



HR Certification Institute®

# Glossary of Terms





**360-degree feedback** | *a method of appraising employee performance*

employee appraisal data gathered from internal and external sources (such as peers, subordinates, supervisors, customers and suppliers); also known as multi-rater feedback



**absenteeism** | *not coming to work*

not coming to work because of illness or personal problems; many companies calculate the rate of absenteeism of their employees, which is the average number of days they do not come to work

**accountability** | *responsibility*

an obligation to accept responsibility for one's actions

**accrual** | *a method of accounting*

an accounting method that recognizes a company's financial performance by recording income and expenses at the time a transaction occurs, rather than when a payment is received or an invoice is paid

**acquiring organization** | *a company that buys another company*

the business or organization that is buying another business

**acquisition** | *an acquired company*

a process in which one organization buys another organization

**active listening** | *checking for understanding*

a communication method that a listener uses to interpret and evaluate information from a speaker

**ad hoc** | *not planned, for a specific case*

a solution to a specific problem that is not planned, or cannot be used in other situations

**ADA** | *Americans with Disabilities Act*

a U.S. law that prevents an organization or person from discriminating against an employee because of physical or mental disabilities

**ADDIE model** | *a training design technique*

a process for designing training programs that has 5 steps: analysis, design, development, implementation, and evaluation

**ADR** | *Alternative Dispute Resolution*

a method for resolving a disagreement without going through formal legal procedures

**advocacy** | *support, encouragement*

supporting an idea or cause, influencing outcomes

**affirmative action** | *a process designed to treat all applicants and employees equally*

an activity designed to correct previous inequality that may have existed for certain groups or classes of people

**align** | *line up, make parallel*  
to place in a line or arrange in a similar way

**alliance** | *agreement; cooperation*  
a partnership between organizations that helps both sides

**allowance** | *amount of money*  
money for a specific purpose

**Angoff method** | *an exam scoring process*  
a way to set the standard score for passing a test

**antitrust** | *legislation preventing monopolies*  
regulations that promote fair competition among businesses

**appeal** | *a request to a higher authority*  
to challenge an official decision (for example, in court)

**appraisals** | *evaluations*  
assessments of the value or performance of something (example: job appraisals)

**apprentice** | *a person learning a skill, trade or profession*  
a person learning a trade or skill from a qualified person for a specific length of time

**arbitration** | *resolving a dispute*  
the process of coming to an agreement about something without using a judge or court

**assessment center** | *a method of selecting personnel*  
a system of tests and interviews that evaluate employee performance and help companies select the right people for jobs positions

**assignee** | *expatriate, transferee*  
a person who is on (or will go on) an international work assignment

**assignment** | *job or position*  
a job, usually in a new location

**assimilation** | *a process of integration*  
the process of becoming a member of a team, organization, or culture

**asynchronous learning** | *an online teaching method*  
a teaching method where the students and teachers are online at different times

**ATS** | *Applicant Tracking System*  
computer software that helps an organization recruit employees

**attrition** | *reduction, decrease in numbers of employees*  
the number of employees that leave the organization for any of the following reasons: resignation, termination, end of agreement, retirement, sickness, or death

**authority** | *expert or person in control*

someone with extensive knowledge of a specific subject; a person in a superior position

# B

**background check** | *the process of confirming a job candidate's personal and public information*

Gathering data to determine the accuracy of a candidate's experience and records during employment screening. For example, verifying personal data, checking credentials, determining any criminal activity

**balanced scorecard** | *an analysis technique*

a method or tool that organizations use to measure the success of their strategies by looking at both financial and non-financial areas

**balance-sheet approach** | *a model for international compensation*

a way to set the salary and living allowances for employees on international assignments

**BARS - Behaviorally Anchored Rating Scales** | *employee performance appraisal method*

a type of performance rating scale designed to combine both qualitative and quantitative data to the employee appraisal process. BARS compare an individual's performance against specific examples of behavior that are attached to numerical ratings.

**base salary** | *a fixed amount of money paid for work performed*

compensation that does not include benefits, bonuses or commissions

**behavioral interview** | *job interview method based on past work behavior*

interview process to predict future performance based upon how the candidate acted in past work situations

**benchmarks** | *measures or markers*

a basis for judging or measuring something else

**beneficiary** | *receiver of benefits*

a person who is eligible to gain benefits under a will, insurance policy, retirement plan, or other contract

**benefit programs** | *compensation in addition to wages*

workers' entitlements in addition to base salary. Examples include: health insurance, life insurance, disability pay, retirement pension, and so on

**benefits** | *non-cash compensation provided to employees*

compensation that the employee receives in addition to a base salary. Examples include: health insurance; company housing; company meals; clothing allowance; pensions; and gym membership

**best practices** | *techniques or activities that give the best results*

the methods, processes, or activities that have proven to produce outstanding results for organizations

**biodata** | *information about a person*

a shortened term for "biographical data": information about a person's education, background, and work history

**blackout period** | *temporary denial of access*

a brief period in which employees cannot access or change things about their retirement or investment plans

**blended learning** | *a mix of different types of learning*

a learning method that combines face-to-face teaching with online learning

**brain drain** | *loss of skilled workers*

when smart and talented people leave their own country for better opportunities

**brainstorming** | *a process for producing new ideas and solutions*

a method in which individuals or groups spontaneously find solutions to a problem

**breakdown (analysis)** | *listing things according to categories*

analyzing and classifying, such as an analysis of revenue sources or a report on attrition numbers

**breakdown (failure)** | *a failure*

a collapse, such as a communication or equipment failure

**briefings** | *instructions or detailed summaries*

discussions which provide detailed information

**brownfield operations** | *previously used land*

reuse of land previously used for industry or manufacturing

**buddy program** (see "mentoring")

**business continuity plan** | *the creation of a strategy to protect an organization from certain risks*

A plan which identifies threats and risks facing a company in order to protect its employees and assets.

As a result, the company will be better prepared to continue its operations during a disaster or emergency.

**business unit** | *department or division*

a specific area of an organization, such as marketing, accounting, or production

**buy-in** | *obtaining support*

acquiring backing or sponsorship from a person or group



**career development** | *progress in a job or profession*

an employee's progress through each stage in his or her career

**career ladder promotion** | *a structured job advancement*

job advancement through a series of defined positions, from lower level to higher level

**career management** | *planning and controlling the professional development of an employee*

preparing, implementing, and monitoring the career path of employees, with a focus on the goals and needs of the organization

**career planning** | managing professional goals

taking steps to improve professional skills and create new opportunities

**cascading goals** | goals that flow from the top to the bottom of an organization

goals that an organization sets at a high level, which flow down as goals for departments, and then become goals for specific people

**cause-and-effect diagram** | a tool used to examine quality factors

a visual tool to organize factors that contribute to certain outcomes; also called a “fishbone” diagram

**Caux Principles** | ethical guidelines for international organizations

a set of ethical principles developed for global organizations by the Caux Round Table, a group of global business leaders from around the world

**center of excellence** | an area where high standards produce the best results

a team or division that uses best practices within specific area to achieve business goals

**central tendency** | average value of a data set

a measure of the middle of a statistical distribution of data

**certification** | a procedure to grant an official designation

confirmation of specific achievements or characteristics given by an authority, usually by issuing a certificate or diploma after a test

**chain of command** | order of authority

the sequence of power in an organization, from the top to the next levels of authority

**change agent** | something or someone that causes change

a person or department that deliberately causes change within an organization

**civil law** | regulations set by countries or legislative groups

regulations set by countries or legislative groups about the rights of people (different from common laws, which are set by judges)

**clause** | section or small part of a document

a part of a document, agreement, proposal, or contract that gives more detail

**cloud computing** | a type of computing using groups of servers and resources, available on the Internet

using a network of remote servers hosted on the Internet to access, manage, and process data, rather than using a local server

**coaching** | guiding, giving information, or training

a method of developing specific skills in which a coach gives information and objective feedback to a person or group

**code of conduct** | a set of principles and behavioral expectations

a written description of the principles, behaviors, and responsibilities that an organization expects of its employees

**codetermination** | a management structure involving employees

an organizational structure in which employees share responsibility for the operation of a company

**cognitive ability** | intelligence

thinking skills and mental abilities

**commercial diplomacy** | trying to resolve trade-related issues

negotiations between countries about policies on international trade or investment

**common law** | case law based on court decisions

laws established by court decisions and legal precedence (different from civil laws, which are regulations set by nations or legislative groups)

**commuter assignment** | a type of expatriate position requiring frequent travel between 2 countries

an international job that requires an employee to live in one country and work in another country, and to travel regularly between them (for example, an expatriate who lives in Bahrain and works in Saudi Arabia)

**compa-ratio** | math formula for comparing salaries

a number comparing a person's salary to other salaries for the same job; the comparison ratio is calculated by taking a person's salary and comparing it to the mid-point of other salaries (if a person earns \$45,000 per year in a job where the salary mid-point is \$50,000 per year, the compa-ratio is  $\$45,000/\$50,000 = 90\%$ )

**compensation** | salary and benefits

everything that an employee receives for working, including pay and non-monetary benefits

**competencies** | the abilities needed to do well in a specific job

the skills, behaviors, and knowledge that are needed to succeed in a specific job

**competency-based questions** | an interview technique asking a job candidate to provide real-life examples of their abilities

questions designed to determine the candidate's ability to handle the job and handle specific situations.

**competency model** | a description of the skills needed for a specific job

a list of the behaviors, skills, and knowledge needed to do well in a specific job

**competency-based pay** | salary based on demonstrated skills and knowledge

pay based on the skills and knowledge that make an employee valuable to an organization

**complaint procedure (see grievance procedure)** | the method used by employees to address problems at work with their employer

the steps that employees must follow when they want to express their concerns about work-related issues to their employer

**compliance** | obedience, conforming

following established laws, guidelines, or rules

**comply** | follow rules or agreements

to obey requests, laws, or guidelines

**conflict resolution** | *process of negotiation, arbitration*

method of negotiating agreements or solving problems

**consolidation** | *process of combining, bringing together*

combining separate companies, functional areas, or product lines; in finance, combining the assets, equity, liabilities, and operating accounts of a company with those of its subsidiaries

**contingent worker** | *part-time or temporary employee*

a person who is hired part-time to work under a contract or for a fixed period of time

**contract manufacturing** | *producing private label goods*

a production method in which one company hires another company to manufacture parts or goods under its label and according to its specifications

**core competency** | *specific expertise*

the skills or knowledge that an organization or employee needs to do its work

**core values** | *guiding principles that determine behaviors and action*

the basis upon which the employees of an organization make decisions, plan strategies, and interact with others

**corporate citizenship** | *responsibility to employees and to the community*

a practice in which organizations take steps to improve their employees' lives and the communities in which they operate

**corporate culture** | *the beliefs and behaviors of an organization*

the values, language, rules, procedures, expectations, and processes that affect how employees of an organization think, act, and view the world

**corporate social responsibility** | *an organization's commitment to improving the community and the environment*

a business philosophy in which an organization helps to improve social and environmental problems

**co-sourcing** | *using both internal and external resources to perform a service*

a business practice in which the employees of a company work with an outside organization to perform a service

**cost per hire** | *recruitment measuring tool*

the amount of money needed to recruit a new employee, which includes advertising, recruiting fees, referral fees, travel expenses, and relocation costs

**cost-benefit analysis** | *a process of measuring business decisions*

a financial review of various options to determine if the benefits are greater than the costs

**cost-of-living adjustment** | *pay changes due to economic conditions*

an increase or decrease in pay based upon changes in economic conditions in a geographic location or country

**cost-sharing** | *expenses for a project are divided among those involved*

method of saving money by dividing the costs of a program, project, or business operation

**credentials** | certified documents, diplomas

proof of a person's earned authority, status, or rights, usually in writing (for example, a university diploma, or proof of passing a professional exam)

**criterion** | a standard or rule

a test, standard, or rule on which something is judged or measured

**Critical Incident Appraisal** | evaluation of positive or negative employee performance situations

a method of performance appraisal which involves identifying and describing specific events (or incidents) where the employee succeeds or is in need of improvement.

**cross-border** | country to country

taking place across the geographic boundaries of 2 or more countries (for example, cross-border trade)

**cross-border employee** | an employee who works across an international border

an employee who works across geographic boundaries, such as an international business traveler or a short- or long-term international assignee

**cross-cultural** | comparing or interacting with 2-or-more groups of people

involving 2-or-more cultures (such as national, regional, or professional cultures)

**cross-cultural training** | preparation for living and working in a new culture

programs that provide information to help a person live and work successfully in a different culture (for example, teaching about cultural values, beliefs and practices, communication styles, business protocols, and daily living resources)

**cross-training** | learning new skills beyond one's current job responsibilities

teaching employees the skills and responsibilities of other positions in the company to increase their effectiveness and to provide greater staffing flexibility in the organization

**cultural coaching** | guidance to help a person interact achieve greater success with other cultures

giving support and suggestions to help employees achieve greater success with different cultures

**cultural intelligence** | measure of competence in culturally diverse situations

a person's ability to function in multi-cultural situations and to interact appropriately with people from different backgrounds

**cultural novelty** | the degree of difference between a person's culture and a new culture

the difference between a person's native culture and a new culture, and the degree of difficulty in adjusting to the new culture

**culture** | a society at a specific time and place

the values and beliefs that shape a specific group of people (for example, organizational culture, national culture, generational culture, and professional culture)

**culture shock** | the emotional and physical impact of encountering a new geography and culture

the disorientation a person feels when experiencing an unfamiliar way of life due to immigration or a visit to a new country

# D

**danger premium** | *additional pay for high-risk work*

extra pay that employees receive for working in dangerous jobs or places (for example, environments that are hazardous or politically unstable)

**dashboard** | *a data visualization tool*

a means of simplifying complex data to provide users with a performance summary on a single page or screen

**days to fill** | *the time it takes to hire someone*

the average number of days it takes to hire someone for open job positions

**dedicated HR** | *person committed to human resources in an organization*

a human resources position that works only on HR responsibilities within an organization

**deductive reasoning** | *from the general to the specific*

a method of reasoning that forms a conclusion from general information; the opposite of inductive reasoning, where a conclusion is formed from particular facts

**deferred compensation plan** | *an employee pension program*

a pension program which allows an employee to contribute a portion of income over time to be paid as a lump sum at retirement when the employee's income tax rate will be lower

**defined benefit plan** | *a retirement plan with pre-determined payments*

a retirement plan that tells participants exactly how much money they will receive on a specific later date (usually the day they retire)

**defined contribution plan** (see "defined benefit plan")

**defined retirement plan** (see "defined benefit plan")

**Delphi technique** | *a forecasting technique*

a method of forecasting where a group of experts provide individual opinions which are later shared in order to reach a more objective decision

**demographics** | *data, information about people*

statistics about groups of people that give information such as age, gender, income, and ethnic background

**designated** | *assigned, specified*

something intended for a specific person or purpose

**development** | *event, happening, occurrence*

something that has happened, or the act of making or improving something

**didactic** | *instructive, teaching*

intending to teach or demonstrate

**differential** | *difference in value between two comparable items*

change in value of one item compared to another (for example, a “cost-of-living differential” is the difference between the price of goods bought in the home country compared to the price of similar goods in the host country)

**disability** | *impairment, handicap*

a physical or mental condition that limits, but does not prevent, the performance of certain tasks (for example, a person who is blind or deaf)

**dispute resolution** | *settling arguments*

resolving conflict between people or groups (for example, lawsuits, arbitration, and mediation)

**distance learning** | *remote teaching method*

a method of education that uses TV, audio or video tapes, computers, and the Internet, instead of traditional classroom teaching, where students are physically present with their teacher

**distributed training** | *a method of instruction over time and distance*

a method of training that allows instructors, students, and content to be located in different places. This type of training can be used together with a traditional classroom or it can be used to create virtual classrooms

**diversity** | *composed of different elements*

a combination of various people working together, often with differences in culture, race, generation, gender, or religion

**divestiture** | *the sale of a company’s asset(s)*

property which an organization sells or gives to another organization.  
For example, a company sells a business unit

**document retention** | *maintaining important employee records*

managing employee data and records as required by the organization or rule or law

**domestic organization** | *local company*

an organization that does business and is based in the country where it is established, unlike a multinational organization, which does business in more than one country

**dot chart** (see “scatter diagram”)

**downsizing** | *reduction in the number of employees*

a decrease in a company’s workforce to create efficiency and profitability

**downward communication** | *flow of information from superiors to subordinates*

information that is conveyed by upper management to lower level employees in the organization

**drive** | *guide, steer*

to push or move forward a plan or project

**due diligence** | *an investigation*

the gathering and analysis of important information related to a business acquisition or merger, such as assets and liabilities, contracts, and benefit plans

**due process** | the way a government enforces laws

in the U.S., how a government enforces laws to protect its citizens (for example, guaranteeing a person a fair trial)

**E**

**EAP** | employee assistance program

services and counseling that employees receive to help them solve problems that could affect their work productivity. Examples include counseling for drug or alcohol problems or family issues

**economic valuation** | value given to non-financial factors

giving monetary value to environmental factors (for example, the quality of air and water, which are not normally part of a financial valuation)

**e-learning** | online training or education

a method of education where students attend classes on a computer or on the Internet

**eligible** | qualified

to be qualified to participate in a program or apply for a job

**employee assistance program (see "EAP")**

**employee benefits** | compensation in addition to salary

payments or allowances that organizations give to their employees (for example, medical insurance, social security taxes, pension contributions, education reimbursement, and car or clothing allowances)

**employee engagement** | level of satisfaction with work

a measurement of employees' involvement, satisfaction, happiness, and loyalty with their employment (how hard they work and how long they stay with their organization)

**employee handbook** | a reference document for workers in an organization

a manual that contains information about an organization's policies, procedures, and benefits

**employee relations** | interaction between employees and the organization

interaction between employees and an organization (for example, communications, conflict resolution, compliance with legal regulations, career development, and performance measurement)

**employee retention** | keeping employees

an organization's techniques to keep its employees

**employee self-service** | a method allowing employees to access and update data

a trend in human resources management that allows employees to handle many job-related tasks (such as updates to their personnel data) using technology

**Employee Stock Ownership Plan (see "ESOP")**

**employee turnover** | the ratio of unfilled positions

the percentage of a company's employees that must be replaced at any time

**Employee Value Proposition** | the tangible and intangible rewards provided by an organization  
the balance of benefits and rewards an employee receives in return for their performance on the job. In addition to compensation, intangible rewards may include development opportunities, challenging and meaningful work, or an attractive organizational culture

**employer branding** | how a company presents itself to the public  
the image an organization presents to its employees, stakeholders, and customers

**employer of choice** | an organization highly valued by employees  
an organization that people want to work for because it attracts, motivates, and keeps good employees

**employer-paid benefits** | something extra that employees receive in addition to salary  
benefits that an organization gives its employees in addition to salary (for example, medical insurance, payments to retirement funds, allowances for cars or clothing)

**employment at will** | a U.S. legal principle that defines a working relationship  
an employment agreement in which an employee can quit, or can be fired, at any time and for any reason

**employment branding** | changing how others perceive an organization  
process of turning an organization into an “employer of choice”

**empowerment** | authorized to make decisions  
the ability for employees to manage their work, share information, and make decisions without close supervision

**Enterprise Resource Planning (see “ERP”)**

**environmental responsibility** | concern and care for the environment  
the management of products and processes that show concern for health, safety, and the environment

**environmental scanning** | gathering internal and external information for strategic purposes  
acquiring and using information about the internal and external business environments that influence an organization’s strategy. For example, determining how to respond to a talent shortage

**EEO** | equal employment opportunity  
a U.S. law that guarantees equal treatment and respect for all employees

**equity compensation** | a type of payment that gives employees an ownership interest in a company  
non-cash payment reflecting an ownership interest in a company (for example, stock options and restricted stock)

**equity partnership** | business arrangement with financial investors  
an agreement for a person or organization to own part of a company by providing start-up funds to the business

**ergonomic** | safe and comfortable equipment  
designed to be comfortable and avoid injuries (for example, an ergonomic chair or keyboard)

**ERP** | Enterprise Resource Planning  
computer software that combines information from all areas of an organization (such as finance, human resources, operations, and materials), and also manages contact with people outside the organization (such as customers, suppliers, and stakeholders)

**ESOP** | *Employee Stock Ownership Plan*

a tax-qualified benefit plan with defined contributions that allows employees to own shares in a company

**essential functions** | *required job duties*

an employee's main responsibilities or tasks to succeed in a job

**ethnocentric staffing orientation** | *filling key positions with employees from the headquarters' country*

filling important positions in an international organization by choosing new hires from the country where the organization has its headquarters

**ethnocentrism** | *belief that one's own culture is superior*

the belief that one's own culture is the center of everything and other cultures are less effective or less important

**ethnorelativism** | *understanding one culture in the context of other cultures*

the ability to recognize different values and behaviors as cultural and not universal

**exempt-level experience** | *employees whose position is not bound to hourly job rules*

a U.S. term which describes employees who work however many hours are necessary to perform the tasks of their position. They do not receive overtime pay, unlike hourly workers

**exit interview** | *final interview before leaving an organization*

an interview that HR has with an employee to get feedback about the job the employee held, the work environment, and the organization

**expatriate** | *a citizen of one country who lives in another country*

an employee who has been transferred from their country of citizenship ("home country") to live and work in another country ("host country")

**expatriate assignment** | *a job outside the home country*

a position in one country which is filled by a person from another country who moves there to live and work

**external forces** | *events an organization cannot control*

things that occur outside of an organization that might affect its financial health, employees, products, services, or customers (for example, political, economic, or environmental challenges)

**extraterritorial laws** | *provisions whereby foreigners are sometimes exempt from local laws*

laws from one country that apply to that country's citizens when they travel or live in countries where they might be exempt from some local laws. Similar exceptions can apply to companies operating abroad

**extraterritoriality** | *being exempt from local law*

being exempt from the laws of the foreign country in which one is living (for example, foreign diplomats)

**extrinsic rewards** | *measurable recognition*

work or actions where the motivating factors are material and are measured through monetary benefits, grades, prizes, and praise

# F

**face-to-face** | *being physically present with another person*

interacting while in the presence of another person, as opposed to on the telephone, a webinar, or e-mail

**feasibility study** | *investigation, analysis of what is possible*

research and analysis to determine if a project will succeed

**federal regulations** | *national laws*

in the U.S., laws that apply in every state (as opposed to laws unique to every state)

**fiduciary responsibility** | *a duty to act solely for another individual's interest*

a legal duty to act solely in the interest of another person without benefit, profit, or conflict of interest unless expressly permitted to do so by the other person

**financial viability** | *ability to survive financially*

the ability of an organization to achieve financial goals, growth, and stability, while also paying expenses and debt

**flextime** | *variable work schedule*

a work schedule that allows changes in the beginning and end of the work day without reducing the number of hours worked per week

**forced distribution** | *a rating system for evaluating employees*

a performance measurement system which ranks employees against each other and according to pre-determined categories such as excellent, good, or poor

**forecasting** | *a planning tool which helps with future decisions*

analyzing the probability of future outcomes to help lessen uncertainty

**foreign compulsion exception** | *exemption from a home country's law*

when a law of an organization's home country does not apply because it is in conflict with laws of the country where the organization is doing business

**foreign direct investment** | *ownership of a business or property by a foreign entity*

an overseas investment in structures, equipment, or property controlled by a foreign corporation

**foreign service premiums** | *financial reward for moving to a foreign country*

extra pay that an employee receives for accepting an international work assignment

**foreign subsidiary** | *a legal term defining ownership of a foreign company*

a company that is more than 50% owned or controlled by a parent organization in another country

**formalization** | *structured work roles and rules*

the degree to which processes and procedures define job functions and organizational structure

**forum shopping** | *looking for a legal venue most likely to result in a favorable outcome*

the practice of trying to get a trial held in a location that is most likely to produce a favorable result

**franchising** | *a business model that involves licensing*

selling a license for the use of a trademark, product, or service in order to do business a certain way and receiving ongoing payment for the license

**fringe benefits (see benefits)** | *payments other than, or in addition to, salary*

payments that the employee receives, other than or in addition to a salary, such as health insurance

**front-back structure** | *an organizational design that separates customer service and production*

an organization that has two parts: one part that focuses on the customers and the market (the “front”), and one part that develops products and services (the “back”)

**FTE (see “full-time equivalent”)**

**full-time equivalent** | *a ratio of employee hours worked each week (FTE)*

a percentage comparing the number of hours that an organization’s part-time employees work to the number of hours that full-time employees work

**functional area** | *group of people performing similar tasks*

a department in which people have similar specialties or skills (for example, the accounting or IT department in an organization)

**functional HR** | *dedicated tasks of the human resources position in an organization*

the human resources role within an organization that focuses on strategy, recruitment, management, and the direction of the people in the organization

**functional structure** | *group of people performing similar tasks*

a department or division where people have similar specialties or skills (for example, the accounting or IT department in an organization)



**gap analysis** | *a technique used to compare the current state with the future desired state*

an analysis process which helps an organization compare its actual performance with its potential performance

**generalization** | *an objective conclusion*

a perception based on observations (for example, “Americans are usually friendly”). Different from a stereotype (for example, “All Americans are friendly”)

**geocentric staffing orientation** | *management of global talent*

the practice of choosing the best employees for a job, regardless of their nationality or where the job is located

**geographic structure** | *organizational model based on location*

an organizational model in which divisions, functions, or departments are organized by location in a specific country or region

**global ethics policy** | *company behavioral guidelines*

an outline of how a company expects employees to behave around the world, often intended to prevent bribery and corruption.

**global integration** | *bringing together diverse elements across multiple geographies*

working to promote an effective combination of different people, products, services, and systems throughout the world

**global mindset** | *a worldview that embraces cultural diversity*

a perspective that helps people understand and function successfully in a range of cultures, markets, and organizations

**global mobility** | *international relocation*

the transfer of employees from one part of the world to another

**global organization** | *an organization that views the world as one market*

an organization that views the whole world as one market, and does not divide it into separate markets by country

**global staffing** | *worldwide employees*

the process of identifying the number and type of employees an organization needs worldwide, and searching for the best candidates

**Global Sullivan Principles** | *rules for ethics and human rights*

a voluntary set of rules to help a organization advance human rights and equality

**global talent acquisition** | *strategy to put qualified employees in key positions around the world*

actions an organization takes to make sure it has employees with the right skills to accomplish its worldwide goals

**global team** | *group of employees from different countries who are working on a project together*

a group of employees who are working on the same project but who are located in different countries or come from different cultures

**globalization** | *expansion of products, services, people, and customs throughout the world*

changes in society and the world as a result of economic trade and cultural exchange

**glocalization** | *a strong local and global presence*

characteristic of a company that "thinks globally, but acts locally"; when a company has a strong presence both in its own country and around the world

**going rate approach** | *expatriate salary is based on pay rates in home country*

a method for determining the salary of an employee on an international assignment; the salary is based on pay rates in the employee's home country

**governance** | *system of rules to regulate behavior*

system of rules and processes an organization creates in order to comply with local and international laws, accounting rules, ethical norms, and environmental and social codes of conduct

**graphic rating scale** | *method of evaluating employees*

a method of giving employees a numerical rating for having certain traits (for example, being reliable or honest)

**greenfield operation** | *new business facility built in a new location*

start up of a new business plant or operation, usually in a new location

**grievance** | *serious complaint*

a cause of distress that can lead to an official complaint (for example, difficult work conditions)

**grievance procedure (see complaint procedure)** | *the method used by employees to address problems at work with their employer*

the steps that employees must follow when they want to express their concerns about work-related issues to their employer

**grossed-up income** | *additional expatriate pay to cover taxes*

a practice in which a company increases an expatriate's base pay in order to cover the additional taxes the expatriate owes because of extra benefits and overseas allowances

**group consensus** | *agreement between people*

a decision process in which a group of people agree to a decision or come to the same conclusion



**halo effect** | *transfer of positive feelings*

the transfer of the positive qualities of a person or thing to related people or things

**hard skills** | *specific knowledge and abilities*

teachable skills that can be quantified such as typing, writing, reading, calculating math, or using a specific computer program.

**hardship premium** | *extra compensation for difficult living conditions*

extra payment or benefits that an expatriate receives on assignment in a country where the living and working conditions are challenging

**hardships** | *difficult living or working conditions for expatriates*

situations in a country that cause political or economic uncertainty that make it challenging for expatriates to live and work. Often, expatriates receive extra "hardship pay"

**head count** | *number of employees*

the number of employees an organization has on its payroll

**head hunter** | *an employment recruiter*

an informal name for an employment recruiter, sometimes referred to as an executive search firm

**head hunting** | *recruiting employees*

the practice of recruiting employees from one company to work at another company

**health care benefits** | *medical support plans provided to employees*

company sponsored medical plans which help employees pay for the cost of doctor visits, hospitalization, surgery, and so on

**hidden costs** | *expenses that occur in addition to the purchase price*

expenses such as maintenance, supplies, training, upgrades, and other costs in addition to the purchase price

**high-context culture** | society that communicates indirectly

a culture that communicates indirectly, through the context of a situation more than through words, and that builds relationships slowly (for example, Japan)

**high performance work culture** | an environment where employees are motivated to succeed

an organizational culture where employees at all levels are inspired to do their best thereby consistently producing outstanding results

**high-potential or "hi-po"** | employees identified for advancement due to their talents and skills

employees who have the capacity to grow into higher levels of leadership in the organization

**HIPAA** | a U.S. law that protects workers' health benefits and medical privacy

Health Insurance Portability and Accountability Act (HIPAA) protects American workers in assuring the continuation of health insurance coverage and protects their medical privacy

**histogram** | a bar graph showing frequency distribution

a bar graph that shows the upper and lower limits in a set of data

**home-country compensation** | an approach to handling an expatriate's International payroll

expatriate salary that stays the same while the employee is on assignment (for example, if an employee is relocated from Tokyo to London, he or she continues to receive the Tokyo salary along with expatriate benefits)

**homogeneous** | the same or similar

description of a group whose members are all the same or similar (for example, people from the same background and heritage). Opposite of heterogeneous

**host-country nationals** | local citizens of a country

employees or other people who are citizens of the country where a person is working on an expatriate assignment

**hostile environment harassment** | harassment from coworkers rather than supervisors

a situation in which an employee's coworkers create an uncomfortable work environment, often through inappropriate sexual behavior or discrimination

**HR** | human resources

function within an organization that focuses on implementing organizational strategy, as well as recruitment, management, and providing direction for the people who work in the organization

**HR audit** | assessment of an organization's human resources

an evaluation of the strengths, weaknesses, and development needs of human resources required for organizational performance

**HR business partner** | strategic role for human resources

a role in which human resources works closely with an organization to develop strategies and achieve business results

**HR partner** | an ally in providing HR services

a manager or department that has a relationship with HR in order to provide services to the organization

**HRD** | *human resources development*

the part of human resource management that deals with training employees and giving them the skills they need to do their jobs both now and in the future

**HRIS** | *Human Resource Information Systems*

technology that supports human resources functions

**human capital** | *knowledge and talents of employees*

employees' knowledge, talents, and skills that add to the value of the organization

**human capital management (HCM)** | *an approach to staffing that considers people as assets*

the practices and processes for managing employees who are considered to be an asset to the organization

**human capital strategy** | *employment tactics, plan for managing employees*

methods and tools for recruiting, managing, and keeping important employees

**hybrid structure** | *a vertical and horizontal organizational model*

an organizational model that combines different operational, functional, product, and geographic structures

**ILO** | *International Labour Organization*

a department of the United Nations that deals with human and labor rights

**ILO conventions** | *standards of the International Labour Organization*

international standards for employers and employees that become international law when a certain number of governments have adopted them

**in-basket exercise** | *a method of evaluating candidates*

a test used to hire or promote employees to management positions.

The test measures the candidate's ability to prioritize and respond to daily tasks

**incentive** | *motivation, inducement*

a monetary or non-monetary reward to motivate an employee (for example, a bonus or extra time off)

**Indemnity** | *protection against loss, injury or penalties*

compensation paid for injuries, damages or unfulfilled obligations

**independent contractors** | *people who provide goods or services under an agreement*

workers who contract to do specific work for other people or organizations and are not considered employees

**indirect compensation** | *benefits received by employees in addition to salary*

non-monetary rewards or benefits for employees such as annual leave, health insurance, company car or mobile phone.

**individualism** | *self-reliant, personal independence*

cultural belief that the individual is the most important part of society;

one of Hofstede's cultural dimensions, opposite of collectivism

**inducement | incentive**

a benefit that management offers to employees as motivation for producing specific results

**industrial relations | *the relationship between an employer and its employees***

the relationship between the management of an industrial enterprise and its employees, as guided by specific laws and regulations

**ineligible | *not qualified, unsuitable***

not suitable to participate in a program or apply for a job

**informants | *suppliers of useful information***

people who provide business, social, or cultural data to others

**initiatives | *ideas, programs, projects***

actions related to new ideas or to starting new plans

**inpatriate | *an employee on assignment in the country of an organization's headquarters***

a foreign employee who is on a work assignment in the country where an organization's headquarters are located

**inpatriation (see "inpatriate")****insourcing | *assigning a job or function within a company***

assigning a job to an internal department instead of to an outside organization; opposite of outsourcing

**instant awards | *immediate employee recognition***

rewards for employees that are provided immediately after the desired behavior is produced

**integrate | *combine, mix together***

to combine or bring together different parts

**intellectual property | *creations or inventions protected by law***

an original invention or something created by the mind, which is usually protected by patents, trademarks, or copyrights

**intercultural | *between or among people of different cultures***

involving or representing different cultures (for example, intercultural communication, intercultural competency, or intercultural marriage)

**internal equity | *fairness in pay and benefits for similar jobs***

making sure that employees with jobs of similar value to the organization receive equal compensation

**internal forces | *drivers of change inside an organization***

key people and influences inside an organization that shape its future (the opposite of external forces, such as the economy and competitors)

**internal rate of return | *a way of measuring profits***

a calculation of the average return each year during the life of an investment

**internal recruitment** | *filling a job opening from within the existing workforce*  
seeking current employees within the organization to apply for upcoming job openings

**international assignee** | *expatriate employee*  
a person who moves to a new country to work on an international assignment

**international organization** | *a business that operates in more than one country*  
a company that has operations and services in different parts of the world

**interpersonal skills** | *traits for effective social interaction*  
effective social qualities for communicating and building good relationships with different people

**interpretation** | *explanation of meaning*  
an explanation of the meaning of something; translating spoken language

**interpreter** | *translator of spoken language*  
someone who translates spoken language by speaking or signing

**intranet** | *a private computer network with limited access*  
a restricted computer network which only allows authorized people to access the site.  
For example, a company intranet that only allows its employees access to its data

**intrinsic reward** | *non-material satisfaction*  
non-material motivation which comes from personal satisfaction  
(for examples, job status, job satisfaction or human interest)

**investments** | *a commitment of money for expected return*  
money and capital which is spent in order to make more money (examples: stocks, bonds, real-estate)

## J

**job analysis** | *review of job tasks and requirements*  
a study of the major tasks and responsibilities of jobs to determine their importance and relation to other jobs in a company

**job bidding** | *a process whereby applicants compete with each other for a position*  
a recruitment method used when the number of applicants far exceeds the number of applicants

**job classification** | *an evaluation method that groups different positions*  
an arrangement of different types of employment or grades within an organization according to skills, experience, or training

**job competencies** | *skills needed for a job*  
the skills and behaviors that will help an employee succeed in a specific job

**job description** | *description of work tasks and responsibilities*  
written document describing an employee's work activities

- job enlargement** | increasing the range of an employee's duties  
increasing the scope of a job by extending duties and responsibilities, generally without changing pay or status
- job enrichment** | a motivational tool for increasing job satisfaction  
a way to motivate employees by giving them greater responsibilities and more variety in their work
- job evaluation** | process of measuring the value of a job  
the process of measuring how much a job is worth (for example, in order to set the salary and other benefits)
- job family** | a set of related jobs performed within a work group or occupation  
groups of occupations based upon the type of work performed, skills, education, training, and credentials
- job grade** | a system of classifying different types of jobs  
a means of determining different job levels and pay scales based upon the required knowledge, skills and abilities
- job hazard analysis** | the process of identifying dangerous conditions in the workplace  
an assessment of potential causes and consequences of risks in a particular organization or its environment
- job matching** | a process of placing employees in the right position  
the use of objective skill assessment data combined with common sense to determining the best fit for an employee to a specific job
- job opening** | a vacant position in an organization  
a position that has not been filled in an organization
- job posting** | an advertisement for a vacant position  
a notice for a vacant position that an organization publicizes internally or externally
- job preview** | a method which gives applicants and understanding of job duties before being hired  
a strategy for introducing job candidates to the realities of the position, both good and bad, prior to making a hiring decision
- job ranking** | a way to compare all jobs based on their value  
a job evaluation method that compares jobs to each other based on their importance to the organization
- job requisition** | request to hire a person for an open position  
a procedure used when a company wants to hire a new employee to fill a position
- job rotation** | changing work assignments  
a way to develop employees by giving them different jobs to perform
- job shadowing** | observing another person's work practices  
learning a new job by watching another employee work
- job sharing** | a situation where two employees work at a single job  
an employment option where two or more employees share the responsibilities of one full-time position
- job specification** | requirements for an employment position  
a description of employee qualifications required to perform a specific job

**job-content-based job evaluation** | *method to decide an employee's salary*

a way of estimating how much a person should be paid based on what they do

**joint venture** | *partnership between 2 or more organizations*

when 2 or more organizations work together and share risks and rewards (also called "JV")

**jurisdiction** | *legal authority*

The right and power to interpret and apply the law, often within a certain geographical region

**jurisdiction shopping (see "forum shopping")**

**K**

**key talent** | *important and valued workers*

employees that perform extremely good work and are highly valued by the organization

**kidnap and ransom insurance** | *protection for employees in high-risk areas*

policies that reimburse employees' losses due to kidnapping or extortion in high-risk areas of the world

**knowledge management** | *organizing information to improve business performance*

the process of gathering, documenting, and sharing important information to improve the performance of employees and the organization

**KPI** | *key performance indicator*

a measure an organization uses to see its progress and show what it needs to improve

**L**

**labor union** | *a trade organization or works council*

a group of employees with the same job who join together to ask their employers for things such as better wages, benefits, or working conditions

**lagging indicators** | *signs that confirm change in the economy*

signs that confirm the economy has already changed (for example, the unemployment rate)

**lag the market** | *lower than average compensation rates*

a compensation strategy that is lower than the average pay rate

**laissez-faire** | *lack of regulation and control*

an economic theory that is strongly against any government interference in business affairs

**lateral move** | *a job change with a similar level and pay*

when an employee decides to change positions in the organization without a difference in the level of responsibilities and compensation

**layoff** | *loss of employees' jobs due to business reasons*

temporary suspension or termination of an employee or groups of employees because of business reasons

**leadership** | *a management ability*

the ability to influence other people or groups to achieve a goal

**leadership development** | *activities that enhance leadership performance*

investment in programs to help current leaders become more effective and to build future leaders

**leadership pipeline** | *source of future leaders*

the people in a company who will be developed to move into higher levels of leadership over time

**leading indicators** | *signs that predict the future of the economy*

signs that show the economy will change before it does (for example, a rise or fall in interest rates)

**lead the market** | *higher than average compensation rates*

a compensation strategy that is higher than the average pay rate

**learning curve** | *the rate at which a person acquires new skills and knowledge*

the time it takes for a person to acquire new information and skills and to perform successfully

**learning effectiveness model** | *method of assessing results of development programs*

measuring the impact of employee training and development programs on business goals

**learning management system (LMS)** | *computer software for employee development*

computer software that administers, tracks, and reports on employee development opportunities such as classroom and online events, e-learning programs, and training content

**learning organization** | *an organization that promotes*

*ongoing employee education and encourages change*

An organization that encourages employee development, innovation and continuous learning in order to remain competitive in the business environment.

**learning pace** | *how fast a person learns*

the time it takes for a person to understand and retain information

**learning portal** | *website for learning*

Internet site where employees can use educational resources

**learning style** | *the way a person learns*

the way people process new information and learn most effectively (example, some people learn best visually, through lectures, or by reading. Others learn best by action or doing)

**lease** | *a contract to use a property*

an agreement for a person or organization to rent a property (lessee) from its owner (lessor) for a specific period of time and amount of money

**leave of absence (LOA)** | *a period of time away from work*

a period of time that an employee is given to be on leave, away from work; it can be either paid or unpaid and either short or long term in duration

**leniency error** | *favoritism in performance evaluations*  
rating employees higher than their actual performance deserves

**leverage** | *the ability to multiply the return on an investment*  
the act of applying a small investment to bring a high level of return

**liaison** | *contact, connection, link*  
a communication link between people or groups

**licensing** | *giving permission to use, produce, or sell*  
a written contract in which the owner of a trademark or intellectual property gives rights to a licensee to use, produce, or sell a product or service

**line management** | *people who create revenue for organizations*  
work groups that conduct the major business of an organization, such as manufacturing or sales

**loan** | *lending of money or goods*  
money or goods that a person or organization lends temporarily, usually charging interest

**local nationals (see "host-country nationals")**

**localization compensation strategy** | *expatriate salary based on the salary structure of the host country*  
salary for an international assignee that is the same as the salary that a local employee receives for a similar job

**long-term assignment** | *an expatriate job that is more than 6 months*  
a job in a different culture that lasts longer than 6 months, usually 3 to 5 years

**low-context culture** | *society that communicates directly*  
a culture that communicates directly, using words more than situations, and that builds relationships quickly (for example, the United States)

**lump-sum compensation** | *a single payment made at one time*  
an extra amount of money paid one time rather than on a regular basis. For example an expatriate may receive a lump sum payment to cover the extra costs of the assignment related to housing, taxes, dependent education, and transportation.

# M

**management contract** | *an agreement to oversee a project or operations*  
an arrangement in which a person or company operates a project or business in return for a fee

**mandatory benefits** | *laws which require certain benefits to protect workers*  
laws which outline benefits to provide economic security for employees and their dependents

**manpower** | *an organization's workforce*  
the total number of individuals who make up the workforce of an organization

**market index** | *a measure of financial change in an economy*

the total value of stocks or other investments and showing the current worth against a base value from a specific date.

**market salary survey** | *research summary of fair wages*

review of median pay for specific positions in the same labor market

**market-based job evaluation** | *comparison of current salaries for a specific job*

an evaluation that compares the salaries for particular jobs offered on the external job market

**marketplace** | *the geographic area in which business is conducted*

a physical or virtual place in which business operates. For example, the global marketplace, or the online marketplace

**masculinity** | *the quality of being masculine*

term used in cultural studies to represent work oriented societies.  
One of Hofstede's Cultural Dimensions, the opposite of femininity

**Maslow's hierarchy** | *a theory in psychology based on five levels of human needs*

a method of ranking human needs in a pyramid, with basic physical needs (such as obtaining food and shelter) at the bottom, and psychological needs (such as creative expression) at the top

**mastery** | *ability, expertise*

great ability and knowledge of some subject or activity

**matrix structure** | *a system of reporting where employees have both vertical and horizontal relationships*

a system of managing staff where employees have more than one reporting relationship.  
For example, they could report to a direct supervisor as well as a team leader

**mean** | *a way to calculate the average of a series of numbers*

an average determined by adding up a group of numbers, and then dividing that total by the number of numbers.  
For example, to calculate the mean of "10, 20, 30, 40, 50": first, add the numbers (10+20+30+40+50 = 150), then count the numbers (5), then divide the total by the number of numbers (150/5 = 30)

**median** | *the middle value in a series of numbers*

the middle number in a series. For example, in the series "13, 13, 13, 13, 14, 14, 16, 18, 21", the median is 14, with four numbers to the left and four numbers to the right

**mediation** | *helping others negotiate*

an attempt to help other people or groups come to an agreement

**mentee** | *a person who acquires knowledge or experience from another*

a less experienced employee who is being supported or guided by a more experienced employee

**mentoring** | *helping a person learn*

when an experienced person shares knowledge with someone who has less experience

**merger** | *2 or more organizations coming together to form a new legal entity*

2 or more organizations that come together through a purchase, acquisition, or sharing of resources.  
Usually the new organization saves money by eliminating duplicate jobs

**merger & acquisition (M&A)** | *currently under two separate terms (see “Merger”; see “Acquisition”)*  
the process of legally combining two organizations; they may join together and unite their assets (merger), or one may purchase the other (acquisition).

**merit increase** | *pay raise for meeting performance goals*  
an increase in wages for meeting or exceeding the performance goals of a job

**metrics** | *the results of measuring something*  
a set of measurements that quantify results: for example, performance measures, return on investment (ROI) or turnover rates

**minimum wage** | *least amount paid for work*  
the lowest hourly, daily or monthly salary that employers must legally pay to employees or workers

**mission statement** | *a description of the purpose of an organization*  
a short description of the main purpose of an organization, which does not change (unlike strategy and business practices, which can change frequently)

**mobility** | *the ability to move from one place to another*  
an HR terms that refers to employees and their families who move from one location to another

**mobility premium** | *financial benefit for expatriates*  
extra salary paid to expatriates to encourage them to move to a new country

**mode** | *the value that occurs most often in a series of numbers*  
in the following series of numbers, 8 is the mode: 6, 5, 8, 3, 7, 8, 9, 8, 4

**module** | *a unit or segment of an educational program*  
one section of a training program which is presented alone or as part of a series of other units

**moonlighting** | *working for more than one company at the same time*  
to have a second job in addition to full-time employment

**moral absolutes** | *beliefs that are right or wrong*  
the idea that there is a clear definition of what is right and wrong

**motivation** | *inspiration for action*  
reasons or influences that lead to specific desired behavior such as commitment to a job or continuing efforts to achieve a goal

**multicultural** | *a group of people from several cultures or ethnic groups*  
employees of diverse cultures and backgrounds who are part of an organization’s workforce

**multinational corporation (MNC) (see “multinational organization”)**

**multinational organization** | *a company operating in many countries*  
a company that has its headquarters in one country and has offices and operations in other countries; also known as a multinational corporation (MNC)

**multinational pooling** | *a method of managing the risk of benefit plans across countries*  
combining different employee benefit programs in a multinational organization to save money and control risks

**needs analysis** | *assessment to determine next steps*  
assessing the present situation to determine the steps necessary to reach a desired future goal

**N**

**nepotism** | *favoritism shown to relatives and friends*  
a practice where people of influence appoint their relatives or friends to positions in a business, even though they may be less qualified than other candidates

**network** | *people or things that are connected*  
a group of people who connect with one another; a computer system that allows people to access shared resources and data

**NGO** | *non-governmental organization*  
any non-profit, voluntary and independent organization that is not connected with any government, and that usually works to improve social or environmental conditions

**Non-compete agreement** | *a contract which restricts an employee's ability to compete with their employer*  
a legal document which prevents an employee from starting a competing business or disclosing trade secrets for a specific period of time

**norms** | *standards, averages*  
a standard model or pattern which is considered typical

**O**

**offshoring** | *relocation of a business process to another country*  
transferring service or manufacturing operations to a foreign country where there is a supply of skilled, less costly labor

**on-boarding** | *training and orientation of new employees*  
the process of helping new employees learn the organization's policies, procedures, and culture in addition to their job responsibilities

**one-on-one** | *direct interaction between two people*  
person-to-person communication, such as a conversation between two employees

**on-the-job experience** | *skills and knowledge gained through work*  
the skills and knowledge a person learns from day-to-day work experience

**on-the-job training** | *receiving instruction while working*  
acquiring knowledge, practical skills, and competencies while engaged in daily work

**open sourcing** | *freely sharing*  
made available for others to use or modify

**org chart (see "organization chart")**

**organization chart** | *diagram showing reporting relationships*

a graphic representation of how authority and responsibility is distributed within a company; includes all work processes of the company

**organizational development** | *planned process to improve an organization*

planned process that uses the principles of behavioral science to improve the way an organization functions

**organizational structure** | *the grouping of employees and processes*

the way that employees and processes are grouped into departments or functions in an organization, along with a description of reporting relationships

**outplacement** | *process of helping an employee find a new job*

services that help an employee find a new job (for example, writing resumes, networking skills, and counseling)

**outsourcing** | *contracting or subcontracting non-core business activities*

transferring certain business functions outside of the organization so that the organization can focus on core activities (examples of outsourced functions include data processing, telemarketing, and manufacturing)

**outstanding** | *an unpaid debt*

money that a person or organization has borrowed but not yet paid back

**overhead** | *business operating expenses*

direct costs associated with operating a business, such as rent, salaries, benefits, equipment, technology, and so on

**overseas premium (see "mobility premium")**

**overtime** | *time worked in addition to regular paid work hours*

extra time worked beyond the normal hours of employment or the payment for extra time worked

**ownership interest** | *equity in a company*

owning part of a company or business

# P

**parent-country nationals** | *citizens of the headquarters country*

people who live and work abroad but are citizens of the country where an organization's headquarters is located

**pareto chart** | *chart that shows most frequently occurring items*

a vertical bar graph in which values are plotted in decreasing order of frequency, from left to right; often used in quality control

**parochialism** | *narrow interest or view*

a view of the world that does not consider other ways of living and working

**Partner program (see "mentoring")**

**passing score** | *minimum points required to pass a test*  
the number of correct answers required to pass a test

**pay for performance** | *salary based on merit or on meeting goals*  
a payment strategy where management links an employee's pay to desired results, behaviors, or goals

**pay range (see salary range)**

**peers** | *people equal to each other*  
people who are similar to one another in age, background, profession, or status

**per diem** | *daily expenses or reimbursements for an employee*  
the amount of money a person receives for working for one day, or the amount an organization allows an employee to spend on expenses each day (for example, meals and hotels on a business trip)

**performance appraisals** | *evaluations of employees*  
a method of measuring how effective employees are

**performance management** | *supervising employees*  
the process of setting goals, measuring progress, and rewarding or correcting performance for employees

**performance management system** | *process of creating a productive work environment*  
the process of helping people perform to the best of their abilities, which begins by defining a job, and ends when an employee leaves the organization

**performance review** | *formal evaluation of an employee's work activities*  
a documented discussion about an employee's development and performance that involves managers, HR, and the employee

**performance standards** | *expected behaviors and results from employees*  
the behaviors and results that management expects employees to achieve on the job

**performance-based pay** | *earnings based on merit or how well the employee meets goals*  
pay linked to how well the employee meets expectations; better performance results in more pay

**permanent assignment** | *regular or usual position*  
an employee's regular or usual job or position in a company

**perquisites (perks)** | *benefits and special treatment*  
special non-monetary privileges (such as a car or club membership) that come with senior job positions; also called executive perks or fringe benefits

**PEST analysis** | *method of gathering external data for organizational analysis*  
Political, Economical, Socio-political and Technological (PEST) data that is gathered and reviewed by organizations for planning purposes

**phantom stock arrangement** | *an employee incentive plan*  
a technique in which a company gives its employees the benefits that come with owning stock, including "dividends", but does not actually give them stock in the company

**piece rate** | *payment determined by the amount produced*  
a wage system in which the employee is paid for each unit of production at a fixed rate

**placement** | *placing applicants in jobs*  
finding suitable jobs for applicants

**planned absence** | *scheduled time away from work*  
missing work after asking permission in advance, such as for vacation or a medical appointment

**plateaued careers** | *no possibility for advancing in a career*  
inability of employees to advance further in the company due to mediocre performance or lack of opportunities

**policy** | *guide for making decisions*  
a method to help guide and make decisions

**political unrest** | *disturbance or turmoil about government issues*  
unrest, agitation, or turmoil about a government's actions or beliefs

**polycentric staffing orientation** | *hiring citizens of the local country*  
recruiting host country nationals to manage subsidiaries in their own country, and recruiting parent country nationals to fill management positions at headquarters

**power distance** | *the degree of hierarchy*  
a term Geert Hofstede uses in his cultural theory to describe hierarchical relationships between people in a culture. For example, high power distance means there are strong hierarchical relationships. Low power distance means greater equality and accessibility among the population

**predictive validity** | *relationship between a test score and a work task*  
the extent to which a score on a scale or test predicts future behavior

**premiums** | *incentives or payments*  
payments employees receive for meeting goals by a certain time; also, payments for insurance

**prescreen** | *to select before a more detailed selection process*  
To examine or interview before further selection processes occur in order to determine the best potential candidates

**prevailing wage** | *usual wage paid to workers in an area*  
the hourly wage, usual benefits, and overtime that most workers receive in a certain location

**primacy errors** | *incorrect assumptions or judgments*  
incorrect conclusions where the first impression of someone or something continues despite contradictory evidence

**process mapping (see "process-flow analysis")**

**process-flow analysis** | *method of assessing critical business functions*  
a diagram used to assess business processes; sometimes called "process mapping"

**proctor** | *the person overseeing an activity*

a person who monitors another person or activity (for example, someone who supervises an exam)

**product structure** | *a way of organizing a company*

a method of organizing a company in which the departments are grouped by product

**progress review** | *evaluation of an employee's performance*

formal or informal evaluation of an employee's progress toward goals and recommendations for improvements and development

**progressive discipline** | *method of improving employee performance*

a series of corrective actions aimed at an employee to resolve a problem or improve performance

**project management** | *planning and guiding processes*

a methodical approach to planning and guiding project processes from start to finish

**promotion** | *job advancement*

advancement of an employee's rank, usually with greater responsibility and more money

**proprietary** | *relating to an owner or ownership*

rights of property ownership relating to key information, materials or methods developed by an organization

**psychological contract** | *beliefs that influence the employee-employer relationship*

an unwritten agreement of the mutual beliefs, perceptions, and informal obligations between an employer and an employee, which influence how they interact

**purchase** | *buy*

buy or acquire something through payment or barter

Q

**quantification** | *counting and measuring*

giving a number to a measurement of something

R

**raise** | *salary increase*

an increase in salary that an employee receives, often for good performance

**range** | *the difference between the most and least*

the amount covered, or the amount of difference (for example, a "salary range" is the difference between the lowest and highest amount paid for a particular job)

**range penetration** | *an employee's pay compared to the total pay range*

an employee's pay compared to the total pay range for the same job function

**ranked performance** | *a method of evaluating employees*

rating employees from best to worst against each other according to a standard measurement system

**ransom** | *payment for the release of someone or something*

a demand for money or other goods in exchange for releasing a person or property

**reasonable accommodation** | *work adjustment for disabled employee*

changing the process of applying for a job or the work environment for a qualified person with a disability

**recency errors** | *inaccurate assessments based on recent behavior*

incorrect conclusions due to recent actions that are weighed more heavily than overall performance

**record retention schedule** | *a defined plan for keeping and disposing of documents*

a listing of key documents and the length of time that each is required by law to be stored or disposed of by the organization

**recruitment** | *process of identifying and hiring qualified people*

process of attracting, screening, and hiring qualified people for a job

**red flag** | *a warning signal*

an indicator of a problem, or something that calls for attention

**redeployment** | *moving employees from one location or task to another*

a change in an employee's location or task, often to reduce layoffs or to make the best use of employees

**reduce turnover** | *lower the number of unfilled positions*

to retain employees and lower the number of vacancies in a company

**reduction in force (RIF)** | *temporary or permanent layoffs*

loss of employment positions due to lack of funding or change in work requirements.

**redundancies** | *elimination of jobs*

elimination or reduction of jobs because of downsizing or outsourcing

**re-entry shock** | *culture shock upon repatriation*

the transition challenges that a person experiences when returning to his or her home country after living in another culture

**reference check** | *verification of a job applicant's employment history*

contact with a job applicant's past employers, or other references, to verify the applicant's job history, performance, and educational qualifications

**referral program** | *using employees to recruit applicants*

recruitment method that rewards employees for recommending candidates

**regiocentric staffing orientation** | *staffing policy for a particular geographic area*

focus on recruitment and hiring of employees within a particular region with opportunities for inter-regional transfers

**reimbursements** | compensation paid for money already spent

payments made for money already spent (for example, a company pays an employee for the cost of travel or supplies after the employee has spent his or her own money)

**reliability** | being dependable or consistent

having the same results after many tests

**relocation** | changing residence, moving employees

transferring employees to another location for work

**relocation services** | support provided to transferring employees

help given to relocating employees. Examples include pre-departure orientation, home-finding, tax and legal advice, and in-country assistance

**remuneration** | pay or salary

money paid for work, including wages, commissions, bonuses, overtime pay, and pay for holidays, vacations, and sickness

**remuneration surveys** | gathering information on salary and benefits

surveys that gather information on what other companies pay employees and what kind of benefits they provide

**repatriate** | to return to the country of origin

to return home from an international work assignment

**repatriation** | return to the home country

the return of an employee to the home country after living in another country (for example, an expatriate going home from an international assignment)

**replacement planning** | identifying employees to fill future vacancies

using past performance to identify employees who can fill future vacancies (unlike succession planning, which focuses on future potential)

**reprimand** | formal warning or scolding

a warning given to an employee who violates an organization's rules and may result in dismissal

**requisition (see "job requisition")**

**responsibility** | duty

a task that is part of an employee's job description

**restricted stock** | stock with rules about its transfer

stock with rules about when it can be sold (restricted stock is usually issued as part of a salary package, and has a time limit on when it can be fully transferred)

**retention** | keeping employees

methods of motivating employees to stay with the organization and making sure employees are satisfied and rewarded

**return on investment (ROI)** | a financial calculation to evaluate an investment  
performance measure used to evaluate the financial outcome of an investment

**reverse culture shock** | the emotional and physical impact of readjusting to one's home country  
the often unanticipated disorientation resulting from "re-entry" back into one's home culture after an expatriate assignment

**risk management** | assessing and preventing threats  
the process of analyzing potential threats and deciding how to prevent them

**role behavior** | personal conduct related to a position  
how a person acts as appropriate to a particular job function or position

**role play** | to act a part; a simulation  
to perform an action or attitude in a simulation in order to understand a different viewpoint

**rule of law** | a political system in which the law is supreme  
all citizens are subject to the laws of their country, no individual is above the law, and everyone must obey it

S

**S.M.A.R.T. goal setting** | process used to help achieve business success  
applying Specific, Measurable, Achievable, Relevant and Time-based goals to help a company achieve business success

**sabbatical leave** | paid time off for a pre-determined period  
a benefit provided by some organizations that allows eligible employees paid time off during a specific time period for study, rest, or travel

**salary mid-point** | the middle range paid for a certain job  
the amount of money between the highest and lowest amount paid for a particular job

**salary range** | wage band, pay scale, pay range, compensation rate  
The lowest and highest wages paid to employees who work in the same or similar jobs

**Sarbanes-Oxley Act** | a U.S. law that sets specific standards for public companies  
a broad range of legal regulations that strengthen corporate accounting controls in the U.S.

**scaled score** | an adjusted score  
a conversion of a raw score to a common scale that can be used for comparison

**scatter diagram** | a chart that shows relationships between variables  
a graph with a vertical and horizontal axis with dots at each data point. Also called a "scatter plot" or "dot chart."

**scatter plot (see "scatter diagram")**

**scored questions** | answers on exams that count toward the total score  
the total number of right and wrong questions on an exam (for example, pre-test questions do not count)

**screening tool** | an instrument used to assess an employee's suitability for a particular job  
an instrument used in employee selection to help assess job suitability. Examples include in-basket exercises, psychometric tests, and cultural adaptability inventories

**selection** | choosing employees  
method for choosing the best candidate for a job

**self-assessment** | evaluating one's own performance  
evaluation of one's own performance, abilities, and developmental needs

**separation rate** | the percentage of employees who leave their jobs  
the ratio of the number of employees who leave their jobs to the total number of employees in the organization

**service level agreement (SLA)** | a contract between a service provider and an organization  
a legal document that describes the specific work that a service provider will deliver to the organization for an agreed amount of money

**severance** | separation payment  
an additional payment (other than salary) given to an employee when employment termination occurs

**sexual harassment** | inappropriate sexual advances  
unwelcome verbal, visual, or physical conduct of a sexual nature that is offensive or inappropriate

**shared services** | business strategy to centralize administrative functions  
an operational approach where each country or unit uses administrative services from a central source rather than repeating these services in different locations (examples of services include finance, purchasing, inventory, payroll, hiring, and information technology)

**Sharia** | Islamic religious law  
the code of law from the Koran that regulates both civil and criminal justice as well as individual behaviors and morals

**short-term** | a brief period of time  
occurring over a brief time (for example, a short-term loan or a short-term assignment)

**short-term assignment** | a temporary job in another country  
a work assignment outside the home country that is usually less than 6 months long

**sick leave** | absence from work due to illness  
a specified number of days for paid time off due to illness, which is a required employment benefit in many countries

**situational interview** | technique for assessing a job candidate's problem-solving skills  
a method of assessing a job candidate's skills by asking them how they would respond to specific work-related issues and problems

**six sigma** | business management strategy  
a strategy to improve current business processes by continuously reviewing and revising them

**skills inventory** | a summary of abilities and qualifications of employees

a listing of the capabilities, experience and goals of current employees as a tool for meeting the organization's human resource goals and objectives

**social media** | technology that helps people connect

technology that lets people communicate over the Internet to share information and resources (for examples, Twitter, Facebook, LinkedIn, and podcasts)

**social network** | group of people with similar interests

a group of people who interact because they have a common interest. The group communicates either in-person or using technology (for example, Facebook or Twitter)

**social responsibility** | an ethical theory that guides organizations to consider the welfare of society

an organization's voluntary obligation toward the good of the environment in which it operates

**sourcing** | finding qualified people for a job

identifying candidates who are qualified to do a job by using pro-active recruiting techniques

**span of control** | the number of employees a manager supervises

the number of employees who report to one manager in an organization. The more people that a manager supervises, the wider the span of control

**split payroll** | a method of paying expatriates

a method of paying expatriates that gives part of their salary in the currency of the home country and part of their salary in the currency of the host country

**staff units** | people who support line management

work groups that support the major business of an organization with activities such as accounting, customer service, maintenance, and personnel

**staffing** | hiring and firing employees

the act of selecting, hiring, and training people for specific jobs, as well as reducing the workforce when needed

**staffing system** | the way in which an organization manages its employees

the processes and technology used to create human resource efficiencies for employee management

**stakeholder** | an interest-holder in an organization

a person, group, or organization that has a direct or indirect interest in the organization (for example, owners, investors, employees, suppliers, unions, or the community)

**start-up** | a new business venture

a company or business that recently began operating and is in an early phase of development

**statutory benefit** | employee benefits that are required by law

employee benefits mandated by federal or local laws, such as social insurance and unemployment insurance

**stay interview** | a method of determining why employees remain with the organization

a retention strategy that helps organizations understand why their employees remain with the organization and how they can motivate them to continue their employment

**stereotype** | *fixed opinion or belief*

an oversimplified opinion, image, or attitude that people from a particular group are all the same

**stock option** | *an employee's right to buy or sell shares in their company*

a benefit which gives employees the right to buy or sell stock in their company at a certain price for a specific period of time

**strategic alliance** | *an agreement to cooperate between two organizations*

an arrangement between 2 organizations to pursue common goals and share resources. Unlike a joint venture, the organizations do not form a new legal entity

**strategic partnership** | *an association based upon common objectives*

a mutually beneficial relationship based upon the common goals of people or organizations

**strategic planning** | *process of defining the organization's future direction*

the process of defining a company's direction for the future in 4 stages: analysis, development, implementation, and evaluation

**strategy** | plan of action

a plan of action that starts with examining the current state of an organization and then deciding how to achieve the best state for the organization's future

**stretch objectives** | *goals that require maximum effort*

setting personal or business targets that require extra effort to achieve

**structured interview** | *a method used to standardize an interview*

interview approach whereby each interviewer asks a candidate exactly the same questions in exactly the same order.

**subsidiary** | *a company that is controlled by another company*

a company whose voting stock is more than 50% owned by another company. The company with the majority interest is called the "parent company"

**substance abuse** | *excessive use of drugs, alcohol or other addictions*

use of habit forming drugs or substances which impair behavior

**succession planning** | *determining and preparing for future talent needs*

identifying and developing high-potential employees for the organization's future success

**supervisor** | *a person in charge of other employees*

someone who oversees employees in a department or business unit to assign tasks and make sure work is completed

**supply chain management (SCM)** | *the steps taken from initial planning through customer support*

process of planning, implementing, and controlling operations, which begins with acquiring raw materials and continues to customer delivery and support

**sustainability** | *the capacity to endure over time*

the capacity to stay, hold or maintain something, such as a concept, economy, geography, environment, and so on

**SWOT analysis** | *strategic planning method*

a strategic planning technique used to assess the internal and external environment in which a company operates, its strengths and weaknesses (internal), and opportunities and threats (external)

**synchronous learning** | *online teaching method*

type of e-learning in which participants interact without a time delay, which requires them to attend at specific times

# T

**talent management** | *an approach to attract, develop, and keep skilled employees*

the process of recruiting, integrating, and developing new workers, developing and keeping current workers, and attracting skilled workers

**talent pool** | *group of available skilled workers*

a group of available skilled workers, or database of resumes, that a company can use to recruit in a particular location

**targeted selection** | *evaluation of a candidate's abilities based on their past behavior*

an assessment of job-related behavior from the candidate's previous employment to predict future performance

**tax bill** | *amount of money owed for taxes*

a document which lists the tax money owed to a government or legal body

**tax equalization** | *a policy ensuring that the expatriate assignment is tax-neutral*

a policy that makes sure that expatriates' combined home and host taxes are no more than they would have paid if they remained in their home country. The expatriate's company pays for any additional taxes

**tax protection (see "tax equalization")**

**telecommuting** | *working from home via computer*

a flexible work arrangement which allows part or full time employees to work at home via a computer

**tenure** | *a permanent position*

holding a permanent job or position without the need for periodic contract renewals

**territorial rule** | *a tax law*

a rule that employees must follow the tax laws of the country where they are working

**testing vendor** | *a company that provides sites for exams*

an organization that provides locations for people to take exams on certain dates

**third country national (TCN)** | *an expatriate who works for a company that is foreign in the host country*

an expatriate who works for a foreign company that is located in the host country (for example, a French person working in China for a German company)

**third party** | *a term describing those who are not directly involved in a transaction*  
a person or group in addition to those who are directly involved, such as a company that supplies outsourced services to an organization

**time-to-fill** | *average time to hire people for job vacancies*  
the average number of days that a certain job position remains open

**total compensation** | *complete pay package*  
an employee's complete pay package, including cash, benefits, and services

**total quality management (TQM)** | *continuous improvement*  
a method for improving the organization by continuously changing its practices, structures, and systems

**total rewards** | *all the tools available for attracting, motivating, and keeping employees*  
financial and non-financial benefits that the employee sees as valuable

**totalization agreement** | *arrangement to avoid double social taxes of expatriates*  
an agreement between countries that says an expatriate only needs to pay social taxes to the country in which he or she is working

**trade union (see "labor union")**

**trainee** | *a person learning skills for a certain job*  
a person who is learning and practicing the necessary skills for a particular job

**training method** | *a way of helping people learn*  
a way of communicating skills and knowledge (for examples, classroom training, distance learning, online training, and on-the-job-training)

**transfer of learning** | *sharing knowledge and information from one person or place to another*  
the continuous exchange of information, knowledge, and skills from one context to another

**translation** | *interpreting text from one language to another*  
changing a message from one language to another while keeping the meaning

**transnational corporation (TNC)** | *organization that operates globally; multinational enterprise*  
an organization whose operations, production, or service processes take place in more than one country, and are interconnected

**trend analysis** | *a review of historical data to predict future outcomes*  
gathering information from the past to identify patterns which will help predict future outcomes

**tuition reimbursement** | *payment for an employee's school fees*  
a benefit whereby the employer provides full or partial payment for educational courses completed by employees

**turnkey operation** | *a business that is ready to operate*  
business that includes everything needed to start operating in a certain location

**turnover (see "employee turnover")**

# U

**uncertainty avoidance** | the degree of tolerance for risk and preference for clarity

one of Geert Hofstede's cultural dimensions which describes the degree to which cultures accept ambiguity and risk. For example, in cultures with high uncertainty avoidance, people prefer clear, formal rules. In cultures with low uncertainty avoidance, people are comfortable with flexible rules

**up-front** | paid or due in advance

paid in advance, or invested as beginning capital

**user interface** | software that allows people and machines to share information

software that allows a human and a computer to share information

# V

**validate** | to make legal; to show the accuracy of a test

to formalize an agreement; in testing, to confirm the accuracy

**validity** | reliability; true evaluation

the extent to which something is accurate (for example, the extent to which an exam actually measures what it claims to measure)

**value added** | enhancement of a product or service

products or services that are worth more because they have been improved or had something added to them.

**value chain** | model of how businesses create value

model of how businesses receive raw materials, add value to the raw materials, and sell finished products to customers

**value proposition** | the benefits of a product or service

the unique benefits, costs, and value that a business delivers to its customers

**values** | beliefs of a person or social group

the lasting beliefs of members of a culture about what is good or desirable and what is not

**variable pay plan** | compensation that is less predictable than standard base pay

profit-sharing, incentives, bonuses or commissions that align compensation with performance

**vendor/supplier** | service provider, seller

a person or company that sells services and/or products, such as a recruiting firm, financial consultant, or relocation company

**vicarious liability** | responsibility for someone else's acts

a legal doctrine that makes a person liable for the negligence or crimes of another person

**virtual team** | people who work together in different locations or time zones

a group of people who work in different times, locations, or organizations, who communicate using technology

**vision statement** | *declaration of what an organization wants to become*  
a written statement which clarifies what the organization wants to be in the future

**voluntary benefits** | *programs offered to and paid by employees*  
extra benefits or discounted services offered to employees with little extra cost to the employer.  
Examples include additional life insurance, gym memberships, and concierge services

W

**wage band** | *Salary range, pay scale, compensation rate*  
The lowest and highest wages paid to employees who work in the same or similar jobs

**webinar** | *meetings, training, or presentations on the Internet*  
an interactive seminar on the Internet (usually a live presentation)

**weighting pattern** | *statistical term used in assessing frequency*  
term used in statistics to show the frequency of different choices

**well being** | *a state of good health, happiness, and prosperity*  
a positive lifestyle which includes good health, enjoyable recreation and leisure time, and social belonging

**wellness program** | *services to help employees be healthy*  
services to improve and maintain the health of employees

**work unit** | *smallest work group in a company*  
a business function that produces one product or focuses on a single area

**workers compensation claim** | *an application for payment due to a work-related injury*  
a document that an employee files asking for wage replacement for missed work  
and medical benefits due to injuries suffered on the job

**workforce** | *workers, employees*  
the people working for a single company, industry, or a geographic region

**workforce analytics** | *metrics used in HR strategic planning*  
metrics used to determine the effectiveness of HR functions, such as turnover rates,  
organizational culture, and succession planning

**workforce planning** | *analyzing the type and number of employees*  
identifying and analyzing what an organization needs to achieve its goals,  
in terms of the size, type, and quality of its employees

**workforce rotation** | *moving employees when work requirements change*  
the regular movement of employees from one function, time, or place to another, as needed

**work-life balance** | *The time allocated to the work and the personal parts of one's life*  
the ability to effectively manage time at work with the time spent on leisure or with family members

**work-life balance programs** | *support for the employee's job and personal well-being*  
services to support the well-being of employees and to help them balance their jobs, families, and personal lives

**workplace** | *a place where people work*  
a place, such as an office or factory, where people work

**works councils** | *groups that represent employees*  
organizations that function like trade unions and represent the rights of workers. Works councils are most common in Europe and the UK

Z

**zero-based budgeting** | *an approach to financial planning and decision-making*  
a budgeting process that requires that every budget item is approved instead of only budget changes being approved. No reference is made to previous budget expenditures



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