

GLOSSARY

Note: Page numbers are provided following each definition.

absenteeism failure of an employee to report for work/duty irrespective of the reason. p. 12

affirmative action action intended to overcome the effects of past or present discriminatory policies or practices, or other barriers to equal employment opportunity. p. 91

agency shop agreement requiring the employer to deduct an agreed agency fee from the wages of employees identified in the agreement who are not members of the trade union but are eligible for membership thereof. p. 485

alcoholism uncontrolled and compulsive drinking that interferes with normal living patterns but which can be treated successfully in many cases. p. 445

arbitration process that uses a neutral third party to make a decision. p. 265

assessment centre method a process that evaluates a candidate's potential for management on the basis of multiple assessment techniques, standardised methods of making inferences from such techniques, and pooled judgements from multiple assessors. p. 206

balance-sheet approach the balance sheet approach to international compensation is a system designed to equalise the purchasing power of employees at comparable position levels living overseas and in the home-country, and to provide incentives to offset qualitative differences between assignment locations. p. 648

behaviourally anchored rating scale (BARS) a behavioural approach to performance appraisal that consists of a series of vertical scales, one for each important dimension of job performance. p. 308

behaviour modelling acting as a role model. The fundamental characteristic of modelling is that learning takes place by observation of the role model's behaviour or by imagining his or her experience. p. 361

basic competencies competencies such as reading and arithmetic. p. 575

broadbanding a compensation technique that collapses many pay grades into a few wide bands in order to improve organisational effectiveness. p. 414

burnout a depletion of one's physical and mental resources that results from stress. p. 444

cafeteria plan allows employees some benefits from a "menu" of benefits. p. 432

capabilities audit provides information on how well the company delivers on its required capabilities and can lead to the design of an action plan for improvement if necessary. p. 570

career a sequence of jobs held during a person's working life. p. 274

career counselling discussing with individuals their personal and career interests and goals, their skills and career development objectives. p. 277

career ladder the progression of jobs in an organisation's specific occupational fields ranked from highest to lowest based on level of responsibility and pay. p. 277

career planning an ongoing process by which an individual sets career goals and develops a plan to achieve them. p. 12

career plateau occurs when an employee has reached the highest position level he/she can possibly obtain within an organisation and has no future prospect of being promoted due to lack of skills, company restructuring or other factors. p. 283

career management the process of designing and implementing goals, plans and strategies that enable HR professionals and managers to satisfy workforce needs and allow individuals to achieve their career objectives. p. 274

central tendency a common error in performance appraisal that occurs when employees are

incorrectly rated near the average or middle of a scale. p. 313

closed shop agreement requiring all employees covered by the agreement to be members of the trade union. p. 484

coaching an on-the-job approach in which a manager has the opportunity to teach an employee on a one-to-one basis. p. 355

collective bargaining a process whereby representatives of management and union representatives negotiate over wages, hours and other terms and conditions of employment for a specific period of time. p. 508

compensation/total rewards refers not only to extrinsic rewards such as salary and benefits, but also to intrinsic rewards such as achieving personal goals, autonomy and more challenging job opportunities. p. 401

competency a behaviour, knowledge, skill or capability, that describes the expected performance in a particular work context (e.g. job function). p. 560

competency-based rewards/pay a system under which employees are paid on the basis of the number of jobs they can do, that is on the basis of their skills or depth of knowledge. p. 577

competency-based selection selection based on the observation of behaviours shown to distinguish successful employees. p. 573

contributory plan the employee and employer share the cost of for example pension benefits. p. 427

core competencies a company's or unit's expertise or skills in key areas that directly drive superior performance. p. 561

critical incident method performance appraisal method where the rater keeps a written record of highly favourable and highly unfavourable employee work behaviours, these incidents are then used as a basis for evaluating the employee's performance. p. 307

culture the characteristic customs, social patterns, beliefs and values of people in a particular country or region, or in a particular racial or religious group. p. 74

cumulative trauma disorders (CTDs) muscle and skeletal injuries that occur when employees repetitively use the same muscles to perform tasks. p. 467

Delphi technique judgemental method of forecasting that uses a panel of experts to make independent estimates of future demand. Each person's forecast is

then presented to the other members and the members then revise their forecasts as desired. The process continues until some consensus is reached. p. 124

demotion the process of moving a worker to a lower level of duties and responsibilities typically involves a pay cut. p. 265

development the managerial function of preserving and enhancing employees' competence in their jobs by improving their knowledge, skills, abilities and other characteristics. p. 340

disability a physical or mental impairment that substantially limits one or more major life activities. p. 77

disciplinary action the evoking of a penalty against an employee who fails to meet organisational standards or comply with organisational rules. p. 525

diversity any perceived difference among people: age, functional speciality, profession, sexual orientation, geographic origin, lifestyle tenure with the organisation or position. p. 78

distress harmful stress characterised by a loss of feelings of security and adequacy. p. 445

downsizing a reduction in the number of people employed by a firm (also known as restructuring and rightsizing). p. 267

dual-career partnership couples in which both members follow their own careers and actively support each other's career development. p. 283

economic value added (EVA) a company's net profit after the cost of capital is deducted. p. 421

e-learning the use of the internet or an organisational intranet to conduct training on-line. p. 358

E-HRM the processing and sending of HR information by making use of computer networking and the Internet. p. 620

employee assistance programme (EAP) services provided by employers to help troubled employees deal with issues such as burnout, alcohol, drug abuse and other emotional disturbances. p. 453

employee stock ownership plans (ESOPs) an arrangement whereby employees receive shares in the organisation for which they work. p. 419

ergonomics an approach to designing equipment and systems within work environments to ensure easy and efficient use by employees. p. 151

ethnocentric approach relocating home-country staff to foreign operations. These employees are known as parent country nationals (PCNs). p. 640

ethnic groups people classified according to common traits and customs. p. 75

eustress positive stress that accompanies achievement and exhilaration. p. 445

exit interview an interview with a departing employee to identify reasons for leaving the company. p. 97

expatriate or home country national an employee working outside their home country for their company with a planned return. p. 639

extranet Internet-linked network that allows employees access to information provided by external entities. p. 45

flexitime the practice that permits employees to choose their own daily starting and quitting time provided that they work a set number of hours per day or week. p. 131

follower a person who performs under the guidance and instructions of a leader. p. 620

forced distribution a performance appraisal method in which ratings of employees' performance are distributed along a bell-shaped curve. p. 306

functional job analysis (FJA) a quantitative approach to job analysis that concentrates on the interactions among the work, the worker and the work organisation. p. 163

functional/technical competencies competencies related to the specialised nature of the work. p. 575

gainsharing plans programmes under which both employees and the organisation share the financial gains according to a predetermined formula that reflects improved productivity and profitability. p. 419

geocentric approach hiring the best people for key jobs in the organisation regardless of nationality. p. 642

geocentrism a strategy for the recruitment of employees for multinational companies by emphasising the unrestricted use of people from all nationalities. p. 641

glass ceiling company practices that have prevented women from advancing to executive-level jobs so-called because women can see the top jobs but they cannot actually reach them. p. 184

golden parachute a perquisite provided for the purpose of protecting executives in the event their company is acquired by another. p. 422

graphic rating scale method of performance appraisal that requires the rater to indicate on a scale where the employee rates on factors such as quantity of work, dependability, job knowledge and cooperativeness. p. 303

green circle rates payment rates below the minimum of the pay range. p. 413

grievance procedure process by which an employee can seek a formal, impartial review of a decision that affects him or her, a formal process to help the parties involved resolve a dispute. p. 483

halo effect rating a person high on all items because of performance in one area. p. 312

health general state of physical, mental and emotional well-being. p. 444

host country nationals employees who are natives of the host country where an international company operates. p. 640

hostile-environment harassment form of harassment that occurs when unwelcome sexual conduct interferes with job performance or creates an intimidating work environment. p. 97

hot-stove rule principle of discipline that can be compared with a hot stove giving a clear warning e.g. is effective immediately, is enforced consistently and applies to all employees in an impersonal and unbiased way. p. 532

human resource planning (HRP) the process of anticipating and providing for the movement of people into, within and out of an organisation. p. 113

human resources information system (HRIS) The composite of databases, computer applications, and hardware and software necessary to collect/record, store, manage, deliver, present and manipulate data for human resources. p. 44

HR research is the collection and investigation of facts related to HR problems in order to eliminate or reduce these problems. p. 126

HR portal usually hosted on a company's intranet, provides employees with a single access point of "gateway" to all human resource related information. p. 45

in-basket an assessment centre process for evaluating trainees by simulating a real-life work situation. p. 207

Individual career planning is the process whereby each employee personally plans career goals. p. 274

international human resource management (IHRM) the HRM issues and problems arising from the internationalisation of business, and the HRM strategies, policies and practices which firms pursue in response to the internationalisation process. p. 636

intranet electronic networks that permit delivery of programmes that have been developed specifically for an organisation's particular learning needs. p. 45

internet global collection of independently operating, but interconnected computers. p. 44

internal staffing the placement of individuals already in the service of the organisation is based on additional information such as all aspects of their performance since appointment, as well as skills, competencies and qualifications obtained. p. 256

individual career planning the process whereby each employee personally plans career goals. p. 276

job grouping of tasks, duties and responsibilities, that constitute the total work assignment for employees. p. 141

job analysis systematic way to gather and analyse information about the content, context and the human requirements of a job. p. 158

job description a written summary of task requirements for a particular job. p. 165

job design the manipulation of the content, functions and relationships of jobs in a way that both accomplishes organisational goals and satisfies the personal needs of individual job holders. p. 142

job enlargement a change in the scope of a job so as to provide greater variety to a worker. p. 146

job enrichment enhancing a job by adding more meaningful tasks and duties to make the work more rewarding or satisfying. p. 147

job evaluation that part of a compensation system in which a company determines the relative value of one job in relation to another. p. 167

job posting a system in which the employer provides notices of job openings and employees respond to apply. p. 186

job ranking the simplest and oldest method of job evaluation by which jobs are placed in order to their relative worth. p. 406

job rotation the process of shifting an employee from job to job. p. 146

job rotation (cross-training) training that requires an individual to learn several different jobs in a work unit or department and perform each for a specified time period. p. 354

job specification statement of the needed knowledge, skills and abilities of the person who is to perform the job. p. 169

labour market the geographical area from which employees are recruited for a particular job. p. 181

lay-off a temporary termination of employees, or the elimination of jobs, during periods of economic downturn or organisational restructuring. p. 266

leader the person who takes charge and guides the performance or activity. p. 622

leadership the process of influencing people within an organisational context to direct their efforts toward particular goals. p. 622

learning organisation an enterprise in which learning is open-ended, takes place at all levels and is self-questioning. p. 372

leniency giving undeserved high performance appraisal rating to an employee. p. 313

lockout a management decision to keep employees out of the workplace when contract negotiations fail. p. 486

management by objectives (MBO) philosophy of management that rates performance on the basis of employee achievement of goals set by mutual agreement of employee and manager. p. 309

management succession chart chart or schedule that shows potential successors for each management position within an organisation. p. 348

managing diversity a planned systematic and comprehensive managerial process for developing an organisational environment in which all employees, with their similarities and differences, can contribute to the strategic and competitive advantage of the organisation, and where no-one is excluded on the basis of factors unrelated to productivity. p. 78

Markov model method of tracking the pattern of employee movement through various jobs. p. 124

mediation a process by which a third party assists negotiators in reaching a settlement. p. 516

mentor an experienced manager who coaches, advises and encourages an individual of lesser rank. p. 180

mentoring an on-the-job approach to training and development in which the trainee is given an opportunity to learn on a one-to-one basis from more experienced organisational members. p. 180

mentoring functions functions concerned with the career advancement and psychological aspects of the person being mentored. p. 356

merit pay pay increase given to employees based on their level of performance as indicated in the appraisal. p. 414

motivation force that energises behaviour, gives direction to behaviour and underlies the tendency to persist, even in the face of one or more obstacles. p. 237

multinational corporation (MNC) or multinational enterprise (MNE) a company with independent business units operating outside the country in which it is headquartered. p. 637

needs assessment systematic analysis of the specific training, management development activities required by an organisation to achieve its objectives. p. 344

non-contributory plan the costs of for example a pension plan is financed entirely by the employer. p. 427

on-the-job training (OJT) training showing the employee how to perform the job and allowing him or her to do it under the trainer's supervision. p. 352

orientation a formal process of familiarising new employees to their jobs, co-workers and the organisation. p. 226

organisational career planning the process whereby management plans career goals for employees. p. 274

paired comparison a variation of the ranking method of performance appraisal in which the performance of each employee is compared with that of every other employee in the particular group. p. 306

panel interview an interview in which a board of interviewers questions and observes a single candidate. p. 210

peer evaluations performance appraisal done by one's fellow employees, generally on forms that are compiled into a single profile for use in the performance interview conducted by the employee's manager. p. 315

performance appraisal the process of evaluating how well employees perform their jobs when compared

to a set of standards, and then communicating that information to employees. p. 293

performance management a process which significantly affects organisational success by having managers and employees work together to set expectations, review results and reward performance. p. 293

piecework work paid according to the number of units produced. p. 417

polycentric approach hiring host country personnel (HCNs) to staff foreign operations. p. 641

position analysis questionnaire (PAQ) a standardised job analysis questionnaire containing 194 different tasks which by means of a five-point scale seeks to determine the degree to which the different tasks are involved in performing a particular job. p. 163

productivity a measure of the output of goods and services relative to the input of labour, material and equipment. p. 152

profit-sharing any procedure by which an employer pays or makes available to all regular employees, in addition to base pay, special current or differed sums based upon the profits of the enterprise. p. 420

progressive discipline a formal discipline process that proceeds from an oral warning to a written warning to a suspension and finally dismissal. p. 523

promotions upward internal moves in an organisation that usually involve great responsibility and authority along with increases in pay, benefits and privileges. p. 262

psychological contract the unwritten expectations/obligations employees and employers have about the nature of their work relationship. p. 242

quid pro quo harassment form of harassment that occurs when submission to a rejection of sexual conduct is used on a basis of employment decisions. p. 96

ranking method listing of all employees from highest to lowest in performance. p. 305

rater bias error that occurs when a rater's values or prejudices distort the rating. p. 312

realistic job preview (RJP) the process through which a job applicant receives an accurate picture of a job. p. 212

Recency effect is a rating error occurring when an appraiser assigns a rating on the basis of the

employee's most recent performance rather than on long-term performance. p. 314

recruitment the process of acquiring applicants who are available and qualified to fill positions in the organisation. p. 179

red circle payment rates above the maximum rates of the pay range. p. 412

re-engineering review and radical redesign of business processes to achieve dramatic improvements in costs, quality, service and speed. p. 559

regiocentric approach hiring employees from another country, known as third country nationals (TCNs) to staff foreign operations. p. 641

reliability consistency with which a test measures an item. p. 203

repatriation the return of employees to their home countries from an international assignment. p. 646

role playing a training method in which participants are required to respond to specific problems they may actually encounter in their jobs. p. 358

sabbatical leave paid time off the job to develop and rejuvenate oneself. p. 429

safety protecting the physical well-being of people. p. 444

selection the process of choosing from a group of applicants the individual best suited for a particular position. p. 179

selection ratio the number of job applicants compared with the number of persons to be hired. p. 261

self-rating performance appraisal done by the employee being evaluated, generally on an appraisal form completed by the employee prior to the performance interview. p. 318

self-service system where employees have online access to information pertaining to HR issues in the company. p. 45

seniority privileged status attained by length of time spent on a particular job or within an organisation. p. 79

sensitivity training an organisational development technique that is designed to make people aware of themselves and their impact on others. p. 361

sexual harassment unwelcome sexual advances, requests for sexual favours and other verbal or physical conduct of a sexual nature in the working environment. p. 96

skilled-based pay pay based on how many skills employees have or how many jobs they can perform. p. 415

socialisation the introduction of new employees to company policies, practices as well as co-employees. Also known as orientation. p. 226

stock option plan an incentive plan in which managers can buy a specified amount of stock in their company in the future at or below current market price. p. 422

strategic change major transformations in the structure, size or functioning of an organisation for the purpose of achieving strategic objectives. p. 116

strategic human resource management a focus on the integration of HR policies with one another and with the overall strategy of the company. p. 9

strategic HR planning The process through which company goals as put forth in mission statements and company plans are translated into HR objectives to ensure that the company is neither over nor understaffed, that employees with the appropriate talents, skills and desire are available to carry out their tasks in the right jobs at the right times. p. 113

stress any adjustive demand caused by physical, mental or emotional factors that requires coping behaviour. p. 444

strictness being unduly critical of an employee's work performance. p. 313

strike a collective action in which union members refuse to work in order to put pressure on an employer during negotiations until certain demands or conditions are met. p. 7

structured interview an interview in which a set of standardised questions having an established set of answers is used. p. 210

succession planning the process of identifying a longer-term plan for the orderly replacement of key employees. p. 122

team a unit of two or more people who interact and coordinate their work to accomplish a specific goal. p. 626

telecommuting work carried out in a location, e.g. a home that is remote from the central offices, where the worker has no personal contact with co-workers but is able to communicate with them by electronic means. p. 587

third country national an employee of one country, working in a second country and employed by a company headquartered in a third country. p. 645

training a process whereby people acquire capabilities to and in the achievement of organisational goals. p. 340

transcendental meditation (TM) a stress reduction technique in which an individual, seated comfortably, repeats a mantra or secret word provided by the instructor. p. 449

transfer the lateral movement of a worker within an organisation. p. 266

transformation change from one form to another – the state of being transformed. p. 620

turnover any permanent loss of employees from an organisation that have to be replaced. p. 12

union a formal association of workers that promotes the interests of its members through collective action. p. 481

union shop steward an employee elected by union members who represents their interests in their relations with management. p. 489

validity extent to which a test actually measures what it says it measures. p. 203

vestibule training or simulation training training that takes place away from the production area on

equipment that closely resembles the actual equipment used on the job. p. 357

virtual organisation virtual organisations are multisite, multi-organisational and dynamic. They consist of a grouping of units of different companies (e.g. other businesses, consultants, contractors) that have joined in an alliance to exploit complementary skills, in pursuing common strategic objectives. p. 586

virtual team team of people who are dispersed geographically and primarily interact electronically and who may meet face-to-face occasionally. p. 590

virtual workplace of new organisational form based on the idea of working any time, anywhere in real space or in cyberspace. p. 588

web-based training method of training where material is available on computer via either the Internet or company Intranet. p. 356

wellness programmes programmes that focus on prevention to help employees build healthy lifestyles that will enable them to achieve their full potential. p. 27

work effort directed towards producing or accomplishing results. p. 141