technology to perform HR activities.

Employee assistance program (EAP) Program that provides counseling and other help to employees having emotional, physical, or other personal problems.

Employee engagement The extent to which individuals feel linked to organizational success and how the organization performs positively.

Employee stock ownership plan (ESOP) Plan designed to give employees significant stock ownership in their employers.

Employment-at-will (EAW) Common-law doctrine stating that employers have the right to hire, fire, demote, or promote whomever they choose, unless there is a law or contract to the contrary.

Employment contract Formal agreement that outlines the details of employment.

Entitlement philosophy Assumes that individuals who have worked another year are entitled to pay increases, with little regard for performance differences.

Environmental scanning The assessment of internal and external environmental conditions that affect the organization.

Equal employment Employment that is not affected by illegal discrimination.

Equity Perceived fairness between what a person does and what the person receives.

Ergonomics Study and design of the work environment to address physical demands placed on individuals.

Essential job functions Fundamental job duties.

Exempt employees Employees who are not paid overtime.

Exit interview An interview in which individuals who are leaving an organization are asked to give their reasons.

Expatriate A citizen of one country who is working in a second country and employed by an organization headquartered in the first country.

F

Federation Group of autonomous unions.

Feedback Amount of information employees receive about how well or how poorly they have performed.

Flexible benefits plan Program that allows employees to select the benefits they prefer from groups of benefits established by the employer.

Flexible spending accounts Benefits plans that allow employees to contribute pretax dollars to fund certain additional benefits.

Flextime Scheduling arrangement in which employees work a set number of hours a day but vary starting and ending times.

Forced distribution Performance appraisal method in which ratings of employees' performance levels are distributed along a bell-shaped curve.

Forecasting Using information from the past and the present to identify expected future conditions.

401(k) plan Agreement in which a percentage of an employee's pay is withheld and invested in a tax-deferred account.

G

Gainsharing System of sharing with employees greater-than-expected gains in profits and/or productivity.

Garnishment A court order that directs an employer to set aside a portion of an employee's wages to pay a debt owed a creditor.

Glass ceiling Discriminatory practices that have prevented women and other protected-class members from advancing to executive-level jobs.

Global market approach Compensation plan that attempts to be more comprehensive in providing base pay, incentives, benefits, and relocation expenses regardless of the country to which the employee is assigned.

Graphic rating scale Scale that allows the rater to mark an employee's performance on a continuum.

Green-circled employee Incumbent who is paid below the range set for a job.

Grievance Complaint formally stated in writing.

Grievance arbitration Means by which a third party settles disputes arising from different interpretations of a labor contract.

Grievance procedures Formal channels of communication used to resolve grievances.

H

Halo effect Occurs when a rater scores an employee high on all job criteria because of performance in one area.

Health General state of physical, mental, and emotional well-being.

Health maintenance organization (HMO) Plan that provides services for a fixed period on a prepaid basis.

Health promotion Supportive approach of facilitating and encouraging healthy actions and lifestyles among employees.

Health reimbursement arrangement (HRA) Health plan in which the employer sets aside money in a health reimbursement account to help employees pay for qualified medical expenses.

Health savings accounts (HSAs) High-deductible health plans with federal tax advantages.

Host-country national A citizen of one country who is working in that country and employed by an organization headquartered in a second country.

Hostile environment Sexual harassment in which an individual's work performance or psychological well-being is unreasonably affected by intimidating or offensive working conditions.

HR audit A formal research effort to assess the current state of HR practices.

HR generalist A person who has responsibility for performing a variety of HR activities.

HR metrics Specific measures tied to HR performance indicators.

HR specialist A person who has in-depth knowledge and expertise in a limited area of HR.

Human capital The collective value of the capabilities,

knowledge, skills, life experiences, and motivation of an organizational workforce.

Human capital return on investment (HCROI) Directly shows the operating profit derived from investments in human capital.

Human capital value added (HCVA) Calculated by subtracting all operating expenses *except* for labor expenses from revenue and dividing by the total full-time head count.

Human economic value added (HEVA) Wealth created per employee.

Human resource (HR) management Designing management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.

Human resource planning Process of analyzing and identifying the need for and availability of human resources so that the organization can meet its objectives.

I

Illegal issues Collective bargaining issues that would require either party to take illegal action.

Immediate confirmation Based on the idea that people learn best if reinforcement and feedback are given as soon as possible after training.

Individual-centered career planning Career planning that focuses on an individual's responsibility for a career rather than on organizational needs.

Industrial union Union that includes many persons working in the same industry or company, regardless of jobs held.

Informal training Training that occurs through interactions and feedback among employees.

Interactional justice Perceived fairness about how a person interacts with others.

J

Job Grouping of tasks, duties, and responsibilities that constitutes the total work assignment for an employee.

Job analysis Systematic way of gathering and analyzing information about the content, context, and human requirements of jobs.

Job description Identification of the tasks, duties, and responsibilities of a job.

Job design Organizing tasks, duties, responsibilities, and other elements into a productive unit of work.

Job duties Important elements in a given job.

Job enlargement Broadening the scope of a job by expanding the number of different tasks to be performed.

Job enrichment Increasing the depth of a job by adding responsibility for planning, organizing, controlling, or evaluating the job.

Job evaluation Formal, systematic means to identify the relative worth of jobs within an organization.

Job family Group of jobs having common organizational characteristics.

Job posting System in which the employer provides notices of job openings and employees respond by applying for specific openings.

Job rotation Process of shifting a person from job to job.

Job satisfaction A positive emotional state resulting from evaluating one's job experiences.

Job sharing Scheduling arrangement in which two employees perform the work of one full-time job.

Job specifications The knowledge, skills, and abilities (KSAs) an individual needs to perform a job satisfactorily.

Just cause Reasonable justification for taking employment-related action.

K

Knowledge management The way an organization identifies and leverages knowledge in order to be competitive.

L

Labor force population All individuals who are available for selection if all possible recruitment strategies are used.

Labor markets External supply pool from which organizations attract employees.

Leniency error Occurs when ratings of all employees fall at the high end of the scale.

Living wage Earnings that are supposed to meet the basic needs of an individual working for an organization.

Lockout Shutdown of company operations undertaken by management to prevent union members from working.

Lump-sum increase (LSI) One-time payment of all or part of a yearly pay increase.

M

Managed care Approaches that monitor and reduce medical costs through restrictions and market system alternatives.

Management by objectives (MBO) Performance appraisal method that specifies the performance goals that an individual and manager identify together.

Management mentoring Relationship in which experienced managers aid individuals in the earlier stages of their careers.

Management rights Rights reserved so that the employer can manage, direct, and control its business.

Mandatory issues Collective bargaining issues identified specifically by labor laws or court decisions as subject to bargaining.

Marginal job functions Duties that are part of a job but are incidental or ancillary to the purpose and nature of the job.

Market banding Grouping jobs into pay grades based on similar market survey amounts.

Market line Graph line that shows the relationship between job value as determined by job evaluation points and job value as determined by pay survey rates.

Market pricing Use of market pay data to identify the relative value of jobs based on what other employers pay for similar jobs.

Massed practice Practice performed all at once.

Mediation Process by which a third party helps the negotiators reach a settlement.

Motivation The desire within a person causing that person to act.

Multinational corporation (MNC) A corporation that has facilities and other assets in at least one country other than its home country.

N

Negligent hiring Occurs when an employer fails to check an employee's background and the employee injures someone on the job.

Negligent retention Occurs when an employer becomes aware that an employee may be unfit for work but continues to employ the person, and the person injures someone.

Nepotism Practice of allowing relatives to work for the same employer.

Noncompete agreements Agreements that prohibit individuals who leave an organization from working with an employer in the same line of business for a specified period of time.

Noncontributory plan Pension plan in which all the funds for pension benefits are provided by the employer.

Nondirective interview Interview that uses questions developed from the answers to previous questions.

Nonexempt employees Employees who must be paid overtime.

O

Offshoring The relocation by a company of a business process or operation from one country to another.

Ombuds Individuals outside the normal chain of command who act as problem solvers for both management and employees.

“Open-door” policy A policy in which anyone with a complaint can talk with a manager, an HR representative, or an executive.

Open shop Firm in which workers are not required to join or pay dues to a union.

Organizational commitment The degree to which employees believe in and accept organizational goals and desire to remain with the organization.

Organizational culture The shared values and beliefs in an organization.

Organizational mission The core reason for the existence of the organization and what makes it unique.

Organization-centered career planning Career planning that focuses on identifying career paths that provide for the logical progression of people between jobs in an organization.

Orientation Planned introduction of new employees to their jobs, coworkers, and the organization.

Outsourcing Transferring the management and performance of a business function to an external service provider.

P

Paid-time-off (PTO) plan Plan that combines all sick leave, vacation time, and holidays into a total number of hours or days that employees can take off with pay.

Panel interview Interview in which several interviewers meet with candidate at the same time.

Pay compression Occurs when the pay differences among individuals with different levels of experience and performance become small.

Pay equity The concept that the pay for all jobs requiring comparable knowledge, skills, and abilities should be the same even if actual job duties and market rates differ significantly.

Pay grades Groupings of individual jobs having approximately the same job worth.

Pay survey Collection of data on compensation rates for workers performing similar jobs in other organizations.

Pay-for-performance philosophy Requires that compensation changes reflect performance differences.

Pension plan Retirement program established and funded by the employer and employees.

Performance appraisal Process of determining how well employees do their jobs relative to a standard and communicating that information to them.

Performance consulting Process in which a trainer and an organization work together to decide how to improve organizational and individual results.

Performance management Series of activities designed to ensure that the organization gets the performance it needs from its employees.

Performance standards Indicators of what the job accomplishes and how performance is measured in key areas of the job description.

Permissive issues Collective bargaining issues that are not mandatory and that relate to certain jobs.

Perquisites (perks) Special benefits—usually noncash items—for executives.

Person/job fit Matching the KSAs of individuals with the characteristics of jobs.

Person/organization fit The congruence between individuals and organizational factors.

Phased retirement Approach in which employees gradually reduce their workloads and pay levels.

Physical ability tests Tests that measure an individual's abilities such as strength, endurance, and muscular movement.

Placement Fitting a person to the right job.

Policies General guidelines that focus organizational actions.

Portability A pension plan feature that allows employees to move their pension benefits from one employer to another.

Predictive validity Measured when test results of applicants are compared with subsequent job performance.

Predictors of selection criteria Measurable or visible indicators of selection criteria.

Preferred provider organization (PPO) A health care provider that contracts with an employer or an employer group to supply health care services to employees at a competitive rate.

Primacy effect Occurs when a rater gives greater weight to information received first when appraising an individual's performance.

Procedural justice Perceived fairness of the processes used to make decisions about employees.

Procedures Customary methods of handling activities.

Productivity Measure of the quantity and quality of work done, considering the cost of the resources used.

Profit sharing System to distribute a portion of the profits of an organization to employees.

Protected category A group identified for protection under EEO laws and regulations.

Psychological contract The unwritten expectations employees and employers have about the nature of their work relationships.

Psychomotor tests Tests that measure dexterity, hand—eye coordination, arm—hand steadiness, and other factors.

Q

Quid pro quo Sexual harassment in which employment outcomes are linked to the individual granting sexual favors.

R

Ranking Performance appraisal method in which all employees are listed from highest to lowest in performance.

Rater bias Occurs when a rater's values or prejudices distort the rating.

Ratification Process by which union members vote to accept the terms of a negotiated labor agreement.

Realistic job preview Process through which a job applicant receives an accurate picture of a job.

Reasonable accommodation A modification to a job or work environment that gives a qualified individual an equal employment opportunity to perform.

Recency effect Occurs when a rater gives greater weight to recent events when appraising an individual's performance.

Recruiting Process of generating a pool of qualified applicants for organizational jobs.

Red-circled employee Incumbent who is paid above the range set for a job.

Reinforcement Based on the idea that people tend to repeat responses that give them some type of positive reward and avoid actions associated with negative consequences.

Repatriation Planning, training, and reassignment of global employees to their home countries.

Responsibilities Obligations to perform certain tasks and duties.

Retaliation Punitive actions taken by employers against individuals who exercise their legal rights.

Return on investment (ROI) Calculation showing the value of an investment.

Right to privacy An individual's freedom from unauthorized and unreasonable intrusion into personal affairs.

Rights Powers, privileges, or interests that belong to a person by law, nature, or tradition.

Right-to-work laws State laws that prohibit requiring employees to join unions as a condition of obtaining or continuing employment.

Risk management Involves responsibilities to consider physical, human, and financial factors to protect organizational and individual interests.

Rules Specific guidelines that regulate and restrict the behavior of individuals.

S

Sabbatical Time off the job to develop and rejuvenate oneself.

Safety Condition in which the physical well-being of people is protected.

Salaries Consistent payments made each period regardless of the number of hours worked.

Salting Practice in which unions hire and pay people to apply for

jobs at certain companies to begin organizing efforts.

Security Protection of employees and organizational facilities.

Security audit Comprehensive review of organizational security.

Selection The process of choosing individuals with the correct qualifications needed to fill jobs in an organization.

Selection criterion Characteristic that a person must possess to successfully perform work.

Selection rate Percentage hired from a given group of candidates.

Self-directed team Organizational team composed of individuals who are assigned a cluster of tasks, duties, and responsibilities to be accomplished.

Self-efficacy People's belief that they can successfully learn the training program content.

Seniority Time spent in an organization or on a particular job.

Separation agreement Agreement in which a terminated employee agrees not to sue the employer in exchange for specified benefits.

Serious health condition Health condition requiring in-patient, hospital, hospice, or residential medical care or continuing physician care.

Severance benefits Temporary payments made to laid-off employees to ease the financial burden of unemployment.

Severance pay Security benefit voluntarily offered by employers to individuals whose jobs are eliminated or who leave by mutual agreement with their employers.

Sexual harassment Actions that are sexually directed, are unwanted, and subject the worker to adverse employment conditions or create a hostile work environment.

Situational interview Structured interview that contains questions

about how applicants might handle specific job situations.

Situational judgment tests Tests that measure a person's judgment in work settings.

Skill variety Extent to which the work requires several different activities for successful completion.

Spaced practice Practice performed in several sessions spaced over a period of hours or days.

Special-purpose team Organizational team formed to address specific problems, improve work processes, and enhance the overall quality of products and services.

Statutory rights Rights based on laws or statutes passed by federal, state, or local governments.

Stock option plan Plan that gives employees the right to purchase a fixed number of shares of company stock at a specified price for a limited period of time.

Stock purchase plan Plan in which the employer provides matching funds equal to the amount invested by the employee for the purchase of stock in the company.

Straight piece-rate system Pay system in which wages are determined by multiplying the number of units produced by the piece rate for one unit.

Strategic HR management Use of employees to gain or keep a competitive advantage.

Strategic planning The process of defining organizational strategy and allocating resources toward its achievement.

Strategy An organization's proposition for how to compete successfully and thereby survive and grow.

Stress interview Interview designed to create anxiety and put pressure on applicants to see how they respond.

Strictness error Occurs when ratings of all employees fall at the low end of the scale.

Strike Work stoppage in which union members refuse to work in order to put pressure on an employer.

Structured interview Interview that uses a set of standardized questions asked of all applicants.

Substance abuse Use of illicit substances or misuse of controlled substances, alcohol, or other drugs.

Succession planning The process of identifying a plan for the orderly replacement of key employees.

Sustainability Being able to continue to operate, survive, and adjust to significant changes.

T

Task Distinct, identifiable work activity composed of motions.

Task identity Extent to which the job includes a “whole” identifiable unit of work that is carried out from start to finish and that results in a visible outcome.

Task significance Impact the job has on other people.

Tax equalization plan Compensation plan used to protect expatriates from negative tax consequences.

Team interview Interview in which applicants are interviewed by the team members with whom they will work.

Telework Employees work with technology via electronic, telecommunications, and Internet means.

Third-country national A citizen of one country who is working in a second country and employed by an organization headquartered in a third country.

Total rewards Monetary and nonmonetary rewards provided by companies to attract, motivate, and retain employees.

Training Process whereby people acquire capabilities to perform jobs.

Turnover The process in which employees leave an organization and have to be replaced.

U

Undue hardship Significant difficulty or expense imposed on an employer in making an accommodation for individuals with disabilities.

Union Formal association of workers that promotes the interests of its members through collective action.

Union authorization card Card signed by employees to designate a union as their collective bargaining agent.

Union security provisions Contract clauses to help the union obtain and retain members.

Union steward Employee elected to serve as the first-line representative of unionized workers.

Unit labor cost Computed by dividing the average cost of workers by their average levels of output.

Utilization analysis Identifies the number of protected-class members employed in the organization and the types of jobs they hold.

Utilization review Audit of services and costs billed by health care providers.

V

Variable pay Compensation linked to individual, group/team, and/or organizational performance.

Vesting Right of employees to receive certain benefits from their pension plans.

Virtual team Organizational team composed of individuals who are separated geographically but linked by communications technology.

W

Wages Payments calculated directly from the amount of time worked by employees.

Well pay Extra pay for not taking sick leave.

Wellness programs Programs designed to maintain or improve employee health before problems arise.

Whistle blowers Individuals who report real or perceived wrongs committed by their employers.

Work Effort directed toward accomplishing results.

Work flow analysis Study of the way work (inputs, activities, and outputs) moves through an organization.

Work sample tests Tests that require an applicant to perform a simulated task that is a specified part of the target job.

Workers' compensation Security benefits provided to persons injured on the job.

Wrongful discharge Termination of an individual's employment for reasons that are illegal or improper.

Y

Yield ratio Comparisons of the number of applicants at one stage of the recruiting process with the number at the next stage.