

# Glossary

**added value** Value based on identifying what really matters to key stakeholders, and developing services and products that deliver this. In many respects, it builds on the total quality management (TQM) ethos of delivering products and services that create 'customer delight'.

**annual hours contract (AHC)** A contractual arrangement whereby working hours are scheduled over a year, rather than a week, as is more usual. This allows employers who experience variation in levels of demand to schedule working time in line with their business pattern.

**aesthetic labour** Circumstances in which physical appearance and 'embodied capacities and attributes' form the basis of employment—that is, in which part of paid employment is concerned with how people look, sound, and present themselves.

**ability-motivation-opportunity (AMO) theory** Suggests that employees perform well when they have the necessary skills or *ability* to do so, the *motivation* to perform, and are given the *opportunity* to perform by their line managers. Human resource policies and practices can impact on an employee's AMO and thus give rise to higher levels of performance.

**Balanced Scorecard** Developed by Kaplan and Norton (1998) as a tool to help managers to find holistic ways of measuring organizational performance.

**black box** Refers to the unknown processes that occur between HR interventions, on the one hand, and performance outcomes, on the other. One focus of research has been to find an appropriate theory to explain how this 'black box' works to better explain why and how human resource management (HRM) might impact on performance.

**blended learning** A range of learning methods, underpinned by a range of learning theories, combined or blended together; usually involves some form of e-learning as one method.

**business ethics** '[T]he study of business situations, activities, and decisions where issues of right and wrong are addressed' (Crane and Matten, 2007: 5).

**business model** A framework or approach that is used in core areas of the business to create economic and social value.

**business strategy** Sets out an organization's strategic scope or direction—essentially, the markets in which it wants to compete (Grant, 2010). It is important to note that business strategy is often referred to as 'corporate strategy'.

**capabilities** '[T]he capacity of an organisation to use resources, get things done, and behave in ways that accomplish goals. They characterise how people think and behave in the context of the organisation . . . Capabilities define what the organisation does well' (Ulrich and Brockbank, 2005b: 49). *See also core competence*

**career development** A planned and structured response to the career aspirations of key employees.

**change management** Planned change and change agency. *Planned change* is an approach to managing change that assumes that change is an activity that can be managed and organized, and led by senior managers. *Change agency* is the practice of leading and managing change. A *change agent* is a person or group of people within an organization tasked with managing change.

**coaching** Development intervention in which a peer or manager works with an employee to motivate the employee, help them to develop skills, and provides reinforcement and feedback.

**code of conduct** Sets out the way in which employees or members of an occupational group are expected to behave when carrying out their work responsibilities. Also referred to as a 'code of ethics'.

**codification** The encoding of knowledge as text, figures, or digital data. Many observers argue that it is only information, rather than knowledge, that can be encoded in this way. *See also knowledge management*

**cognition** The development of representations or mental models of the world around us within our mind (Bowden and Marton, 2004). *See also situated cognition*

**communities of practice (CoPs)** '[G]roups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis . . . Over time, they develop a unique perspective on their topic as well as a body of common knowledge, practices and approaches . . . They will tend to organize along friendship lines or within local geographical or organizational contexts rather than cover the whole organization' (Wenger et al., 2002: 4–5, 13).

**competence** The ability of an individual to do a particular job to a high standard.

**competencies** '[A] broad grouping of knowledge, skills, and attitudes that enable a person to be successful at a number of similar tasks' (Blanchard and Thacker, 2004: 9).

**competitive advantage** Consists of advantages derived from unique organizational capabilities that contribute to maximizing returns for shareholders.

**competitive strategy** How an organization will compete in those markets identified in the business strategy.

**contingency theories** Assume that approaches to strategic human resource management (SHRM) will vary in different contexts.

**core competence** The combination of an organization's technologies with the knowledge, skills, and abilities of its employees. It determines the viability and competitiveness of an organization. *See also capabilities*

**corporate governance** Focuses on processes that direct and control organizations and hold them to account.

**corporate social irresponsibility (CSI)** Consists of socially irresponsible acts and decisions of organizations that have negative consequences for multiple stakeholders.

**corporate social responsibility (CSR)** '[E]ncompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time' (Crane and Matten, 2007: 49).

**development** Much broader than training and usually has a longer-term focus. It is concerned with the enhancement of an individual's personal portfolio of knowledge, skills, and abilities (that is, competencies). *See also education*

**devolution** Human resource managers passing responsibility for HR tasks over to line managers. This can take various forms, varying from total devolution, accompanied by the removal of the HR function entirely, to simply asking line managers to fill out relevant forms. It can apply across the full range of HR activity or only to certain areas, such as recruitment.

**disruptive technologies** Represent developments in technology that create a new market or value network and lead to the disruption of existing markets and networks, resulting in the displacement of established market-leading firms, products, and services.

**education** Can range from courses in basic literacy and numeracy, through to postgraduate qualifications such as a Masters in Business Administration (MBA). National human resource development (HRD) policies have a very strong focus on education.

**e-HRM** '[C]onfigurations of computer hardware, software, and electronic networking resources that enable intended or actual HRM activities . . . through individual and group-level interactions within and across organizational boundaries' (Marler and Fisher, 2013: 21).

**e-learning** A learning and development delivery system that relies on technology and normally requires

the learner to engage in self-directed study. It is not a learning theory.

**emotional intelligence** The capacity to deal with emotions effectively, which can be viewed as an ability or competency.

**emotional labour** Work in which employees are expected to manage their emotions.

**employee engagement** Used in a variety of ways, with no single agreed definition or measure. However, there is a consensus among psychologists that *work engagement* is a state experienced by individuals in relation to their work that involves investing intellectual energy into thinking about the task, physical energy and absorption in the task, and positive emotional energy and enthusiasm in relation to task fulfilment. It has also been variously proposed that engagement includes a social dimension and positive connections with others, or that it incorporates long working hours, but there is as yet no general agreement about this. Consultants and practitioners tend to view employee engagement as a workplace strategy—a view that is also adopted by HRM academics researching the field.

**employee voice** Refers to circumstances in which employees are given the opportunity to have some input into organizational decision making.

**employer branding** '[T]he practice of developing, differentiating and leveraging an organisation's brand message to its current and future workforce in a manner meaningful to them . . . [and] is aimed at motivating and securing employees' alignment with the vision and values of the company' (Price, 2004: 263).

**engagement strategies** Workplace approaches used by employers with the aim of raising levels of employee engagement.

**evaluation** Measuring the impact that training or learning has had on individual performance in the workplace and the contribution this makes to overall organizational performance.

**expatriate** Employee sent abroad by their organization for a specified or defined time period.

**explicit knowledge** Formal, abstract, or theoretical knowledge, which relies on an individual's conceptual skills and cognitive abilities.

**external fit** *See vertical strategic alignment*

**facilitation** Guiding and supporting a learner or group of learners with the minimum of input.

**free-market capitalism** Capitalism characterized by free markets, privatization, and deregulation. In theory, free-market capitalism is characterized by self-correcting mechanisms that avoid any necessity for state intervention. These mechanisms are embedded in a globally integrated financial market, which has been made possible through advances in technology.

**gig economy** Economy in which independent workers are working outside of 'regular employment', instead contracting to do a piece of work, or 'gig', for an organization.

**global HRM strategy** Concerned with an international organization's approach to managing people and the SHRM functions worldwide.

**global SHRM service delivery** Focuses on the configuration of the HRM department or function and incorporates a combination of structures, roles, and intellectual capital (Bjorkman and Welch, 2015).

**globalization** The creation of a borderless global economy that allows unhindered movement of finance, products, services, information, and people.

**green HRM** Focuses on the use of HRM policies to promote the sustainable utilization of resource within business organizations and, more generally, promotes the cause of environmental sustainability.

**high-performance work systems (HPWSs) or high-performance work practices (HPWPs)** A bundle of HR practices that is expected to yield positive performance outcomes at the individual and organizational levels. Often, this bundle includes practices aimed at enhancing employee skills, motivation, and empowerment. However, there is little consensus as to the precise practices that should be in the bundle and the evidence as to their impact is mixed.

**horizontal strategic alignment (also referred to as horizontal alignment or horizontal fit)** The process by which the various elements of an HR strategy are aligned with one another, with the aim of achieving the same strategic goals.

**HR architecture** The HR system in its entirety, which may contain different approaches for different employee groups.

**HR strategy** The strategy that an organization adopts for managing its people. Some firms do not have an HR strategy, but all will be driven by employment law to have appropriate policies in place for managing people. Organizations may have one overarching HR strategy and/or different strategies for managing different groups of employees. Human resource strategies may be explicit and documented, or implicit.

**human capital** Becker (1964, 1975) popularized Schultz's (1961) human capital theory that organizations derive economic value from employees' skills, competence, knowledge, and experience. Schultz (1961) argued that human capital can be developed through education and training.

**human resource development (HRD)** Encompasses a range of organizational practices that focus on learning: training, learning, and development; workplace learning; career development and lifelong learning; organizational development; organizational knowledge and learning.

**immigrant** Individual who has left one country to settle permanently in another.

**implicit HRD** The acquisition of knowledge that occurs independently of conscious attempts to learn. It is development without awareness of explicit understanding that the knowledge or skill was acquired.

**incidental HRD** Unintentional and tacit development, which involves internalizing meanings about the interactions of others.

**informal HRD** Unplanned, ad hoc development with non-specific outcomes. It is highly experiential and occurs in a self-directed way through networking, trial and error, and informal coaching and mentoring processes.

**informal learning** Learning that is 'predominantly unstructured, experiential, and non-institutionalized' (Marsick and Volpe, 1999: 4), whereby the control of learning resting primarily in the hands of the learner (Marsick and Watkins, 1990).

**intellectual capital** Comprises the intangible assets of an organization, including both human capital and social capital.

**internal fit** *See* horizontal strategic alignment

**knowledge** A complex, multifaceted concept, which lacks a universal definition. It is often discussed as comprising explicit and tacit dimensions. *See also* explicit knowledge and tacit knowledge

**knowledge integration** A collective process through which specialized knowledge that resides within individuals is recombined and, as a result, organizations can benefit from knowledge complementarities existing between individuals with differentiated knowledge bases.

**knowledge management** A strategic approach to the control and/or nurturing of organizational knowledge.

**knowledge work** Work that involves being engaged in complex activities and tasks characterized by autonomy and judgement, such as that carried out by professionals, scientists, and consultants.

**knowledge workers** Employees who are engaged in knowledge work.

**learning** There is no universal definition of learning. Learning at the individual level is about the acquisition of new knowledge and how this changes the individual in some way, such as in terms of how they think about something, or how they carry out a task, or how they behave. *See also* lifelong learning; reflective practice; situated cognition; social learning

**lifelong learning** The ongoing acquisition of knowledge and skills by means of study and experience throughout the duration of an individual's career.

**mentoring** Development intervention whereby a more experienced and usually more senior person helps a less experienced employee, by means of discussion and guidance, to achieve their career goals.

**migrant** Non-native worker employed temporarily on a work permit and often recruited through an agency.

**new institutionalism** A framework based on the idea that external pressures on organizations will exert an homogenizing effect, leading to similar solutions being adopted by firms in the same industry.

**organizational change** There are several types of organizational change, including: *transformational change*, which is a wide-reaching and fundamental change of an organization's strategy, culture, and structure; *incremental change*, which is a small-scale change affecting only part of what an organization does, such as introducing a new technology or restructuring a department; and *punctuated equilibrium*, which refers to periods of incremental change interspersed with transformational change.

**organizational culture** A pattern of shared basic assumptions that the group has learned as it has solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think, and feel, in relation to those problems (Schein, 1992: 12).

**organizational development** A systematic and methodical approach to the management of change that is aimed at improving organizational performance and competitiveness.

**organizational structure** The way in which an organization is designed to support the competitive strategy.

**outsourcing** Contracting with external organizations or individuals who possess specialist expertise and can fulfil specific projects for an organization, instead of employing an in-house function or individual specialist.

**pluralistic** Perspective on conflict in the employment relationship as inevitable, since both employers and employees are seen as seeking to maximize their own interests: employers might want higher productivity and reduced costs, whereas employees might want higher wages in return for their labour. In this perspective, the approach for employers is to attempt to manage conflict, rather than to avoid or suppress it.

**private equity finance** Investment in private companies and buying out of public companies, resulting in the latter being delisted on a public exchange. The aim of buying out public companies is frequently to try to improve their financial performance in the short term and then sell the company on at a profit.

**psychological contract** The set of unwritten reciprocal expectations between an organization and

an individual employee (Schein, 1992). It reflects the existence of an emotional, as well as an economic, attachment to the organization, which is highly subjective and subject to change (Boxall and Purcell, 2016).

**reflective practice** Critical thinking about specific incidents and examining what happened, how it happened, and why it happened. The outcome of this process is often some form of learning that involves an adjustment to how we think and act in the world.

**resident non-immigrant** A US term used to describe a foreign national who is granted temporary residence in the United States.

**resource-based view (RBV)** A perspective based on the premise that firms can achieve sustained competitive advantage if they secure and effectively deploy resources that are not available to, or imitable by, their competitors.

**resource-dependency** A perspective that holds that firms are dependent on others in their network for important resources and that the nature of the dependency relationship will impact on the leeway available to the firm to choose its own solutions to managerial dilemmas.

**self-initiated expatriate** An employee who makes their own arrangements to move and live overseas.

**shared service centre** A function that can be established either within a single organization or by a group of organizations; often used in the HR field to provide HR administrative or support services to staff, and often organized around a call centre or intranet that is accessible to everyone in the organization, which is set up to answer queries. Shared service centres benefit from economies of scale and accessibility; they can be in-house, part-outsourced, or fully outsourced.

**shareholder theory** A perspective that gives priority to profit maximization based on a corporation's legal obligations to generate shareholder wealth (Key, 1999). This is consistent with an economic perspective on globalization.

**situated cognition** A theory of learning that posits that cognition is situated in the workplace and distributed across group members, and that learning occurs as a result of social interaction between group members.

**social capital** '[T]he sum of actual and potential resources within, available through, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilised through that network' (Nahapiet and Ghoshal, 1998: 243). *See also intellectual capital*

**social learning** Also often termed 'social cognitive theory', a theory that learning takes place as a result of engaging in social activities. This includes *passive*

*engagement*, such as observation and listening, and *active engagement*, actually contributing to discussions.

**social networks** Informal groups that emerge and evolve in the workplace, but which have weaker ties than communities of practice and tend to span organizational boundaries.

**stakeholder theory** A theory that looks beyond profit maximization and focuses on social and environmental values, based on a corporation's moral obligations to all those who have a stake in the business (Freeman, 2011). This reflects a social perspective on globalization.

**strategic alignment** See **horizontal strategic alignment** and **vertical strategic alignment**

**strategic human resource development (SHRD)** The process whereby HRD strategy, policies, plans, and practices are vertically and horizontally aligned, and learning is embedded in the organization's strategic processes.

**strategic management** The process that enables organizations to turn strategic intent into action, comprising four phases: analysis, selection, implementation, and review.

**strategic partner** The role adopted by the HR function (or individual members within it) whose focus is on HR activities aimed at supporting the strategic direction of the organization.

**strategy** A plan that integrates an organization's vision, mission, goals, and objectives, and determines how resources will be used.

**supply chain** The network of organizations that are involved in the processes that create value for customers in the form of products and/or services.

**sustainability** A holistic approach that considers ecological, social, and economic dimensions, and acknowledges that all must be considered together.

**tacit knowledge** The practice or skills dimension of knowledge that accrues over time. It is often referred

to as an individual's skills or expertise. Spender (1996a) describes tacit knowledge as *automatic* knowledge, in acknowledgement of Polanyi's (1967: 4) assertion that 'we can know more than we can tell'. It is difficult to articulate tacit knowledge because it is so deeply embedded within an individual's experience, judgement, and intuition (Ahmed et al., 2002).

**talent** An innate set of characteristics that creates natural strengths and abilities within an individual.

**talent development** The strategic allocation of HRD resources aimed at developing top talent in an organization.

**talent management** Focuses on 'key employees' or 'top talent', which can be defined as 'employees who routinely exceed expectations while exhibiting the right behaviours and are agile in learning and approach. These are people who customers pay a premium to do business with and others strive to work with' (Morgan and Jardin, 2010: 24).

**training** Planned instruction in a particular skill or practice that is intended to result in changed behaviour in the workplace, leading to improved performance.

**unitaristic** A perspective that promotes a common purpose, and shared values and ways of behaving, emphasizing teamwork and employee commitment. Anyone who challenges this ideology is treated as dysfunctional and subjected to training or disciplinary action.

**universalist theory** A theory predicated on the assumption that there is one 'best way' in which to manage people (for example best practice).

**vertical strategic alignment (also referred to as vertical alignment or vertical fit)** The process by which HR strategy, policies, and plans are aligned with an organization's strategic goals and objectives.

**zero hours contract** A contractual arrangement under which there is no specified number of working hours guaranteed. The employer offers the employee work and they are paid in line with work done.