

California Pay Equity Task Force
Human Resources Subcommittee – Draft Glossary of Terms
This document is drafted solely for discussion should not be construed as legal advice or a final recommendation of this subcommittee or the Task Force.

360-degree Feedback

A performance appraisal process, where an employee is rated on his/her performance by people who are usually directly connected with his/her work. Peers, supervisors, managers, customers or clients, familiar with the employee's work can be included in the feedback process. Typically used for assessing competence development needs and succession planning in the organization rather than for determining pay or promotions. Such feedback is usually anonymous. *Also called multi-rater assessment, multi-source assessment or multi-source feedback.*

401(K)

A 401(k) is a feature of a qualified profit-sharing plan that allows employees to contribute a portion of their wages to individual accounts. Employers sometimes match a certain % of the employee contribution.

Accommodation (see also Reasonable Accommodation)

Reasonable accommodation is any change to a job, the work environment, or the way things are usually done. It is often allows an individual with a disability to apply for a job, perform job functions, or enjoy equal access to benefits available to other individuals in the workplace. Agencies are required by law to provide reasonable accommodation to qualified individuals with disabilities, unless doing so would impose an undue hardship to the agencies. In addition, Executive Order 13164 requires Federal agencies to develop written procedures for providing reasonable accommodation for a qualified disability.

Adverse Impact –Usually refers to a negative impact to an employee involving a material difference in the work, pay or circumstances. Also a “term of art” used in Affirmative Action Plan Analyses.

Affirmative Action

Any formal program, policy or procedure that an employer implements in order to correct past defined discrimination and prevent current and future discrimination within the workplace. It is also an active effort to improve the employment or educational opportunities of members of protected classes.

Affirmative Action Plan (AAP)

An AAP includes the policies, practices and procedures that a U.S. federal contractor (contracts of \$50,000 or more and employing 50 or more people) implements with a focus towards providing qualified applicants and employees equal opportunity for recruitment, selection, advancement, and other terms and privileges associated with employment. This written set of results-oriented procedures is intended to remedy disparities between 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 by the contractor to increase the pool of qualified women and minorities in all parts of the organization.

Americans with Disabilities Act (ADA) of 1990

The ADA is a federal anti-discrimination law which prohibits private employers, state and local governments, employment agencies and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training and other terms, conditions and privileges of employment.

Appraisal (also Performance Planning)

Performance appraisal is the process of reviewing employee performance, setting new performance objectives, documenting the review, and also possibly delivering the review verbally in a face-to-face meeting between the employee and the supervisor. Annual performance reviews are typically intended to give mutual feedback on performance to the employee and often also to the supervisor, set new performance objectives and justify and form the basis for personnel decisions, e.g. compensations and benefits and sometimes, promotions.

Attorney / Client Privilege

A client's privilege to refuse to disclose, and to prevent any other person from disclosing, confidential communications between the client and his or her attorney. Such privilege protects communications between attorney and client that are made for the purpose of furnishing or obtaining professional

legal advice or assistance. For additional guidance regarding the application of the attorney client privilege, please consult legal counsel.

Back Pay

A type of damages awarded in an employment lawsuit that represents the amount of money the employee would have earned in the past if the alleged discrimination had not occurred.

Base Salary

Pay received for a given work period, as an hour or week, but not including additional pay, as for overtime work. It is used as the basis for calculating other allowances and benefits.

Benchmarking – (also Best Practice Benchmarking or Process Benchmarking)

A process used in management and particularly strategic management, in which organizations evaluate various aspects of their processes in relation to best practice, usually within their own sector or industry. This allows organizations to develop plans for adopting and adapting such best practice for increasing their performance. Benchmarking is considered a continuous process in which organizations should continually seek to challenge and improve their practices.

Benefits

Some see benefits as a form of supplement paid by employers to employees over and above the amount of pay specified as cash compensation. For others, benefits are a portion of a total compensation package or total rewards for employees. A comprehensive, common set of benefits could include many components e.g., career development, support for work-life balance, personal security, pension schemes, health insurance, life insurance, PTO or paid time off. (for discussion with Definitions and Systems and Functional Infrastructure subcommittees)

Best practices

The practices of an organization that enables them to achieve superior organizational performance results. It usually reflect an “ideal” or hoped for standard.

Bias

Prejudice in favor of or against one thing, person, or group compared with another, usually in a way considered to be unfair to one or more “protected” groups.

Bona fide occupational qualification (BFOQ)

A very narrowly interpreted exception to EEO laws that allows employers to base employment decisions for a particular job on such factors as sex, religion or national origin, if they are able to demonstrate that such factors are an essential qualification for performing a particular job.

Bonus

An after-the-fact reward or payment (may be either discretionary or nondiscretionary) based on the performance of an individual, a group of workers operating as a unit, a division or business unit, or an entire workforce. Payments may be made in cash, shares, share options or other items of value, such as a special event, travel or gift card. In the context of sales compensation, a defined, pre-established amount of money to be earned for achieving a specified performance goal. Planned bonus amounts commonly are expressed as a percent of the incumbent's base salary, salary range midpoint, percentage of target cash compensation or incentive compensation, or a defined dollar amount.

Calibration

A process designed to ensure different managers are applying similar and consistent standards in measuring and evaluating the performance of their subordinates. The process typically involves managers (and, often, HR) meeting to review and discuss the proposed performance ratings for the employees, and then adjusting ratings for accuracy and consistency.

California Labor Commissioner

Sets and enforces regulations for employee wages, paycheck deductions, breaks, vacation, jury/witness duty, or temporary military leave, the workweek, minors, employee access to personnel files, “lawful conduct” discrimination, exempt status, and independent contractor status. The commissioner also assess fines and files charges with the District Attorney on behalf of underpaid employees, and investigates, holds hearings, takes action to recover wages, assesses penalties, and makes demands for compensation.

Call in pay – Additional compensation awarded to employees who are required to remain on call during off-duty hours.

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.

Civil Rights Act of 1964

A federal statute enacted to further guarantee the constitutional rights of individuals and prevent employment discrimination based on race, color, sex, religion, national origin or age.

Civil Rights Act of 1991

A federal statute that amended the Civil Rights Act of 1964 enacted to strengthen and improve federal civil rights laws by providing for damages in cases of intentional employment discrimination, clarifying provisions regarding disparate impact actions and for other purposes.

COBRA (*Consolidated Omnibus Reconciliation Act (COBRA) of 1985*)

Under the Consolidated Omnibus Budget Reconciliation Act of 1985, if an employee (of a certain size) terminates employment with the company, the employee is entitled to continue participating in the company's group health plan for a prescribed period of time, usually 18 months. (In certain circumstances, such as an employee's divorce or death, the length of coverage period may be longer for qualified dependents). The employee typically pays the premium. COBRA coverage is not extended to employees terminated for gross misconduct.

COLA (*Cost of Living Adjustment*)

An annual adjustment in wages to offset a change in purchasing power, as measured by the Consumer Price Index (CPI). The Consumer Price Index is used rather than the Producer Price Index because the purpose is to offset inflation as experienced by the consumer, not the producer.

Collective Bargaining Agreement (CBA)

A collective agreement is a labor contract between an employer and one or more unions about the terms and conditions of employment of employees. Typical issues are salaries and wages, hours of work, working conditions

and grievance procedures and the rights and responsibilities of trade unions.

Collective Bargaining

The process by which an employer negotiates employment contracts and working conditions with one or more unions collectively for all employees.

Commission

Compensation paid to an employee based on a proportional amount of sales of the employer's property or services. Is most frequently called incentive pay and used primarily for sales positions. Mutually agreed upon, or fixed by custom or law, fee accruing to an agent, broker, or salesperson for facilitating, initiating, and/or executing a commercial transaction.

Common law employment test

Refers to the IRS's 20-question common law test which examines the level of control exercised over a worker by an employer in order to determine whether the individual is an employee or an independent contractor.

Comparable Worth

The concept that women and men should be paid equally when they perform different work that nonetheless requires comparable skills and responsibility or is of equal value to the employer.

Compensation

All forms of pay going to employees and arising from their employment. Typically compensation includes base elements such as wages and salaries and variables such as bonus and incentives

Compensation philosophy

A compensation philosophy is simply a formal statement documenting the company's position about employee compensation. It essentially explains the why behind employee pay and creates a framework for consistency. Compensation philosophies are typically developed by the human resources department in collaboration with the executive team. The philosophy is based on many factors, including the company's financial position, the size of the organization, the industry, business objectives, salary survey information, and the level of difficulty in finding qualified talent based on the economy, as well as the unique circumstances of the business.

Competencies / Competency

Competencies are the knowledge-skills and the attitude needed by any individual employee to carry out their job effectively. Another way to define competency is 'an underlying characteristic of a person' 'motive, trait, skill, aspect of one's self-image or social role, experience or a body of knowledge'.

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

A contract restricting an employee from disclosing confidential or proprietary information.

Contingent Workers

Contingent workers are employed when the employer needs them, without defined job security or long-term commitments. Part-time workers, temporary and contract workers, self-employed workers and independent contractors are examples.

Contractor

Under Executive Order 11246, a contractor is a firm that does business with the federal government. A prime contractor receives \$50,000 or more in contracts each year and employs more than 50 people in total employment. A subcontractor performs part of the contract at the direction of the prime contractor and receives \$10,000 or more in subcontracts each year.

CPI (Consumer Price Index)

An index of prices used to measure the change in the cost of basic goods and services in comparison with a fixed base period. Also called *cost-of-living index*.

Craft worker

An individual employed in a profession or activity that uses experienced hands to make something. Apprenticeships are often required and post-secondary vocational schools also offer such craft oriented training. Training time can be over a course of years and require certification examinations. Examples: electrician, plumber, tool and die maker, machinist, HVAC specialist, journeyman carpenter, cabinet maker.

DBA

Stands for “doing business as” and is an official and public registration of a business name. DBAs are also known as Fictitious Names, Fictitious Business Names, Assumed Names, and Trade Names.

De minimis rule

Described by IRS guidelines as any benefit, property or service provided to an employee that has so little value (taking into account how frequently similar benefits are provided to employees) that accounting for it would be unreasonable or administratively impracticable. Cash, no matter how little, is never excludable as a de minimis benefit, except for occasional meal money or transportation fare.

Deductible

Usually, in the employee insurance context this is a fixed amount or percentage of an insurance claim that is the responsibility of the insured, and which the insurance company will deduct from the claim payment. Sometimes deductibles are voluntary (to qualify for a lower premium rate) but usually they are imposed by the insurer to avoid paying a large number of small claims.

Defined benefit plan

A retirement plan that is not an individual account plan and pays participants a fixed periodic benefit or a lump sum amount, calculated using specific formulas that include such items as age, earnings and length of service.

Defined contribution plan

An individual account plan in which the employer contributes a specific amount of money into each year that is to be distributed among the accounts of each plan participant.

Department of Fair Employment and Housing (DFEH)

State agency that enforces California’s non-discrimination laws. DFEH has jurisdiction over private and public employment, housing, public accommodations, and public services. DFEH receives and investigates discrimination complaints, and provides technical assistance to employers regarding their responsibilities under the law.

Department of Industrial Relations (DIR)

Seeks to improve working conditions for California's wage earners and to advance opportunities for profitable employment in California. DIR has these major areas of responsibility: labor law, workplace safety and health, apprenticeship training, Workers' Compensation, statistics and research, mediation, and conciliation.

Department of Labor (DOL)

U.S. Department of Labor, federal agency, administers a variety of federal labor laws including those that guarantee workers' rights to safe and healthful working conditions, a minimum hourly wage and overtime pay, freedom from employment discrimination, Unemployment Insurance, and other income support.

DFEH

See Department of Fair Employment and Housing

Disciplinary Procedure

An employment management procedure carried out in the workplace in the event of an employee behaving in a manner contrary to the terms of the employment agreement. It is often part of a defined process called Progressive Discipline.

Discretionary Bonus

A plan in which management determines the size of the bonus pool and the amounts to be allocated to specific individuals after a performance period. These have no predetermined formula or promises, and are not guaranteed.

Discrimination

The making of a distinction in favor of or against, a person based on the group, class, gender, ethnicity, sexual preferences, religion or category to which that person belongs rather than on individual performance or merit.

Dismissal

Involuntary termination of employment by employer.

Disparate (Adverse or Unequal) Impact

Refers to an employment practice that appears neutral but discriminates against a protected class in practice.

Disparate (Unequal) Treatment

Refers to an applicant or employee who belongs to a protected class receiving different treatment because of his or her membership in a protected class.

Diversity

A broad definition of diversity ranges from personality and work style to all of the visible dimensions of diversity such as race, age, ethnicity or gender, to secondary influences such as religion, socioeconomics and education, to work diversities such as management and union, functional level and classification or proximity/distance to headquarters.

Diversity Training

A fundamental component of a diversity initiative that represents the opportunity for an organization to inform and educate senior management and staff about diversity. The purpose of training is not only to increase awareness and understanding of workplace diversity, but also to develop concrete skills among staff that will facilitate enhanced productivity and communications among all employees.

Division of Labor Standards Enforcement (DLSE)

Investigates wage claims and discrimination complaints and enforces California's labor laws (including the California Fair Pay Act) and Industrial Welfare Commission (IWC) Wage Orders.

DOL

See Department of Labor.

Domestic partnership

A domestic partnership is not identical to marriage, but it provides some of the same benefits. Some states refer to the institution as a "civil union," but the definitions vary from one city or state to the next.

Downsizing

The process of reducing the number of people working for an organization by terminations, retirements and spinoffs. Often referred to in a shorthand way as a RIF (or a reduction in the workforce)

EAP (Employee Assistance Plan)

A work-based intervention program designed to identify and assist employees in resolving personal problems (i.e., marital, financial or

emotional problems, family issues, substance/alcohol abuse) that may be adversely affecting the employee's performance. It is usually confidential and usage may not be known to the employer.

Educational assistance / tuition reimbursement plan

An employer sponsored program for providing eligible employees with financial assistance up to \$5,250 per year in the pursuit of undergraduate and graduate education. The coursework does not have to be job related and payments can be applied to expenses directly related to education including tuition, fees, books, supplies and equipment. Each employer generally defines the criteria and amount per annum.

EEO (Equal Employment Opportunity)

A policy statement 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.

EEOC

See Equal Employment Opportunity Commission

Employee Profile

(for discussion with Systems and Functional Infrastructure subcommittee)

This is usually a summary of highlights about an employee's career progression in an organization and includes salary, raises, job title and respective dates occurred that are maintained on the employer data base.

Employee Relations

A broad term, which is used to refer to the general management and planning of activities related to developing, maintaining, and improving employee-management relationships typically by communicating with employees, processing grievances/disputes, etc. It also is a usual part of HR that focuses on addressing workplace problems and facilitating resolution.

Employee Retention

Systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having organizational policies and practices in place to address their diverse needs effectively.

Employment “at will”

A legal doctrine that states that an employment relationship may be terminated by the employer or employee at any time and for any or no reason.

Equal Employment Opportunity Commission

A federal agency that interprets discrimination law, collects employment data and handles employee complaints. They also offer mediation and research plus legal advocacy.

Equal Pay Act of 1963

A federal law prohibiting employers from discriminating between male employees and female employees in terms of pay when they are performing jobs that are essentially the same or of comparable worth.

Equity adjustment

Equity adjustments are salary changes outside of the normal salary programs (promotions, reclassifications, merits, etc.) to remedy salary issues such as external pressure in high demand areas, internal salary compression, and/or retention considerations. Equity adjustments are not granted to reward performance.

Ethics

A philosophy principle concerned with opinions about appropriate and inappropriate moral conduct or behavior by an individual or social group. Many companies have a separate ethics policy

Executive Order 11246 of 1965

The Executive Order prohibits federal contractors and federally–assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin. The Executive Order also requires Government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. Additionally, Executive Order 11246 prohibits federal contractors and subcontractors from, under certain circumstances, taking adverse employment actions against applicants and employees for asking about, discussing, or sharing information about their pay or the pay of their co–workers.

Exempt employees

Employees who meet one of the FLSA exemption tests and who are paid on a fixed salary basis and not eligible for overtime.

Exit Interview

An exit interview is a meeting between an employee who is leaving the organization and a representative of the organization, usually from the Human Resources department. The purpose is to get feedback about the reasons for leaving, the job the employee held, the work environment, and the organization; especially what the employee would like to change. Usually not be carried out by employee's immediate superior.

External Market Data

(for discussion with Systems and Functional Infrastructure subcommittee)

Fair Employment and Housing Act (FEHA)

California law prohibiting discrimination/harassment on the basis of race/color, religious creed, national origin/ancestry, physical disability, mental disability, medical condition (including no genetic testing), marital status, sex, age, and sexual orientation.

Family Medical Leave Act (FMLA) of 1993

The Family and Medical Leave Act (FMLA) allows employees who have met minimum service requirements (12 months employed by the company with 1,250 hours of service in the preceding 12 months) to take up to 12 weeks of unpaid leave per year for: (1) a serious health condition; (2) to care for a family member with a serious health condition; (3) the birth of a child; or (4) the placement of a child for adoption or foster care.

Flex Time

Variable work hours requiring employees to work a standard number of core hours within a specified period of time, allowing employees greater flexibility in their starting and ending times.

Flexible benefit plan

A benefit program regulated under IRC 125 that offers employees a choice between permissible taxable benefits (including cash) and nontaxable benefits such as life and health insurance, vacations, retirement plans and child/dependent care. Although a common core of benefits may be required, the employee may determine how his or her remaining benefits

dollars are allocated for each type of benefit from the total amount offered by the employer.

Front Pay

A type of damages awarded in an employment lawsuit that represents the amount of money the employee could have earned into the future if he or she had not experienced the alleged discrimination.

FTE (Full-time Equivalent)

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

A method of job analysis that produces standardized occupational information specific to the performance of a particular job.

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.

Goal Setting

The systematic process of setting and assigning a set of specific and attainable goals to be met by an individual, group or organization.

Good Faith Bargaining

A duty to conduct negotiations where two parties meet and confer at reasonable times on matters within the scope of their representation, with open minds and with the intention of reaching an agreement.

Grievance

In a HR context, a grievance is a formal complaint or allegation brought by the employee or the organization to an employment contract against another party, about unfair, inconsistent treatment or violation of a union contract.

Harassment

Conduct or actions, based on protected characteristics such as race, religion, sex, national origin, age, disability, military membership or veteran status, severe or pervasive enough to create a hostile, abusive or intimidating work environment for a reasonable person.

High potential employee

Often the top 3-5 % of company employees ranked in performance review ratings. High potentials consistently and significantly outperform their peer groups in a variety of settings and circumstances. While achieving these superior levels of performance, they exhibit behaviors that reflect their companies' culture and values in an exemplary manner. Moreover, they show a strong capacity to grow and succeed throughout their careers within an organization—more quickly and effectively than their peer groups do.

Hire date

Hire date is normally the date an employee completes new hire paperwork, including the W-4 and I-9. Start date is the first day the employee actually works.

Hostile Environment Harassment

Sexual or other discriminatory conduct that is so severe and pervasive that it interferes with an individual's ability to perform the job, creates an intimidating, offensive, threatening or humiliating work environment or causes a situation where a person's psychological well-being is adversely affected.

Hourly employee

An employee who is paid by the hour and who must be paid overtime under the FLSA or a state wage hour statute.

HR Audit

A method for assessing the effectiveness of human resource functions. Can be carried out internally or by engaging external HR audit systems.

HRIS (Human Resource Information System)

A computer database used to gather, store, maintain and retrieve relevant employee and HR-related information.

Human Capital

From an organization point of view - the collective knowledge, competencies, health, skills and abilities of all the organization's employees. Human capital, unlike structural capital, is not reflected in financial statements and can walk out when employees leave unless it is systematically recorded in the organization's procedures and systems. From an individual point of view – the set of skills an employee acquires on

the job, through experience and training, which increases the employee's value in the job market.

Human Resources Management System

(for discussion with Systems and Functional Infrastructure subcommittee)

Also called HRIS, which is a computer based system used in the administration, record keeping and documentation of HR data.

Implicit Bias (or Unconscious Bias)

Unlike explicit bias (which reflects the attitudes or beliefs that one endorses at a conscious level), implicit bias is the bias in judgment and/or behavior that results from subtle cognitive processes (e.g., implicit attitudes and implicit stereotypes) that often operate at a level below conscious awareness and without intentional control.

Incentive Compensation

Compensation that is linked to performance by rewarding employees for actual results achieved instead of seniority or hours worked.

Incentive Pay

Additional financial compensation used to motivate and to reward employees for reaching and/or exceeding standard performance or productivity goals.

Independent Contractor

A self-employed individual who performs a service for an employer under an express or implied agreement and who is not subject to the employer's control, or right to control, regarding the method and means in which the service is performed. Can also be a person who works as an entrepreneur but has a contract for services with another person / organization, and is not considered an employee. [See Common Law Employment Test]

Individual Employment Agreement

An individual employment agreement is a formal, legally binding agreement between an employer and employee outlining terms of employment such as duration, compensation, benefits, etc.

Individual Retirement Account (IRA)

Tax-deferred retirement schemes that can be started by anyone who earns employment income. Individuals who earn less than a certain amount (or

who do not participate in their employer's retirement plan) can generally deduct a part or all of their contribution to such schemes from their taxable income. Money in an IRA is taxed only when it is withdrawn.

Insubordination

The willful or repeated disobedience to a directive from a higher level manager. Often part of a laundry list of more serious employment infractions.

Interactive process

A process in which the employee, health care provider and employer each share information about the nature of a disability and the physician outlined limitations that may affect the employee's ability to perform the essential job duties. This process is referred to as an interactive process. It entails a good-faith effort by the employer and the employee to discuss the limitations or performance issues the employee's disability may pose. The purpose of this discussion is to determine what (if any) accommodations may be needed or possible. The interactive process involves a review of the accommodation request from the employee or his or her health care provider.

Intermittent Leave

Under FMLA, intermittent and reduced schedule leave is used to describe leave that is not taken on a consecutive basis but rather taken in increments of days or hours.

Internal Recruitment

The practice of assessing the employer's current workforce to determine whether or not current employees possess the required skills or qualifications to fill specific vacancies either through promotion or transfer.

Interpretive Guidelines on Sexual Harassment

EEOC issued guidelines defining sexual harassment and the employer's responsibility for maintaining a workplace environment which is free from sexual harassment or intimidation.

Job Accommodation Network (JAN)

A service of the Office of Disability Employment Policy (ODEP) of the U.S. Department of Labor. JAN's mission is to facilitate the employment and retention of workers with disabilities by providing employers, employment providers, people with disabilities, their family members and other

interested parties with information on job accommodations, self-employment and small business opportunities and related subjects. This is considered a key and valuable resources for employees and employers.

Job Analysis

Job analysis is a systematic study of a job to determine what activities and responsibilities are included, their relationships with other jobs, the personal qualifications necessary for performance of the jobs, and the conditions under which work is performed. Job analysis usually results in a job description as well as recruiting plans.

Job description

A written description of a job based on a job analysis, which includes information about the nature of the work to be performed, specific responsibilities and duties, and the employee skills and characteristics required to perform the job, scope and working conditions, job title and the name of the person to whom the person holding the job reports.

Job Evaluation

Job evaluation is usually a system for analyzing and comparing different jobs and placing them in a ranking order according to the overall demands of each one. The objective is to assess which jobs should get more pay than others. There are two kinds of job evaluation programs: non-analytical and analytical. Non-analytical programs compare a job with others. In an analytical program, a job is split up into a number of different aspects and each factor is measured separately. Job evaluations assess the content of a job, not an individual's performance of that job.

Job expectations

What an employee must accomplish, in a position, to be considered a successful employee.

Job family

Groups of similar occupations based on work performed and on required skills, education, training, and credentials (similar types of work and requiring similar training, skills, knowledge, and expertise.). (for discussion with Systems and Functional Infrastructure subcommittee)

Job Grading

Jobs are assigned a job grade based on the job value determined during the job evaluation. Jobs are classified into a grade/category structure or

hierarchy. Each job is assigned to a specific grade/category. Jobs are placed with other jobs of similar requirements, duties, and responsibilities. The higher the job grade, the greater the level of responsibility and the higher the salary range.

Job Leveling

(for discussion with Systems and Functional Infrastructure subcommittee)

A systemic method of objectively and accurately assigning value to individual positions within an organization. It is a process that defines and evaluates the knowledge and skills that are necessary to perform the job and establishes the job's duties, responsibilities, tasks and level of authority within the organization's job hierarchy.

Job Posting

The method of advertising for vacancies internally by posting a notice of the opening on a bulletin board, etc.

Job title

A specific name given to a particular job which is used to distinguish that job from other jobs within the organization.

Key Performance Indicators

Key Performance Indicators or KPI's are quantifiable measurements, agreed to beforehand, which reflect the critical success factors and organizational goals of an organization. They differ according to the nature and the field of the organization. From a performance management point of view, KPI's measure how tasks agreed between an employee and the person to whom the employee reports, have been carried out in the agreed time and manner.

Knowledge worker

Employees whose job functions are primarily of an intellectual nature.

KSAs

Knowledge, skills and abilities – the personal attributes that a person requires to perform the job.

Labor Commissioner

See California Labor Commissioner

Labor Law Posting

Federal and state regulations requiring employers to post in conspicuous places a variety of labor law posters, including, but not limited to, information regarding employee rights under EEO, FMLA, OSHA, ADA, FLSA, as well as other labor laws.

Labor Market

A geographical or economic area of economic exchange in which workers seek jobs and employers seek workers. Labor markets can be primary labor markets, which provide secure employment with good benefits and good working conditions or secondary labor markets, which are occupations with insecure jobs, little benefits and low wages.

Layoff / RIF (Reduction in Force)

Layoff is a temporary termination of employees, or the elimination of jobs, during periods of economic downturn or organizational restructuring. **RIF** is an involuntary separation of an employee or groups of employees due to economic pressures, lack of work, organizational changes or other reasons of business necessity that require a reduction in staff.

LOA (Leave of Absence)

A period of time that one must be away from one's primary job, while maintaining the status of employee. This contrasts with normal periods away from the workplace, such as vacations, holidays, hiatuses, sabbaticals, and "working from home" programs, in that they are considered exceptional circumstances, rather than benefits. Generally such an arrangement has a predefined termination at a particular date or after a certain event has occurred.

Long-Term Bonus

Usually a form of deferred compensation that establishes an income stream in the form of a bonus over time, typically at a predetermined age or upon retirement.

Lump Sum Payment

In an HR Context, a fixed negotiated payment, which is not typically included in an employee's annual salary but given in place of regular pay increases.

Management Employee

An employee who meets the salary basis test and regularly manages or supervises two or more employees.

Market rate

The usual price in the market / typical rate for a specific job.

Matrix Organization

A matrix shaped multifunctional team organizational structure, where employees from different functional disciplines (e.g. accounting, marketing, engineering) report to more than one manager or supervisor without being removed from their respective positions.

Mean Wage

The average wage for a worker in a specified position or occupation, which is determined by adding together the total wages for all incumbents in a specific position or occupation and then dividing it by the total number of incumbents.

Median Wage

The margin between the highest paid 50 percent and the lowest paid 50 percent of workers in a specific position or occupation.

Mediation Services

In an HR context, a system of alternative dispute resolution or the process of intervention by an independent specialist in an employment dispute.

Medicare

A health insurance program administered by the Social Security Administration which is broken into two distinct categories: 1) Medicare Part A helps with hospital costs; and 2) Medicare Part B requires a monthly fee and is used to pay medical costs for people 65 years of age and older, and some disabled people under 65 years of age and people.

Mentoring

A one-to-one systematic interaction process between an employee and a senior or more experienced individual, who acts as an advisor, counsellor or guide. The mentor provides support and gives feedback to facilitate learning. May be formal or informal.

Merit pay / salary increase

Higher wage rate paid to an employee on the basis of an agreed upon criteria such as efficiency and performance. Also called merit bonus.

Mid-Point

The point on a continuum at which half of the distribution is above the mean and half is below.

Minimum qualifications

The attributes of a job description which establishes a baseline for meeting the qualifications for a particular position.

Minimum wage

The lowest hourly rate an employer can pay an employee. The government sets this rate by law.

Minorities

Men and women of those minority groups for whom EEO-1 reporting is required; that is, black, Hispanic, Asian or Pacific Islander, American Indian or Alaskan Native. The term may refer to these groups in the aggregate or to an individual group.

Mission Statement

A brief written description of a company's core purpose and focus, which normally remains unchanged, whereas business strategies and practices may frequently change to adapt to the changing circumstances. Also called company mission, corporate mission or corporate purpose.

National Labor Relations Act (NLRA) of 1947

The National Labor Relations Act (NLRA), passed in 1935, provides that all employees have the right to form, join and assist labor organizations and to bargain collectively with their employers.

National Origin

The country – including those that no longer exist – of one's birth or of one's ancestors' birth. "National origin" and "ethnicity" often are used interchangeably, although "ethnic group" can refer to religion or color, as well as country of one's ancestry.

Non-compete Agreement

A contract restricting an employee from obtaining employment with a competitor within a specified industry, distance and/or time frame.

Non-Discretionary Bonus

A plan in which management determines the size of the bonus pool and the amounts to be allocated to specific individuals after a performance period. These use a predetermined formula and promises.

Non-Disclosure Agreement

A contract restricting an employee from disclosing confidential or proprietary information.

Non-exempt 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, overtime pay, etc.

Occupational Groups

Used to classify specific occupations into a specific category, such as professionals, technical/hi-tech, administrative/clerical, sales, service, retail, etc.

Occupational Segregation

The systematic concentration of groups of workers (e.g., women, people of color) in particular jobs.

Office of Federal Contract Compliance Programs (OFCCP)

This division of the Department of Labor holds those who do business with the federal government – contractors and subcontractors – responsible for complying with the legal requirement to take affirmative action and not discriminate on the basis of race, color, sex, sexual orientation, gender identity, religion, national origin, disability, or status as a protected veteran. In addition, contractors and subcontractors are prohibited from discharging or otherwise discriminating against applicants or employees who inquire about, discuss or disclose their compensation or that of others, subject to certain limitations.

Onboarding

Onboarding is the process of integrating employees into their new work environment. A relatively new term, it is slightly more comprehensive than

orientation as it links new employees with team members very early in the employment process and continuing after the traditional orientation program ends.

Open Door Policy

A policy encouraging employees to bring employment issues to the attention of the employer, rather than going outside the company.

Organization chart (org chart)

A graphic representation outlining how authority and responsibility are distributed within an organization.

Organizational Culture

The specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

Orientation (New employee orientation)

The introduction of employees to their jobs, co-workers, and the organization by providing them with information regarding such items as policies, procedures, company history, goals, culture, and work rules.

Outplacement

The process of facilitating a terminated employee's search for a new job by providing professional services, such as job counseling, training and assistance paid for by the former employer as a benefit.

Overtime pay

In accordance with the Fair Labor Standards Act (FLSA), it is the term used to define work that is performed in excess of 40 hours per week.

Paid Time Off (PTO)

A benefit program granting employees a specific number of vacation or personal days off which that are paid by the employer. The number of days is generally based on the employer's policy for accrual of paid time off.

Parental Leave

A benefit designed to provide employees with approved paid or unpaid time off following the birth or adoption of a child or to care for a dependent.

Part-Time Employee

An individual who continually works less than 40 hours per week (standard workweek hours are based on individual employer policy, therefore, a 40-hour workweek is only a guideline; this number could be higher or lower).

Pay Rate

A fixed amount of payment based on a unit of time or a piece of work performed.

Pay Scale

(for discussion with Systems and Functional Infrastructure subcommittee)

Performance Appraisal

A periodic review and evaluation of an individual's job performance. May be verbal (informal) or written (more formal)

Performance Improvement Plan

Performance Improvement Plan is a tool to monitor and measure the work processes and/or behaviors of a particular employee or a unit in order to improve performance or modify behavior. It provides employees with constructive feedback, facilitate discussions between an employee and his or her supervisor regarding performance-related issues, and outline specific areas of performance requiring improvement, often over a specific time period.

Performance management

A process of identifying, evaluating and developing the work performance of employees in an organization. This is to foster organizational objectives are more effectively achieved and understood by employees, through the use of performance assessment tools, coaching and counseling as well as providing continuous feedback.

Personal Grievance

Any grievance that an employee may have against the current employer or former employer. The most common types of personal grievance are dismissals, or threats of dismissal, sexual harassment, racial harassment, duress, and discrimination. Some organizations have a formal policy on grievance handling and procedures, sometimes contained in a CBA

Piece Rate

An amount paid for completing a particular task or making a particular piece of goods.

Position Analysis

A questionnaire used in an organization to collect quantifiable data about the responsibilities and requirements of jobs in that particular organization.

Pregnancy / maternity LOA

A period of approved absence for a female employee granted for the purpose of giving birth and taking care of infant children. Maternity leave may last anywhere from several weeks to a period of months depending on the organization, and may be paid or unpaid depending on policies. A certain amount of maternity leave may also be legally mandated for some states or municipalities.

Prevailing Wage

A rate of pay determined by the U.S. Department of Labor based upon the geographic area for a given class of labor and type of project.

Probation / Probationary Period

When hiring new employees, many employers use probationary employment periods to ascertain whether the new workers will be able to handle the duties and challenges associated with their new job. Also called trial period. Probation or probationary periods, which can be from two weeks to several months helps the employer evaluate the employee before making the employment permanent.

Professional Development Plan

The Professional Development Plan outlines how the professional capabilities of the employee will be developed over a defined period. This plan may include formal training, participation in work related activities (projects or committees), access to coaching, mentoring or any other opportunities for experience to enhances the skills, knowledge or personal attributes of the employee.

Progressive discipline

A form of discipline with increasing penalties are awarded each time an employee is disciplined for the same or a different performance infraction or policy or work-rule violation. Generally, the sequence is an oral warning to written warnings to suspension and finally termination.

Promotion

Career advancement within an organization, which includes increased authority, level of responsibility, status and (usually) pay.

Protected class / group

A legal term describing certain groups, such as women, older and disabled individuals, veterans and minorities.

Race / Gender (Sex) / Ethnic Categories

Race is a division of humans with certain distinguishing characteristics in common which indicate distinctive origins or cultural heritage. **Gender / Sex** is the classification of people as male or female. **Ethnic Categories** is a grouping of individuals who are of the following descent: American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; and White.

Reasonable Accommodation (see also Accommodation)

Modifying or adjusting a job process or a work environment to better enable a qualified individual with a disability to be considered for or perform the essential functions of a job.

Records retention

Number of years prescribed by a law for which certain records must be kept before their final disposition.

Recruitment

The process of bringing into an organization personnel who will possess the appropriate education, qualifications, skills, competence and experience for the post offered.

Red circle rate / Red Circling

A **Red Circle Rate** is a pay rate that is usually above the maximum range assigned to the job grade. Employees are usually not eligible for additional pay increases until the range maximums exceed the individual pay rate.

Red Circling is when an employee's pay rate is approved to be above the established salary maximum for that position.

Regular Rate of Pay

The calculated amount of an employee's actual earnings, which may include an hourly rate, commission, bonuses, piece work, and the value of

meals and lodging. (may require further discussion with definitions subcommittee)

Representation

Members from various demographic groups, (can be legally protected groups or classes), such as race, ethnicity, religion, sex, national origin, age and physical and mental disabilities.

Reprimand

An oral or written reproach given to an employee as part of disciplinary action.

Rest break

The Fair Labor Standards Act (FLSA) does not require breaks or meal periods be given to workers. Some states may have requirements for breaks or meal periods. If a state does not require breaks or meal periods, these benefits are a matter of agreement between the employer and the employee (or the employee's representative). California requires: Paid 10-minute rest period for each 4 hours worked or major fraction thereof; as practicable, in middle of each work period. Not required for employees whose total daily work time is less than 3 and ½ hours.

Résumé / CV

A document setting out a summary of a person's education, training, professional history, skills, competences and job qualifications, which is used typically when applying for a job. The term CV (Curriculum Vitae) can more common in more academic or technical fields.

Retaliation

Retaliation occurs when an employer negatively treats an employee for engaging in "legally protected activity". It can include a negative job action, such as demotion, discipline, firing, salary reduction, or job or shift reassignment.

Retention

Effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs.

Right-to-sue letter

A letter issued by the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing, once a charge has been recorded and processed, informing individuals who filed the charge that they have the right to further pursue their charges in a federal or state court.

Right-to-work

A state law preventing labor-management agreements requiring an individual to join a union as a condition of employment.

Salary

A fixed amount of money for each payroll period, whether weekly, bi-weekly, semi-monthly, or monthly.

Salary grade / level

A compensation level expressed as a salary range, which has been established for each position within the organization.

Salary range

A range of pay rates, from minimum to maximum, set for a specific pay grade.

Salary survey

Tools used to determine the median or average compensation paid to employees in one or more jobs. Compensation data, collected from several employers, is analyzed to develop an understanding of the amount of compensation paid.

Seniority

Status determined by the length of time an employee has worked for a specific employer, department or position within the organization.

Severance Pay

Usually a one-time payment given by employers when terminating an employment. It is often a trade off for an employee waiver or release in agreeing to sue the company.

Sexual Harassment

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitutes sexual harassment when

submission to or rejection of this conduct explicitly or implicitly affects an individual's employment, interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment. Sexual harassment can occur in a variety of circumstances, including but not limited to the following: The victim as well as the harasser may be a woman or a man. The victim does not have to be of the opposite sex. The harasser can be the victim's supervisor, an agent of the employer, a supervisor in another area, a co-worker, or a non-employee.

Sick Leave

Paid time off granted to employees who are out of work due to an illness or injury.

Skill Based Pay

A compensation system based on the repertoire of skills an employee can perform, rather than the specific skill that the employee may be using at a particular time. Pay increases generally are associated with the addition and/or improvement of the skills of an individual employee, as opposed to better performance or seniority within the system.

Stock options

The right to purchase stock of the employer at a given price at some designated time in the future. Stock Options usually come in two types: Incentive stock options (ISOs) in which the employee is able to defer taxation until the shares bought with the option are sold. Nonqualified stock options (NSOs) in which the employee must pay income tax on the 'spread' between the value of the stock and the amount paid for the option.

Succession planning

Succession planning is a process for identifying potential candidates to replace core individual employees either known to be leaving the firm at some point in the future and/or whose sudden departure would pose a risk to the operation of the firm. Succession planning differs from *replacement planning*, as it is much broader in scope. The aim is to ensure predictable organizational stability and consistency by identifying critical skill sets and developing methods such as job sharing, job trading, mentoring, coaching, cross training to maintain and develop these skill sets across the organization.

Suspension

A form of disciplinary action resulting in an employee being sent home with or without pay and forbidden to come to work for a specified period of time.

Talent management

Broadly defined as the implementation of an integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs.

Temporary employee / work

An individual who works on either short- or long-term assignments with an employer without being treated as a permanent employee and lacking the benefits of permanent employees. Normally utilized by employers to meet seasonal or other demands that they do not have the internal resources to meet.

Termination

Separation from employment due to a voluntary resignation, layoff, retirement or dismissal.

Termination-at-will

A rule allowing an employee or employer to terminate the employment relationship at any time for any or no reason at all.

Third-Party Sexual Harassment

Harassment of an employee by someone other than another employee, such as a client, customer, vendor or service provider.

Title VII, Civil Rights Act of 1964

Federal law prohibiting employers of 15 or more employees from discriminating on the basis of race, color, religion, sex, or national origin.

Total Compensation

The complete pay package awarded employees on an annual basis, including all forms of money, benefits, services and in-kind payments. The total cash remuneration plus the valued perquisites and benefits awarded employees on an annual basis. In valuing perquisites and benefits, the value of long-term benefits are usually included. Typical items included are medical expenses, vacation tickets, special events children's education,

terminal benefits (gratuity, provident fund, social security), share purchase plans, club memberships etc. Also known as total remuneration.

Total Rewards

The monetary and non-monetary compensation provided to employees in exchange for their time, talents, efforts and results. Total rewards include key elements that effectively attract, motivate and retain the talent required to achieve desired business results. Total rewards can be seen to include compensation, benefits, work-life balance, career development, recognition programs.

Total Rewards Statement

An annual statement issued individually to each employee of an organization that quantifies the total value of his or her rewards received in the previous calendar year. Statement includes income from all compensation sources as well as the cash value of all benefits and work experience elements received. The objective of the statement is to communicate the value of employer expenditures on behalf of each employee.

Turnover

In an HR context, turnover is the number of employees hired to replace those who left or were fired during a 12-month period.

UI (Unemployment Insurance) / SDI (Short-term Disability Insurance)

UI is a statutory benefit. Unemployment insurance is designed to provide workers who have been laid off a weekly income during short periods of unemployment. The system is run and funded by state and federal taxes paid by employers. **SDI** is a benefit designed to provide temporary income replacement for worker absent due to illness or injury, but who is expected to return to work within a specified timeframe.

Union dues

Union dues are a regular payment of money made by members of unions. Dues are the cost of membership; they are used to fund the various activities which the union engages in. Nearly all unions require their members to pay dues.

Unions

Groups of workers who have joined to form incorporated associations relating to the type of work that they perform in order to protect their common interests and improve their working conditions.

Vacation pay

A benefit that employers typically give full-time employees that allows the employees to take a paid vacation. Most full-time jobs start with two weeks paid vacation with the option to earn more throughout years of service.

Wage or Wages

Money received by an employee for labor performed of every description, whether the amount is fixed or determined by the standard of time, task, piece, commission or other methods of calculation. (for discussion with definitions subcommittee)

Wellness program

Programs, such as on-site or subsidized fitness centers, health screenings, smoking cessation, weight reduction/management, health awareness and education, that target keeping employees healthy, thereby lowering employer's costs associated with absenteeism, lost productivity and increased health insurance claims.

Whistleblower Protection Act of 1989 / Whistle Blower

Whistleblower protection is the federal law that provides protection to employees against retaliation for reporting illegal acts of employers. An employer may not rightfully retaliate in any way, such as discharging, demoting, suspending or harassing the whistle blower. Employer retaliation may result in the whistle blower filing a charge with a government agency and/or filing a law suit against the employer.

Whistle Blower is a person who reveals wrongdoing within an organization to the public or to those in positions of authority.

Work-Life Balance

Work-life balance is a concept for prioritizing between career and ambitions and family, leisure, pleasure and spiritual development. Work-life balance is not the same for everyone as people have different priorities in life.

Worker's Compensation

State laws enacted to provide workers with protection and income replacement benefits due to an illness or injury suffered *on the job*. Employers must carry appropriate workers' compensation insurance, as required by state law, or have a sufficient source of funding for claims incurred.

Workplace bullying

Persistent, offensive, abusive, intimidating or insulting behavior or unfair actions directed at another individual, causing the recipient to feel threatened, abused, humiliated or vulnerable.

Workplace violence

Assaults and other violent acts or threats that occur in or are related to the workplace and entail a substantial risk of physical or emotional harm to individuals or damage to company resources or capabilities.

Resources:

- A Handbook of Human Resource Management Practice 10th Edition by Michael Armstrong. Kogan Page 2006
- Glossary of HR Terms by Rana Sinha (<http://www.dot-connect.com>)
- hbr.org
- HRM Guide Network <http://www.hrmguide.net/>
- legal-dictionary.thefreedictionary.com/attorney-client+privilege
- OPM.gov
- Reward Management Associates <http://www.reward-management.com/Definitions.htm>
- Society for Human Resource Management <http://www.shrm.org>
- The Essential HR Handbook: A Quick and Handy Resource for Any Manager or HR Professional by Sharon Armstrong. Career Press 2008
- World At Work: The Total Rewards Association <http://www.worldatwork.org/waw/Glossary>
- www.agilehr.com
- www.businessdictionary.com
- www.CalChamber.com
- www.dol.gov

- www.dol.gov/ofccp/aboutof.html
- www.dol.gov/ofccp/regs/compliance/ca_11246.htm
- www.gerstco.com/affirmative-action-planning/what-is-affirmative-action-plan.php
- www.henry.fi/files/180/Glossary_of_HR_terms.pdf
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- www.humanresourceblog.com
- www.irs.gov/retirement-plans/401k-plans
- www.ncsc.org/~//media/Files/PDF/Topics/Gender%20and%20Racial%20Fairness/Implicit%20Bias%20FAQs%20rev.ashx
- www.nolo.com
- www.onetonline.org
- www.shrm.org
- www.shrm.org/resourcesandtools/hr-topics/compensation/pages/job-leveling.aspx
- www.wikipedia.org