HR Terminology

360 Survey: An employee feedback program whereby an employee is rated by surveys distributed to his or her co-workers, customers, and managers. HR departments may use this feedback to help develop an individual’s skill or they may integrate it into performance management programs.

401(k) Plan: An employer-sponsored retirement plan that has become an expected benefit and is therefore important in attracting and retaining employees. A 401(k) plan allows employees to defer taxes as they save for retirement by placing before-tax dollars directly into an investment account. Employers also contribute to the plan tax-free, for instance by matching contributions. Some plans enable employees to direct their own investments. These plans can be expensive and complex to manage. It is common for companies to outsource all or part of their plan.

Abandonment Rates: A measurement of the number of job applicants that start but do not finish completing a job application on a company’s ATS (applicant tracking system). When job-seekers start the process and then drop out, that’s a failure for the employer.

Absenteeism Policy: A policy about attendance requirements, scheduled and unscheduled time off, and measures for dealing with workplace absenteeism. Repeated absenteeism can lead to termination.

- **Scheduled time off:** Excused absences from regular work hours scheduled in advance by an employee for such things as vacation, medical appointments, military service, jury duty, etc.
- **Unscheduled time off:** Absence from work during regular work hours that was not scheduled in advance by the employee (e.g. sickness). Absences are generally accepted and sometimes compensated if their frequency and rationale fall within an organization’s attendance policy.

Administrative Services Only (ASO): The hiring of a firm (usually a health care vendor) to handle certain administrative tasks. The firm does not assume any risk but merely carries out the specialized functions that the employer cannot or does not want to do. For example, an employer funds its own dental insurance claim payments but pays the ASO firm to process the claims.

Accessibility: The extent to which a contractor’s or employer’s facility is readily approachable and does not inhibit the mobility of individuals with disabilities, particularly such areas as the personnel office, worksite and public areas.

Affirmative Action: Proactive policies aimed at increasing the employment opportunities of certain groups (typically, minority men and/or women of all racial
groups). Title 5, Section 503 of the Rehabilitation Act requires that affirmative action be taken in employment of persons with disabilities by Federal contractors. Affirmative action was designed to rectify past discrimination but has been controversial since its inception.

**Affirmative Action Plan (AAP):** A written set of specific, results-oriented procedures to be followed. Intended to remedy the effects of past discrimination against or underutilization of women and minorities. The effectiveness of the plan is measured by the results it actually achieves rather than by the results intended and by the good faith efforts undertaken.

**Ageism:** Prejudice or discrimination on the basis of a person’s age. It is against the law to discriminate against anyone in the workplace because of their actual or assumed age.

**Agent (Insurance):** An employee who sells the products owned by the company, in contrast to a broker, who sells the insurance products of several companies. See Broker.

**Agile Organization:** Also known as agile manufacturing, this is a term applied to an organization that has created the processes, tools, and training to enable it to respond quickly to customer needs and market changes while still controlling costs and quality.

**Algorithmic Accountability:** the belief that companies should be held responsible for the results of their programmed algorithms. A related term is algorithmic transparency which suggests that companies be open about the purpose, structure and underlying actions of the algorithms used to search for, process and deliver information.

**Alternate Dispute Resolution (ADR):** An informal process to resolve disputes. Involved parties meet with a trained third party who assists in resolving the problem by arbitration, mediation, judicial settlement conferences, conciliation or other methods. Though usually voluntary, ADR is sometimes mandated by a judge as a first step before going to court.

**Americans With Disabilities Act (ADA):** Title I of the Americans with Disabilities Act of 1990 is part of a federal law that prohibits discrimination against someone with a disability, defined as “a physical or mental impairment that substantially limits a major life activity.” Disability is decided on a case-by-case basis and does not include conditions such as substance abuse. This law applies to the whole employment cycle, from application through advancement and termination.

**Artificial Intelligence:** The branch of computer science concerned with making computers behave like humans. Artificial intelligence is much feted but its talents boil down to a superhuman ability to spot patterns in large volumes of data. In an HR setting artificial intelligence may be helpful to remove biases in decision making.
Application Service Provider (ASP): Other common terms are SaaS (software as a service), on-demand or Web-based services. A business that provides computer-based services to customers over a network, as opposed to installing the software on a company server (hosted). This is a cost-effective solution for small and medium-sized businesses, who may find it hard to keep up with the increasing costs of specialized software, distribution and upgrades. Smaller, periodic payments replace one-time lump sum pricing. The ASP can be accessed from any location via the Internet. HRmarketer.com is an example.

Applicant Tracking System (ATS): A software application that began as a way to electronically handle recruitment needs but has since expanded to the entire employment life cycle. Onboarding, training and succession planning capabilities now exist, for example. An ATS can be implemented on an enterprise level or small business level, depending on the size and needs of the company. Applicant Tracking Systems may also be referred to as Talent Management Systems. An ATS saves time and increases efficiency and compliance for those tasked with managing human capital.

Attrition: A gradual voluntary reduction of employees (through resignation and retirement) who are not then replaced, decreasing the size of the workforce.

Background Screening / Pre-employment Screening: Testing to ensure that employers are hiring qualified and honest employees and that a prospective employee is capable of performing the functions required by the job. The screening can involve criminal background checks, verification of Social Security numbers, past addresses, age or year of birth, corporate affiliations, bankruptcies, liens, drug screening, skills assessment and behavioral assessments. If an employer outsources pre-employment screening, the federal Fair Credit Reporting Act requires that there must be a consent and disclosure form separate from an employment application.

Base Wage Rate (or base rate): The monthly salary or hourly wage paid for a job, irrespective of benefits, bonuses or overtime.

Balanced Scorecard: A strategic planning and management system that is used to tie business activities to the vision and strategy of the organization, improve internal and external communications, and monitor performance against goals. Developed in the early 1990’s by Drs. Robert Kaplan and David Norton, the balanced scorecard measure four areas of business: internal business processes, financial performance, customer knowledge, and learning and growth.

Ban the Box: Refers to the box to be checked on a job application asking if an applicant has a criminal record. Depending on legislation, which varies by jurisdiction, employers may need to remove questions about criminal history from the initial job application.
**Benchmark Job**: A job commonly found in the workforce for which pay and other relevant data are readily available. Benchmark jobs are used to make pay comparisons and job evaluations.

**Benchmarking**: A technique using specific standards to make comparisons between different organizations or different segments of the organizations, with the intent of improving a product or service.

**Benefits Administration**: Software that helps companies manage and track employee participation in benefits programs such as healthcare, flexible spending accounts, pension plans, etc. This software helps automate and streamline the complex and otherwise time-consuming tasks of benefits administration.

**Behaviorally Anchored Rating Scale (BARS)**: An appraisal that requires raters to list important dimensions of a particular job and collect information regarding the critical behaviors that distinguishes between successful and unsuccessful performance. These critical behaviors are then categorized and appointed a numerical value used as the basis for rating performance.

**Behavioral-Based Interview**: An interview technique used to determine whether a candidate is qualified for a position based on their past behavior. The interviewer asks the candidate for specific examples from past work experience when certain behaviors were exhibited.

**Behavioral Competency**: The behavior qualities and character traits of a person. These act as markers that can predict how successful a person will be at the position he/she is applying for. Employers should determine in advance what behavioral competencies fit the position and create interview questions to find out if the candidate possesses them.

**Behavioral Risk Management**: The process of analyzing and identifying workplace behavioral issues and implementing programs, policies or services most suitable for correcting or eliminating various employee behavioral problems.

**Benefits (benefits package)**: Benefits are a form of compensation paid by employers to employees over and above the amount of pay specified as a base salary or hourly rate of pay. Benefits are a portion of a total compensation package for employees.

**Bereavement Leave**: Paid or unpaid time off following the death of an employee’s relative or friend. This time, generally ranging from one to three days, is given so that the employee can make arrangements, attend the funeral and attend to other matters related to the deceased. Many organizations are flexible in terms of how much time an employee takes off.

**Big Data**: The process of analyzing very large, often independent, data sets to reveal patterns, trends, and associations – especially relating to human behavior.
and interactions. This in turn can help employers with data driven decision-making.

**Blended workforce:** A workforce is comprised of permanent full-time, part-time, temporary employees and independent contractors.

**Blind Engagement:** A term coined by HRmarketer founder Mark Willaman, refers to the automation of communications on social media. Social marketing software has made it easy for brands to share content and engage on social. The unintended side effect is the over reliance of social automation including automating thank you’s, shares and even follows – all examples of blind engagement which have the potential to hurt brand reputation.

**Blog:** A Web log written for and posted to the Internet using such software as www.blogger.com. Readers access the blog through the Web (e.g., http://hrmarketer.blogspot.com/) or subscribe to the blog’s RSS (Really Simple Syndication) feed and receive alerts when there is a new posting. Blogs are becoming increasingly important to HR suppliers in order to increase their company’s visibility, communicate with customers, and promote their products or services to establish themselves as thought leaders.

**Branding:** Promoting a product or service by identifying and then marketing its key differentiators from competitors. The differentiator/s often inspire the name, phrase or logo for which the product or service becomes known.

**Broadbanding:** A pay structure that exchanges a large number of narrow salary ranges for a smaller number of broader salary ranges. This type of pay structure encourages the development of broad employee skills and growth while reducing the opportunity for promotion.

**Broker:** An individual who acts as an agent for a buyer and a seller and charges a commission for his/her services. An example of a large brokerage firm is Marsh. An example of a state firm is ABD in California.

**Bullying (workplace bullying):** According to the Workplace Bullying and Trauma Institute workplace bullying is “repeated, health-harming mistreatment, verbal abuse, or conduct which is threatening, humiliating, intimidating, or sabotage that interferes with work, or some combination of the three.”

**Bumping:** Giving long-standing employees whose positions are to be eliminated the option of taking other positions within the company that they are qualified for and that are currently held by employees with less seniority.

**Business continuity planning:** Broadly defined as a management process that seeks to identify potential threats and impacts to the organization, and provide a strategic and operational framework for ensuring the organization is able to withstand any disruption, interruption, or loss to normal business functions or operation.
Business Process Outsourcing (BPO): The managing of an organization's business applications by a technology vendor.

Buzz Marketing: A viral marketing technique that attempts to make each encounter with a “prospect” appear to be a personal, spontaneous interaction instead of an obvious marketing pitch. For example, the advertiser reveals information about their new product to a few opinion leaders within their target audience. In theory, these opinion leaders then talk about your product with their peers, thus beginning a word-of-mouth campaign where other buyers are flattered to be included in the group of those “in the know”. A typical buzz marketing campaigns is initiated in chat rooms, where marketing representatives assume an identity appropriate to their target audience and pitch their product. Blogs are another popular media for buzz marketing.

BYOD (bring your own device): A term used to describe the growing trend of employees-owned devices within a business such as smartphones tablets, laptops and other devices. Many employers have policies that govern the use of employee-owned devices in the workplace.

Cafeteria Plan: A plan in which an employer offers employees a variety of different benefits. The employee is able to choose which benefits would fit their individual needs. Examples of benefits offered in the cafeteria include group-term life insurance, dental insurance, disability and accident insurance, and reimbursement of healthcare expenses.

Candidate Experience: A job seeker’s feelings about an organization’s job application process. Applicant attitudes and behaviors are important for a number of reasons and can impact abandonment rates (the number of people that start but do not finish completing a job application on the company’s applicant tracking system) and employer branding attitudes (an organization’s reputation as an employer).

Candidate Relationship Marketing (CRM): software that helps recruiters manage and communicate with large number of job candidates (organize, automate, synchronize job candidate attraction). While an Applicant Tracking Software (ATS) serves applicants, CRM software serves job seekers and candidates. The term CRM is derived from Customer Relationship Management (CRM), software that helps marketing and sales departments manage and automate customer and prospect data, interactions, etc.

CAN-SPAM Act (Controlling the Assault of Non-Solicited Pornography and Marketing Act): Congressional legislation that regulates commercial emails (i.e. commercial advertisement or promotion) and sets clearly defined opt-out standards. Any billing, warranties, product updates or customer service
information is not included in this act. E-mail newsletters that are not considered advertisements are also exempt.

**Capitated Pricing**: Vendors deliver contracted services for a set amount of money per employee per month. This can be a risky strategy for vendors whose profitability is directly tied to how much the services are or are not used (e.g., EAPs).

**Career Pathing**: The process whereby an employee charts a course within an organization for his or her career path, growth and development.

**Carrier**: A vendor in the employee benefits space. More commonly used in reference to health care. Carriers (e.g., Met Life, Blue Cross, Aetna, etc.) sell their products through Brokers & Consultants, but may also sell to an employer directly.

**Carve-Out**: The elimination of coverage of a specific category of benefit services (e.g. vision care, mental health/psychological services, or prescription drugs). The employer opts out of certain services with one vendor and contracts another to deliver them.

**Casual Employment**: The practice of hiring employees on an as-needed basis, either as a replacement for permanent full-time employees who are out on short and long-term absences or to meet employer’s additional staffing needs during peak business periods.

**Change Management**: A deliberate approach for transitioning individuals or organizations from one state to another in order to manage and monitor the change. Change management can be conducted on a continuous basis, on a regular schedule (such as an annual review), or when deemed necessary on a program-by-program basis.

**Chatbots (Bots)**: A bot (short for robot) is an application that runs a series of automated scripts, designed to simulate conversation with human users – e.g., to screen or interact with job applicants, answer employee’s benefits questions, etc.

**Coaching**: A method of training an individual or group in order to develop skills or overcome a performance problem. Coaching can be between a manager and a subordinate or an outside professional coach and one or more individuals. There are many coaching methods and models, but close observation, accountability and feedback on progress and performance are usually included.

**Cloud Computing**: Storing and accessing data and programs over the Internet instead of your computer’s hard drive.

**COBRA**: Consolidated Omnibus Budget Reconciliation Act. 1985 Federal law that requires employers to offer continued health insurance coverage to terminated employees and their beneficiaries. The coverage may continue for the following
cases: termination of employment, change in working hours, change in dependent status or age limitation, separation, divorce, or death.

**Co-Employment:** The relationship between a Professional Employer Organization (PEO), or employee leasing firm and an employer, based on a contractual sharing of liability and responsibility for employees.

**Cognitive Ability Testing:** A testing instrument used during the selection process in order to measure the candidate’s learning and reasoning abilities.

**Cognitive Computing:** In general, the term refers to how software can mimic the functioning of the human brain to help improve decision-making. In HR, cognitive computing refers to a host of self-learning systems that in theory, can use data mining, pattern recognition and natural language processing to help organizations automate HR processes/systems and improve talent related decision making – e.g., tools that ‘predict’ high potential job candidates.

**Collective Bargaining:** One or more unions meeting with representatives from an organization to negotiate labor contracts.

**Compensation:** Pay structures within an organization. It can be linked to employee appraisal. Compensation is effectively managed if performance is measured adequately.

**Compensatory Time-Off plan:** The practice of giving employees paid time off that can be used in the future in lieu of paying them overtime for hours worked in excess of 40 per week. While an acceptable practice in the public sector, the FLSA places very strict limitations on the use of compensatory time off for private sector employers.

**Competency-Based Pay:** Competency-based pay, alternately known as skill-based and knowledge-based pay, determines compensation by the type, breadth and depth of skills that employees gain and use in their positions.

**Competency Modeling:** A set of descriptions that identify the skills, knowledge, and behaviors needed to effectively perform in an organization. Competency models assist in clarifying job and work expectations, maximizing productivity, and aligning behavior with organizational strategy.

**Competitive Advantage:** In the context of Human Resources, competitive advantage refers to the quality of the employees, as a competing organization’s systems and processes can be copied but not its people. All other things being equal among competing companies, it is the company with better employees that has the competitive advantage.

**Condition of Employment:** An organization’s policies and work rules that employees are expected to abide by in order to remain continuously employed.
Confidentiality Agreement: An agreement between an employer and employee in which the employee may not disclose proprietary or confidential information.

Constructive dismissal: An employer’s behavior (either one serious incident or a pattern of incidents) creates a negative work environment, leading to an employee’s resigning. Such behavior is considered a breach of contract and gives the employee the right to seek compensation in court.

Consultants: An outside individual who supplies professional advice or services to companies for a fee. Large HR consulting firms include Aon, Mercer, Hewitt and Watson Wyatt. Large HR consulting firms typically work with companies who have more than 1,500 employees.

Contingency Recruiting (Search): Contingency recruiters conduct frontline talent searches and represent either employers or individuals seeking placement. Contingency firms are not paid unless a candidate is successfully placed.

Contingent Staff: Temporary staff that supplements a company's workforce. Contingent staff may be hired through a staffing firm. Businesses that have fluctuating seasonal staff demands or are in need of temporary call center representatives often use contingent workers.

Contract for services: An agreement with a self-employed person for a specific job.

Contract of service: Another term for employment agreement.

Conversion Rate: A conversion rate is defined as the relationship between visitors to a website and actions considered to be a 'conversion', such as a sale or request to receive more information. A 2006 study by WebSideStory showed the following conversion stats for these major search engines: AOL traffic 6.17%, MSN traffic 6.03%, Yahoo traffic 4.07% and Google traffic 3.83%. Search optimization (SEO) is far less expensive than an aggressive paid search campaign and gets you the same amount of traffic. Plus, the effects are longer lasting, and conversions are frequently in the same range (or even higher) than paid ads on engines.

Core competencies: The particular set of strengths, experience, knowledge and abilities that differentiate a company from its competitors and provide competitive advantage. Employees should possess these qualities in order to advance business goals.

Cost-Benefit Analysis: The ability to measure the costs associated with a specific program, project, or benefit. The cost is then compared to the total benefit or value derived.

Cost-Per-Hire: The costs linked to recruiting talent. These costs can include advertising, agency fees, relocation costs, and training costs.
Crowdsourcing: Obtaining services or contributions from a large independent group of people (usually from an online community) rather than from traditional employees or suppliers.

Data Breach: An incident in which sensitive, protected or confidential data has been viewed, stolen or used by an individual unauthorized to do so.

Deep Learning: An artificial intelligence function that imitates the workings of the human brain in processing data and creating patterns for use in decision making. Essentially, teaching computers to process information more like humans do.

Deferred compensation: Payment for services under any employer-sponsored plan or arrangement that allows an employee (for tax-related purposes) to defer income to the future.

Defined Benefit Plan: A retirement plan that pays participants a lump-sum amount that has been calculated using formulas that can include age, earnings and length of service.

Defined Contribution: A pension plan that clearly defines the amount of contributions, which is usually a percentage of an employee's salary. The benefits payable at retirement depend on several factors including future investment return and annuity rate at retirement.

Deregulation: The removal or revision of laws that regulate the supply of goods and services.

Direct Marketing: Direct marketing is a sales method by which advertisers approach buyers directly with products or services. The most common forms of direct marketing are telephone sales, emails and print (e.g., catalogs, brochures). Successful direct marketing also involves renting or compiling / maintaining a database of qualified buyers. According to the Direct Marketing Association, average response rates for print direct mail (flat mail) are 2.73%, catalogs are 2.45% and E-mail is 1.12%. HRmarketer.com research shows emails that offer a compelling “offer” in the form of a free downloadable white paper or research report (on a topic that resonates with your buyer) are significantly more likely to generate a response than promotional offers. In all industries, marketers are shifting their spending from brand building tactics like print advertising to direct response-oriented promotional channels such as direct marketing and interactive marketing (online advertising). The HRmarketer.com research report Trends in HR Marketing (https://www.hrmarketer.com/home/whitepaper_main2.htm) verifies this trend in the HR marketplace.

Developmental counseling: A form of shared counseling where managers or supervisors work together with subordinates to identify strengths and weaknesses,
resolve performance-related problems and determine and create an appropriate action plan.

**Disability**: The inability to perform all or part of one’s occupational duties because of an accident or illness. This can be due to a sickness, injury or mental condition and does not necessarily have to have been caused by the job itself.

**Disability Income Insurance**: Health insurance that is paid to a policyholder who experiences a loss of income due to an injury or an illness. Disability insurance plans pay a portion of the salary of a disabled worker until his/her retirement age.

**Disciplinary procedure**: A standardized process that an organization commits to when dealing with an employee who has breached the terms of employment in some way. If this procedure is not standardized and fair, the organization may face discrimination or other legal charges.

**Discrimination**: The favoring of one group of people, resulting in unfair treatment of other groups.

**Disease Management**: An information-based process involving the continuous improvement of care (prevention, treatment and management) throughout the delivery of health care. Effective disease management can mean decreased health care costs.

**Distance Learning**: Educational programs using instruction via video or audio tapes, computers etc. instead of attending a class in one centralized location.

**Distributive bargaining**: A negotiation between competing parties that involves the distribution of resources. One party prevails, to the detriment of the other.

**Diversity**: The collective mixture of differences and similarities that may include: individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences and behaviors.

**Diversity Training**: Diversity training is training for the purpose of increasing participants’ cultural awareness, knowledge, and skills, which is based on the assumption that the training will benefit an organization by protecting against civil rights violations, increasing the inclusion of different identity groups, and promoting better teamwork.

**Dual Labor Markets**: a situation in an organization where a smaller Core Labor Force and a Peripheral Labor Force co-exist.

**Due diligence**: In mergers and acquisitions, the process of carefully investigating the details of an investment or purchase to assess risk and potential value and reward.
**E**

**EAP**: An employer-sponsored program that is designed to assist employees whose job performance is being adversely affected by such personal stresses as substance abuse, addictions, marital problems, family troubles, and domestic violence. For every dollar invested in an EAP, employers save approximately $5 to $16. The average annual cost for an EAP ranges from $12 to $20 per employee. Source: US Department of Labor.

**Early Return to Work program**: Modified work programs designed to get employees who have been out of work due to injury or illness to return to the workforce sooner by providing them with less strenuous alternative jobs until they are able to resume their full regular duties.

**E-Recruitment**: Web-based software that handles the various processes included in recruiting and onboarding job candidates. These may include workforce planning, requisitioning, candidate acquisition, applicant tracking and reporting (regulatory or company analytics).

**E-Learning**: E-learning is a method of education via the Internet or other computer related resources. It presents just-in-time information in a flexible learning plan. E-learning can be combined with face-to-face courses for a blended learning approach.

**Emotional Intelligence**: Based on the book of the same name by Daniel Goleman, Emotional Intelligence is the ability to recognize, assess and manage their own and others’ emotions.

**Employee Advocacy | Employer Advocacy**: An employer branding tactic involving the promotion of an organization by its staff members – often times through the use of employee generated content (EGC). While social media is often the main promotional medium, other promotional tools include include email, chat, forums and discussion boards.

**Employee Assessments**: Tests used to help employers in pre-hire situations to select candidates best suited for open positions. These tests can sometimes be taken via the Internet and can provide employees with effective training, assist managers in becoming more effective, and promote people into appropriate positions. Types of assessments include those to determine personality, aptitude and skills.

**Employee Engagement**: Employee engagement, also called worker engagement, is a business management concept. An “engaged employee” is one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers their organization’s interests.
**Employee Relations**: Developing, maintaining, and improving the relationship between employer and employee by effectively and proactively communicating with employees, processing grievances/disputes, etc.

**Employee Retention**: Practices and policies designed to create a work environment that makes employees want to stay with the organization, thus reducing turnover.

**Employee Self-Service**: A program that allows employees to handle many job-related tasks normally conducted by HR departments including benefits enrollment, and updating personal information. Employees can access the information through the company’s intranet, kiosks, or other Web-based applications.

**Employer Branding**: A strategy designed to make an organization appealing as a good place to work. This targeted marketing effort utilizes both print and Internet tactics and attempts to shape the perceptions of potential employees, current employees and the public / investment community.

**Employer Value Proposition (EVP)**: The core document for employer branding initiatives. A unique set of offerings, associations and values to positively influence target candidates and employees. Essentially, it is why an employee would want to work at a company. An effective EVP benefits recruiting, employee engagement and retention and can reduce the need to pay a wage premium for top talent. The EVP takes its name from the marketing term 'Unique Value Proposition,” a statement that describes the benefit of a product.

**Empowerment**: Giving employees the resources, skills and authority necessary to share power with management and make decisions. Employees are then held accountable for their decisions and rewarded if appropriate.

**Enterprise Compensation Management (ECM)**: The automation of the compensation process to assist organizations in the acquisition, management and optimization of its workforce.

**ERISA (Employment Retirement Income Security Act)**: A federal law that governs pension and welfare employee benefit plans. ERISA requires plans to provide participants with plan information including plan features and funding. It also requires that plans provide fiduciary responsibilities for those who manage and control assets. It gives participants the right to sue for benefits and breaches of fiduciary duty.

**ERP**: Short for enterprise resource planning, a business management system that integrates all facets of the business, including manufacturing, sales, marketing, finance and human resources. This is slightly different than best-of-breed HRIS applications and the industry continues to debate the merits of one versus the other. With the growing popularity of web-based applications (ease of use, lower costs) ERP seems to be losing out, especially in the mid-market.
Equal employment opportunity (EEO): A policy statement enforced by the Equal Employment Opportunity Commission that states that equal consideration for a job is applicable to all individuals, and that the employer does not discriminate based on race, color, religion, age, marital status, national origin, disability or sex.

Equity theory: The idea that people desire to be treated fairly and thus compare their own contributions to the workplace—and resulting rewards—against those of their coworkers, to determine if they are being treated fairly.

Executive Coaching: Executive coaching is a professional relationship between a Coach and an Executive, or an Executive Team. The goal is to assist executives with positive leadership development. It can be provided in one-on-one sessions or via the Internet.

Executive Compensation: Also called executive pay, compensation packages are specifically designed for executive-level employees that include items such as base salary, bonuses, perquisites and other personal benefits, stock options and other related compensation and benefit provisions.

Executive Search: An agency or organization used by employers to assist them with the selection and placement of candidates for senior-level managerial or professional positions.

Exempt Versus Non-Exempt Employees: The difference between exempt and nonexempt employees is who gets paid overtime and who doesn’t. The U.S. Department of Labor specifically designates certain classes of workers as exempt, including executives, administrative personnel, outside salespeople, highly skilled computer-related employees, doctors, lawyers, engineers, etc. Managers who hire and fire employees and who spend less than half their time performing the same duties as their employees are typically also exempt employees. In general, the more responsibility and independence or discretion an employee has, the more likely the employee is to be considered exempt. Generally, any worker performing repetitive tasks is most likely nonexempt and must be paid overtime.

Exit Interview: The final meeting between management, usually someone in the HR department, and an employee leaving the company. Information on why the employee is leaving is gathered to gain insight into work conditions and possible changes or solutions.

Expatriate: An employee who is transferred to work abroad on a long-term job assignment.

Factor comparison: A systematic and scientific comparison, that instead of ranking complete jobs, ranks according to a series of factors. These factors include
mental effort, physical effort, skill needed, responsibility, supervisory responsibility, working conditions, etc.

**Fair Representation:** The duty of fair representation is incumbent upon U.S. labor unions that are the exclusive bargaining representative of workers in a particular group. It is the obligation to represent all employees fairly, in good faith, and without discrimination.

**Fair Credit Reporting Act:** A United States federal law that regulates the collection, dissemination, and use of consumer information. In an HR setting employers that run background checks on job candidates or employees must comply with the Fair Credit Reporting Act.

**Family and Medical Leave Act of 1993 (FMLA):** Provides certain employees with up to 12 weeks of unpaid, job-protected leave per year. Current United States maternity leave policy is directed by FLMA. The policy also requires that the employee’s group health benefits be maintained during the leave.

**Flexible Spending Accounts (FSA):** FSAs allow employees to set aside a portion of their earnings on a pre-tax basis into separate spending accounts to fund allowable health care and/or dependent day care expenses. The funds must be segregated as per IRS regulations.

**Flexible Work Arrangements:** Schedules that allow employees to structure their work hours around their personal responsibilities. Examples include flextime, job sharing, telecommuting and a compressed workweek. Home sourcing has become a popular flexible work concept in recent years. In this arrangement, employees work full-time from their homes.

**Forced Ranking:** Also known as a vitality curve, this is a system of work performance evaluation in which employees are compared against each other instead of against fixed standards. Based on the “20/80 Rule” idea, that 20 percent of employees do 80 percent of the meaningful, productive work, the top 20 percent of workers are rewarded and, oftentimes, the bottom 10 percent are fired.

**Freedom of association:** The right of workers to join a union and to bargain collectively. This right is protected by the Universal Declaration of Human Rights and the Human Rights Act of 1993.

**Freemium:** A pricing model, typically relating to Internet software or a web service, that allows you to use a limited version of the product for free with the option of paying for additional functionality. The goal is to provide just enough functionality in the free version to incentivize the user to become a paying customer.

**Full-time equivalent (FTE):** A value assigned to signify the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees instead.
**Functional job analysis**: Developed by the U.S. Department of Labor, functional job analysis is a method of gathering specific and detailed job information. This information can be used to write job descriptions.

**Gag clause**: Refers to the employment contract restrictions used as a means of protecting the organization’s trade secrets or proprietary information.

**Gamification**: In an employment or HR context, gamification refers to a process of making systems, processes or other employment related activities more enjoyable and motivating through game design elements. For example, using game elements to make a mundane activity like benefits enrollment more enjoyable. Gamification has been applied to recruiting, learning and development, employee surveys and many more areas of talent management.

**Gender Pay Gap**: the average difference between men’s and women’s aggregate hourly earnings.

**General Agents**: General agents are middleman for carriers and brokers and usually focus on the 250 employee market. Usually an individual appointed by a life or health insurer to administer its business in a given territory. GAs are important for companies who sell to small employers or brokers e.g., benefits administration software providers.

**General Data Protection Regulation (GDPR)**: a legal framework that sets guidelines for the collection and processing of personal information of individuals within the European Union (EU). The GDPR sets out the principles for data management and the rights of the individual, while also imposing fines that can be revenue based.

**Generation I**: The term used to describe children born after 1994 who are growing up in the Internet age.

**Generation X**: The term used to describe individuals born between 1965 and 1980.

**Generation Y**: The term used to describe individuals born between 1985 and the present.

**Genetic-based Discrimination**: The practice of requesting or requiring genetic testing information during the hiring process or using genetic testing information to base any other employment decisions or actions.
**Geographical Differential**: The variance in pay established for same or comparable jobs based on variations in labor and costs of living among other geographic regions.

**Glass Ceiling**: A term used to describe the barriers – often unseen – that keep minorities and women from career advancement regardless of their qualifications.

**Goal Setting**: Assigning specific, attainable goals to a person, team or organization. Goal setting is a motivational technique, as workers often rise to the challenges given them.

**Good Faith Bargaining**: A requirement of the Employment Relations Act of 2000 that all parties to a contract conduct negotiations with a willingness to reach an agreement on new contract terms.

**Grievance**: A complaint by an employee due to an alleged violation of law or collective bargaining or dissatisfaction with work conditions.

**Gross Misconduct**: An action so serious that it calls for the immediate dismissal of an employee. Examples include fighting, drunkenness, harassment of others and theft.

**Group Dynamics**: The way that people interact within a group that determines how it functions and how effective the group is.

**Hawthorne Effect**: The theory that organizations can motivate their employees as much or more by expressing concern for problems as by actually improving their work conditions. This personal interest results in increased performance, according to the observations of productivity researcher George Elton Mayo.

**Health care flexible spending account (FSA)**: A benefit plan designed to allow employees to set aside pre-tax dollars to pay for eligible medically related expenses, such as medical, vision or dental exams, copays and deductibles, as well as other out-of-pocket expenses.

**Health savings accounts (HSA)**: A tax-free account that can be used by employees to pay for qualified medical expenses. To be eligible for a Health Savings Account, an individual must be covered by a High Deductible Health Plan (HDHP), must not be covered by other health insurance, is not eligible for Medicare and can’t be claimed as a dependent on someone else’s tax return.

**Hierarchy of needs**: A theory created by psychologist Abraham Maslow that states humans constantly strive to meet a series of needs, going from physical (food and shelter) all the way to spiritual (self-actualization).
**HR Audit**: A periodic measurement of human resources effectiveness, conducted by internal staff or with the use of an HR audit system.

**HR Generalist**: An individual who is able to perform more than one diversified human resources function, rather than specializing in one specific function.

**Human Capital**: The collective skills, knowledge and competencies of an organization’s people that enables them to create economic value.

**Human Capital Management**: The challenge of recruiting and retaining qualified candidates, and helping new employees fit into an organization. The goal is to keep employees contributing to the organizations intellectual capital by offering competitive salary, benefits and development opportunities. The major functions of human capital management include Recruitment, Compensation, Benefits and Training.

**Human Resource Information System (HRIS)**: Business software systems that assist in the management of human resource data (e.g. payroll, job title, candidate contact information). Some of the larger HRIS platforms include SAP and Peoplesoft.

**Human Resource Outsourcing (HRO)**: A contractual agreement between an employer and an external third-party provider whereby the employer transfers responsibility and management for certain HR, benefit or training-related functions or services to the external provider.

**I-9 Form**: Federal form required of all appointees to verify their U.S. citizenship, or if they are aliens, their eligibility for employment in accordance with the Immigration and Naturalization Act of 1986.

**Incentive pay**: Additional compensation used as a motivational tool to exceed specified work goals.

**Incidence rate**: Indicates the number of workplace injuries/illnesses and the number of lost work days per 100 employees.

**Independent contractor**: A self-employed person who works for another person or organization on a contract basis.

**Indirect compensation**: Compensation that is not paid directly to an employee and is calculated in addition to base salary and incentive pay (i.e., health/dental/vision insurance, vacation, retirement benefits, educational benefits, relocation expenses, etc.).
Individual employment agreement: A written document that describes the legal relationship between an employer and employee.

Industrial Psychology: Applied psychology concerned with the study of human behavior in the workplace and how to efficiently manage an industrial labor force and problems encountered by employees.

Industrial relations: A field of study that examines the relationship between employer and employees, particularly groups of workers in unions.

Instructional Design: The process by which learning materials are designed, developed, and delivered. Instructional design professionals have a deep understanding of how people learn and are skilled at helping people learn better and more efficiently.

Intangible rewards: A subjective benefit that has no monetary value, such as praise for excellent performance.

Internet of Things (IoT): The network of physical devices, vehicles, buildings and other items—embedded with electronics, software, sensors, and network connectivity that enables these objects to collect and exchange data. IoT has HR technology applications, from better workforce management to employee wellness.

ISO 9000: A set of internationally-accepted standards, created by the International Organization for Standardization, for quality management and quality assurance. These standards apply uniformly across all industries and company size. Companies can receive ISO 9000 certification for meeting these standards.

ISO 9001, 9004: Developed by the International Organization for Standardization (ISO), it is a set of standards for quality management systems that is accepted around the world. Organizations that conform to these standards can receive ISO 9000 certification. The standard intended for quality management system assessment and registration is ISO 9001.

Job Accommodation Network (JAN): A service provided by the US Department of Labor’s Office of Disability Employment Policy (ODEP), JAN’s mission is to facilitate the employment and retention of workers with disabilities by providing employers and people with disabilities with information on job accommodations, entrepreneurship, and related subjects.

Job analysis: The process of gathering information about the requirements and necessary skills of a job in order to create a job description.
**Job Board**: An online location that provides an up-to-date listing of current job vacancies in various industries. Applicants are able to apply for employment through the job board itself. Many job boards have a variety of additional services to help job seekers manage their careers and their ongoing job search processes.

**Job classification**: A method of evaluation used for job comparisons, which groups jobs into a prearranged number of grades, each having a class description and a specified pay range.

**Job Description**: A written statement that explains the responsibilities and qualifications of a given job, based on a job analysis. The job description usually includes specific required tasks as well as an overview of the position and whom the employee reports to.

**Job evaluation**: A comparison of one job with other jobs in a company for the purpose of assessing fair compensation.

**Johari Window**: A leadership disclosure and feedback model used primarily in self-help groups and corporate settings as a heuristic exercise which can be used in performance measurement and features the four quadrants (windows) of “knowing.”

**K**

**Key Performance Indicators (KPIs)**: Tasks that are central to the success of a business and show, when measured, whether the business is advancing toward its strategic goals.

**KSAs**: The Knowledge, Skills and Abilities an employee needs to meet the requirements of a job.

**L**

**Labor certification**: Labor certification is a statement from the U.S. Department of Labor (DOL) that a particular position at a particular company is “open.” It is the first step in the process of obtaining a green card.

**Labor force participation rate**: The ratio between the labor force (all those currently employed or seeking work) and the nation’s total working-age population.

**Labor Market**: A geographical region (local, national or international) in which labor transactions occur—employers find workers and workers find work.
**Labor law posting**: Federal and state regulations requiring employers to post in conspicuous places a variety of labor law posters with information regarding employee rights

**Leadership Development**: Activities, whether formal or informal, that enhance leadership qualities

**Learning Management Software and Systems**: A software platform for businesses and organizations designed to train and educate employees. Components typically include content delivery and other tools needed to administer, measure, track, and report / analyze the effectiveness of a company’s training initiatives. Modern learning management systems (LMS) are often cloud-based solutions, allowing access to training and other LMS content & features online using a standard web browser.

**Learning Style**: Learning styles are overall patterns that provide direction to learning and teaching. They involve educating methods, particular to an individual, that are presumed to allow that individual to learn best.

**Long-term care insurance**: Helps provide for the cost of long-term care beyond a predetermined period, and is generally not covered by health insurance, Medicare, or Medicaid.

**LIFO (Last In, First Out)**: A method of determining who should be laid off in which the most recent hires are laid off first.

**Loyalty Programs**: Programs that reward and therefore encourage loyalty. In a workplace setting these programs are often called Employee Rewards and Recognition Programs.

**Lump sum payment**: A single large payment given to an employee, usually instead of more and smaller pay increases.

**M**

**Machine Learning**: Machine learning is a type of artificial intelligence (AI) that provides computers the ability to learn without being explicitly programmed. In an HR setting an example might be the ability for a computer program to identify patterns and relationships in data to predict a specific outcome such as who will quit a job.

**Managed Care**: A health care system in which the provider manages the care of the individual for a fixed fee. The opposite of this preventive intervention (or, population-based) approach is fee-for-service. Managed care emphasizes wellness and prevention.
Management by Objective (MBO): A process of defining objectives within an organization so that management and employees agree on the overall goals and objectives for the organization. The employees determine and set goals for themselves based on the overall goals and objectives for the organization.

Managed Service Provider (MSP): Outsourced agency that manages the contingent worker program (temporary staffing) of a business. It consists of a team that helps the client company source and manage temporary workers.

Marketing PR: Marketing PR is the combining of what are traditionally two separate departments, public relations and marketing, to one integrated front whereby all marketing and PR activities focus on reaching buyers directly. Marketing PR incorporates both traditional marketing and PR tactics with social media and other Internet-based initiatives that support the measurable goals of online publicity, increased web site traffic, search-optimization (SEO) and, lead generation. A key difference between traditional PR and Marketing PR is the use of a press release. Traditional PR writes and distributes a press release for the sole purpose of securing media placements. Marketing PR does this as well but also uses the press release to enhance website SEO, increase web site traffic and generate qualified sales leads.

Matrix organization: Used primarily in the management of large projects, a horizontal authority structure in which teams are created from various departments and report to more than one boss.

mCommerce: Commerce carried out over a mobile device.

Mean wage: The average wage for a worker in a specified position or occupation, which may be skewed up or down if there are a few extreme examples in the sample.

Median wage: The margin between the highest paid 50 percent and the lowest paid 50 percent of workers in a specific position or occupation. It is often more representative of the average wage than a mean would be, as it can account for extreme outliers.

Mediation Services: The use of a trained third party to settle an employment dispute. The third party has no legal authority and so must use persuasion to settle the dispute.

Medical savings account (MSA): A savings account funded by employees in which tax-deferred deposits can be made for use as medical expenses, co-payments, or deductibles.

Mentoring: An informal training process between a more experienced person and a junior employee.
**Merit pay**: Performance-related pay which provides bonuses or base pay increases for workers who perform their jobs effectively, according to measurable criteria.

**Millennials**: The demographic cohort following Generation X. There are no precise dates when the generation starts and ends. Researchers and commentators use birth years ranging from the early 1980s to the early 2000s.

**Minimum wage**: The lowest amount an employer can pay an hourly employee. This rate is set by the federal government.

**Minority business enterprise**: A business which is at least 51% owned, operated and controlled on a daily basis by one or more African American, Asian American, Hispanic American, or Native American citizens.

**Mission Statement**: A description of an organization’s purpose: what it does, what markets it serves and what direction it is going in.

**Mobile Recruiting**: Using mobile technologies to find and connect with people (candidates) who use mobile devices (e.g., phone).

**Momtrepreneur**: A woman who has children and runs a business at the same time.

**MOOC (massive open online course)**: Employee learning done online and designed for the participation of large numbers of geographically dispersed employees. It is “massive” because it is designed to be available to thousands of employees. It is “open” because anyone with access to the Internet can participate. It is “online” because the learning takes place online without the need for a classroom leader.

**Motivational Theories**: Psychological models that attempt to explain what motivates people. These theories can help employers design incentive strategies.

**Myers-Briggs Type Indicator (MBTI)**: A well-known personality type assessment designed to measure people’s psychological preferences. The personality is divided into four dichotomies, with 16 personality types possible. The system is partly based on the theories of psychologist Carl Jung.

**N**

**Natural-language processing (NLP)**: An area of artificial intelligence concerned with the interactions between computers and human (natural) languages, in particular how to program computers to process large amounts of natural language data. It is used in a variety of ways to try to determine different kinds of meaning in documents. The ultimate goal being for the computer to actually
understand and develop responses to language, rather than react according to a series of programmed rules.

**Negotiation:** Bargaining between two or more parties with the goal of reaching consensus or resolving a problem.

**Nepotism:** Preferential hiring of relatives and friends, even though others might be more qualified for those positions.

**Newsjacking:** A PR term used to describe the act of publishing content that relates to a current trending story or topic in order to get more interest in your content.

**Nondisclosure Agreement:** A contract restricting an employee from disclosing confidential or proprietary information.

**Nonexempt Employee:** An employee who does not meet any one of the Fair Labor Standards Act exemption tests and is paid on an hourly basis and covered by wage and hour laws regarding hours worked and overtime pay.

**Nontraditional Employment:** Any occupation in which women or men comprise less than 25% of the workforce. Non-traditional careers refers to jobs that have been traditionally filled by one gender.

**Non-Traditional versus Traditional Employee Benefits:** Traditional benefits include life, retirement, health, and disability benefits. Non-traditional benefits include various types of life management benefits such as EAPs, child and elder care counseling and referral, etc. (see life management benefits). According to the US Chamber of Commerce, health insurance is the most expensive single benefit cost, accounting for about 20% of total benefits, or about $2,666 per employee on average. (as per a 1999 study.)

**Observation interview:** A method of assessing job requirements and skills by observing the employee at work, followed by an interview with the employee for further assessment and insight.

**Offshoring:** The act of moving work to an overseas location to take advantage of lower labor costs. Offshoring usually involves manufacturing; information technology and back-office services like call centers and bill processing. Companies can build its own work center abroad, establish a foreign division, or create a subsidiary in remote locations.

**One Way Interviews (see video interviewing):** An interview method whereby an employer requests candidates record video responses to a series of questions. Then employers review the video at their convenience.
**Onboarding**: The process of moving a new hire from applicant to employee status ensuring that paperwork is done, benefits administration is underway, and orientation is completed.

**O*Net (Occupational Information Network)**: A free online database that contains thousands of occupational definitions to help match job seekers with jobs, which is administered and sponsored by the U.S. Department of Labor’s Employment and Training Administration.

**Open-Book Management**: A management strategy emphasizing employee empowerment and individual impact on the success of the company by making the organization’s financial data available to all employees so they can make better decisions as workers.

**Organic Search Results**: Search results returned by search engines that are based purely on the content of the pages and page popularity. Organic search results are not categorized directory results, or pay-per-click advertising results. According to MarketingSherpa.com, total money spent on search engine optimization represents only 12% of what is spent on pay-for-click advertising (PPC). What makes this statistic so startling is that it is that organic search engine results (those that show up in natural “free” listings) are better noticed, read, and clicked on than the paid listings.

**Organizational Culture**: The values, attitudes, beliefs and behaviors that characterize an organization. It is the unwritten workplace ethos that is picked up by new employees.

**Organizational Development**: A planned organization-wide effort to improve and increase the organizations effectiveness, productivity, return on investment and overall employee job satisfaction through planned interventions in the organization’s processes.

**Orientation**: Introducing new hires to the organization and its policies, benefits and culture. Training and familiarization with each department are sometimes included.

**OSHA**: The Occupation Safety and Health Administration, an agency of the U.S. Department of Labor. The agency’s goal is to promote health and reduce accidents, injury and death in the workplace.

**Outplacement**: A benefit offered by a downsizing employer to assist former employees in re-entering the job market. Assistance can include job training, resume workshops, interview practice and career counseling.

**Outsourcing**: Contracting out non-core functions, such as payroll, benefits administration or manufacturing, to save money and focus on what the company does best.
**Pareto chart**: A quality assurance tool that ranks information, like reasons for certain problems, in descending order. The goal is to identify the most serious problems so improvements can be made.

**Pay-Per-Click (PPC)**: Online advertising payment model in which payment is based on qualifying click-throughs. A typical PPC agreement has the advertiser paying for clicks to the destination site based on a prearranged per-click rate. Popular PPC advertising options include search engines (right sidebar on Google). Paying per click is different than paying per impression which generates lower-quality traffic/leads.

**Pay-Per-Impression**: Online advertising payment mode in which payment is based on how often the “publisher” (e.g., web site where you purchase a banner ad) shows your banner ad on their web site (e.g., an “impression”). Typically, prices are set per one thousand exposures.

**Payroll**: Documentation created and maintained by the employer containing such information as hours worked, salaries, wages, commissions, bonuses, vacation/sick pay, contributions to qualified health and pension plans, net pay and deductions.

**Peer appraisal**: A performance assessment given by an employee’s peers who have observed the employee’s job performance.

**Performance Appraisal**: A periodic review and evaluation of an individual’s job performance.

**Performance Improvement**: A plan to improve an employee’s performance in which the performance problem is identified, modified and monitored.

**Performance Management**: The process of maintaining or improving employee job performance through the use of performance assessment tools, coaching and counseling. The ultimate goal is to better meet organizational objectives.

**Performance Planning**: An organization-wide plan to manage employees and their performance wherein goals are set for employees, departments and the organization as a whole.

**Plan Sponsor**: An entity that has adopted and has maintained an employee-benefit plan. The plan sponsor is often an employer, but may be a union or a professional association. The Plan Sponsor is responsible for determining employee participation and the amount of benefits involved.
Platform Economy: The application of big data, new algorithms, and cloud computing from companies such as Amazon, Etsy, Facebook, Google, Salesforce, and Uber are creating online structures that enable a wide range of human activities.

Predictive Analytics: In an HR context, refers to the ability for an organization to use information and analytics to determine future outcomes. For example, in recruiting one may use predictive analytics to analyze data from resumes, job descriptions, ATS and HRIS systems to predict various talent management outcomes.

Premium only plan (POP): Section 125 is part of the IRS Code that allows employees to convert a taxable cash benefit (salary) into non-taxable benefits, so they may pay for qualified benefit premiums before any taxes are deducted from their paychecks. The Premium only plan allows for certain employee paid group insurance premiums to be paid with pre-tax dollars.

Probationary Arrangement: An agreement between an employer and employee that the employee will work for a set amount of time on a trial or probationary period.

Professional Employer Organization (PEO): A staffing service that is contracted to assume the employers responsibilities and risk for his/her workforce. Employees are legally co-employed by the PEO. The PEO is responsible for such actions as the preparation of accurate payroll checks, the remittance of payroll taxes to federal and state jurisdictions and the preparation of various tax information.

Protected Concerted Activity: A legal term used in labor policy to define employee protection against employer retaliation in the United States. It defines the activities workers may partake in without fear of employer retaliation. The National Labor Relations Act, the main labor policy governing labor relations in the United States, defines concerted activity in Section 7. “Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection…”

Quality management: A system to make sure that a product or service meets standards of excellence, and that the process by which the product or service is created is efficient and effective as well. The three key components of this system are quality control, quality assurance and quality improvement.

Quantified Self: A movement to incorporate technology into data acquisition on aspects of a person’s daily life in terms of inputs (e.g. food consumed, quality of
surrounding air), states (e.g. mood, arousal, blood oxygen levels), and performance (mental and physical).

R

**Random Testing**: Employer-administered drug and alcohol tests conducted at random intervals.

**Recruitment**: The process of finding and hiring the best-qualified candidate for a position.

**Recruitment Process Outsourcing (RPO)**: The outsourcing of the recruiting process to a third party.

**Redundancy**: Eliminating jobs or job categories as they become unnecessary to the functioning of an organization.

**Replacement charts**: A tool in succession planning in which current and future job vacancies, as well as the number of employees in currently filled jobs, are visually summarized.

**Reputation Management**: The practice of monitoring the reputation of an individual or brand on the internet to address potentially or harmful content.

**Request for proposal (RFP)**: A request sent by a company to a vendor to submit a bid for a product or service. The bid includes a timeline, a description of the good or service, the type of contract, cost and other specifics.

**Restrictive covenant**: Also known as a negative covenant; a provision in a contract excluding key employees from working for competitors in a certain geographic area and for a certain length of time.

**Return on investment (ROI)**: The percentage of profit on an investment compared to the cost of that investment. Also called the rate of return or yield.

**Reverse Mentoring**: An initiative in the workplace where more older employees are mentored by younger employees. For example, younger employees with a deep understanding of social media may mentor older employees on the use of such technologies.

**Right to Manage**: The “right” of management to conduct business without having to answer to internal or external forces for their decisions.

**Risk Management**: The use of insurance and other strategies to minimize an organizations exposure to liability in the event a loss or injury occurs.
Retention Strategy: In order to retain employees and reduce turnover managers must meet the goals of employees without losing sight of the organization’s goals, utilizing valence and expectancy theories.

Rotational Training: A training method where employees are rotated among a variety of different jobs, departments or company functions for a certain period of time.

RSS (Real Simple Syndication): A commonly used protocol for delivering web-based content such as blogs. RSS is an XML-based format that allows webmasters to provide fresh web content in a succinct manner. It is fast becoming an easy and affordable way to spread content.

Safe Harbor Regulations: Guidelines regulated by the Department of Labor, which, when fully complied with, may reduce or limit the liability of a plan fiduciary, on the condition that the party performed its actions in good faith or in compliance with defined standards.

Scalability: The degrees to which the system, network, or process of a computer’s hardware or software can be expanded in size, volume, or number of users served and continue to function properly. An analogous business model of economic growth refers to a businesses ability to expand to a greater capacity.

Sensitivity Training: A form of individual or group counseling geared toward increasing self-awareness of one’s own prejudices and sensitivity to others.

SEO (Search Engine Optimization): The process of optimizing a web site (e.g., identifying and placing targeted keywords on web pages) to ensure the site places well when queried on search engines. It is important for corporate web sites to optimize their visibility on search engines. See http://hrmarketer.blogspot.com/2005/04/seo-industry-gold-rush-or-fools-gold.html.

Self-Funded (Self-Insured) Plan: A health care insurance program in which employers (usually larger companies) pay the specified health care costs of their employees rather than insuring them. Self-funded plans may be self-administered, or the employer may contract a third party administrator (TPA) for administrative services only (ASO).

Short-Term Disability: Disability income insurance designed to replace employee income for a temporary, specified time frame while they are unable to perform their duties due to illness or injury, before they return to work.
SHRM: Their self-definition: “The Society for Human Resource Management (SHRM) is the world’s largest association devoted to human resource management. Representing more than 250,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession.”

Situational leadership: A management theory stating that effective leadership varies, but is task-relevant, and the most successful leaders are those that adapt their leadership style to the maturity of their audience.

Six Sigma: Six Sigma is a disciplined, data-driven methodology used to improve the quality of process outputs by identifying and removing the causes of defects and minimizing variability in manufacturing and business processes. It also cuts costs from manufacturing by creating a special infrastructure of people that are experts in these methods.

Skills Gap: The difference between the skills required for a job and the actual skills possessed by the employee.

Social Collaboration: Processes that help multiple people within an organization interact, share information to achieve common goals. Globalization and the rise of contingent workforces and telecommuting have given increased importance to social collaboration and social collaboration software.

Social Currency (online): A measure of a person’s power, or influence, within a defined social group. Factors contributing to one’s social currency are their visibility, activity and following on social networks like Twitter, LinkedIn, Facebook, Blogs.

Social HR: The extent to which human resource departments leverage social media tools (Facebook, LinkedIn, Twitter, etc.) to conduct human resource activities (recruiting, employment branding, etc.) aimed at aligning HR goals to the company’s business goals.

Social Media: Forms of electronic communication (as Web sites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (as videos).

Social Media Background Screening: Using publicly available social media profiles of job candidates in the hiring decision process. Typically done after a company has extended or is about to extend and offer to a candidate. Recruiters and employers need to be aware of governing bodies like the Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs (OFCCP) when conducting social media screening to avoid discrimination.

Social Marketing Workflows: A list of pre-determined social marketing activities that marketers follow. Social workflows help brands do a better job at social
marketing by helping them stick to a disciplined process. Social marketing workflow software solutions (like Get it Done! Social from HRmarketer), help brands be more strategic on social and adhere to disciplined processes that support marketing and sales goals.

**Social Networking:** The building of online communities of people who have common interests. LinkedIn, Facebook and MySpace facilitate these interconnected systems. HR departments have begun to incorporate social networking into the recruiting process as a means to attract and evaluate candidates.

**Social Recruitment:**
The process of recruiting potential job candidates through the use of social networking platforms and/or websites such as Twitter, Facebook and LinkedIn. Social recruitment software is used to search social networks for passive candidate information, manage active social recruiting efforts, as well as distribute job postings and information related to open positions to job posting websites.

**Sourcing:** The developing of lists of potential candidates. Also relates to the task of requisitioning, or creating job descriptions, approval workflows and actual job postings. Most e-recruitment software providers include modules for requisitioning.

**SPHR (Senior Professional in Human Resources):** Senior Professional in Human Resources (PHR) is an industry certification for people working in the human resource management profession, awarded by the Human Resource Certification Institute. It is the senior-most human resources certification for those who have also demonstrated a strategic mastery of the HR body of knowledge.

**Staffing:** A method of finding, evaluating, and establishing a working relationship with future employees. They may be current employees or future employees.

**Strategic HRM:** Aligning human resource management (HRM) with the strategic goals of an organization.

**Strategic Planning:** The process of considering an organization’s future, usually three to five years ahead, and then working backward to create strategic plans and allot resources to realize this desired future state. This includes a hiring strategy.

**Stay Interviews:** unlike exit interviews, stay interviews are conducted during employment to help employers understand why good employees stay and what might make them leave.

**Succession Planning:** The process of identifying long-range needs and cultivating a supply of internal talent to meet those future needs. Used to anticipate the future needs of the organization and assist in finding, assessing and developing the human capital necessary to the strategy of the organization.
Summary dismissal: The immediate firing of an employee, usually due to an act of gross misconduct.

Summary material modifications: A summary of modifications or changes made to an employee benefit plan that is not included in the summary plan description.

Summary plan description: A document that explains the fundamental features of an employer’s defined benefit or defined contribution plan, including eligibility requirements, contribution formulas, vesting schedules, benefit calculations, distribution options, participation, coverage and employee rights for any ERISA-covered benefit plan. ERISA requires that the SPD be easy to understand and that each participant receive a copy within 90 days of joining the plan.

Supplemental Unemployment Benefits (SUB): Pay benefits which are taxable payments that form a fund, which can be combined with state unemployment insurance benefits. Typically found in collective bargaining agreements, they provide a higher level of unemployment benefits during periods of temporary layoff.

Suspension: An employee is sent home for a period of time, usually without pay, as a disciplinary measure.

Systemic discrimination: A pattern of discrimination that permeates workplace practices, and is not apparent at first glance, but is actually systematic in its application of policies and practices.

T

Talent Management: Also called Human Capital Management, the process of recruiting, managing, assessing, developing and maintaining employees.

Tangible rewards: Gifts in the form of merchandise, gift certificates, etc. that can be physically held or touched.

Team building: A philosophy of job design which fosters teamwork to create a work culture that values collaboration. It is a training program designed to encourage employees to view themselves as members of interdependent teams instead of as individual workers, in which people understand and believe that thinking, planning, decisions and actions are better when done cooperatively.

Third-Party Administrator (TPA): An organization that is responsible for the administration of insurance for a self-insured group. It does not have any responsibility for paying claims. The self-insured group is financially responsible. (See self-insured group)
Title VII: Federal law that prohibits employers from discriminating against employees on the basis of sex, race, color, national origin, and religion.

Total Remuneration: An employee’s complete annual pay package, including benefit and pension plans, bonuses, incentives, and paychecks.

Total Compensation: Total Compensation is the complete pay package for employees, beyond just salary. This includes all forms of money, benefits, services, and other “perks”. Total compensation is often defined as all of the resources available to employees, which are used by the employer to attract, motivate and retain employees.

Total Quality Management: An integrative philosophy of management for continuously improving the quality of products and processes. Practices and systems include: cross-functional product design, process management, supplier quality management, customer involvement, information and feedback, committed leadership, strategic planning, cross-functional training, and employee involvement.

Training and Development: Providing information and instruction that equips employees to better perform specific tasks or attain a higher level of knowledge.

Training Needs Analysis: An assessment to determine the training needs of a group of employees, taking into account the employees’ prior education and skills and the desired outcome once training is completed.

Transformational Leadership: A systematic form of leadership that enhances the motivation, morale and performance of followers through change, innovation, and group dynamics.

Transitional Employment: The arrangement of lessened or altered duties for an employee who has been absent from the workplace because of illness or injury, but has been given leave by their medical provider to return.

Turnover: The number of employees lost and gained over a given time period.

Unconscious Bias: Implicit or unconscious bias happens when our brains make quick judgments and assessments of people, or situations, without us realizing. Unconscious bias can heavily influence recruitment and selection decision.

Underwriter: A person or organization that ensures money will be available to pay for losses that are insured. An insurance company can be considered an underwriter.
Unfair labor practice (ULP): An action carried out by an employer or union that violates the Federal Service Labor-Management Relations Statute, part of the National Labor Relations Act (NLRA), and would be investigated by the National Labor Relations Board (NLRB).

Union: Workers who organize a united group, usually related to the kind of work they do, to collectively bargain for better work conditions, pay or benefit increases, etc.

Unjustifiable dismissal: Firing an employee in a way that the courts do not find justifiable (i.e. unfairly or in violation of the employment contract).

Video Interview: A job interview that takes place through a video technology platform instead of in person.

Viral Marketing: Any marketing technique that induces people (or web sites) to pass on a marketing message to other people or sites, creating a growth in the message’s visibility and effect. A classic example of this concept was Hotmail whereby each email sent via Hotmail included Hotmail’s own advertisement in the footer (Get your Free Email....”).

Virtual HR: The use of various types of technology to provide employees with self-serve options. Voice response systems, employee kiosks are common methods.

Voluntary Benefits: Benefits that are paid for by the employee through payroll deductions. The employer pays for administration. Examples of these benefits include life insurance, dental, vision, disability income, auto insurance, long-term care coverage, medical supplement plans and homeowners insurance.

Volunteerism: How a company supports an employee who wishes to volunteer or otherwise offer unpaid services to a community organization, often by providing paid leave of sponsorship.

Wage drift: The difference between basic pay and total earnings, due to a variety of possible factors such as overtime, bonuses, gender, age and performance.

Wellness programs: programs offered by an employer that are designed to promote health or prevent disease. According to HealthCare.gov wellness programs are intended to improve and promote health and fitness that’s usually offered through the work place, although insurance plans can offer them directly to their...
enrollees. The program allows an employer or plan to offer individuals premium discounts, cash rewards, gym memberships, and other incentives to participate.

**Whistle Blower**: An employee who publicly reveals a perceived wrongdoing, misconduct or unethical activity within an organization to the public or to those in positions of authority. Whistle blowers are protected from retaliation by the Protected Disclosures Act of 2000.

**Workers Compensation**: A form of insurance to reimburse employees who are injured or contract an illness in the course of performing their job, in exchange for mandatory relinquishment of the employee’s right to sue his or her employer for the sort of negligence. Laws vary by state, but employers are required to carry appropriate workers’ compensation insurance, to ensure sufficient funding to cover the types of injuries that are likely to occur in their workplace. Such insurance types include disability insurance, health insurance, life insurance, or a wage replacement provision.

**Work-life Balance**: The attempt to balance work and personal life in order to have a better quality of life. A person with a balanced life is an asset to his or her business, as he or she experiences greater fulfillment at work and at home.

**Work/Life Employee Benefits**: Work/Life benefits are “non-traditional” employee benefits that assist employees in managing their lives. Employers purchase these services from vendors and they are offered to employees as benefits. These services can make the difference in attracting and retaining employees. Common life management benefits include: child and elder care referral services, employee assistance program (EAP), concierge, legal assistance, and emergency back-up childcare.

**Workforce Planning**: The assessment of the current workforce in order to predict future needs. This can consist of both demand planning and supply planning. Many e-recruitment software providers include modules for workforce planning.

**Wrongful Termination**: A legal term referring to when an employee was fired for an illegal reason.

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**XML and HR-XML**: Extensible Markup Language. A common system used for defining data. Unlike HTML, XML is not a fixed set of elements. XML allows information creators to apply descriptive markup (or “tags”) around each discrete element of data. The HR-XML Consortium strives to spare employers and vendors the risk and expense of having to negotiate and agree upon data interchange mechanisms on an ad-hoc basis. By using XML, the Consortium provides the means for any company to transact with other companies without having to establish, engineer, and implement many separate interchange mechanisms.