**======================= Software Contracts and Liability ==================**

What is a contract?

A contract is simply an agreement between two or more persons (the *parties* to the contract) that can be enforced in a court of law. The parties involved may be legal persons or natural persons.

**====================== Essentials for a contract ==================**

The most important and essential concerns of a contract are that:

-all the parties must intend to make a contract.

-all the parties must be competent to make a contract, that is, they must be old enough and of sufficiently --sound mind to understand what they are doing.

there must be a ‘consideration’, that is, each party must be receiving something and providing something.

**======================= Issues in contract ==================**

**What is to be produced**

* It is clearly necessary that the contract states what is to be produced.
* requirements specification

It is important that the reference to the requirements specification identifies that document uniquely; normally this will mean quoting a date and issue number.

Problem: Any changes needed during the contract life

**What is to be delivered**

The following is a non-exhaustive list of possibilities:

* source code.
* command files for building the executable code from the source and for installing it.
* documentation of the design and of the code.
* reference manuals, training manuals, and operations manuals.
* software tools to help maintain the code.
* user training.
* training for the client’s maintenance staff.
* test data and test results.

**Ownership of rights**

It is important that the contract should also state just what legal rights are being passed by the software house to the client under the contract.

Ownership in physical items such as books, documents, or disks will usually pass from the software house to the client, but other intangible rights, known as intellectual property rights, present more problems.

**Confidentiality**

-When a major bespoke software system is being developed, the two parties will acquire confidential information about each other.

-None of the parties would like the other to disclose its secrets.

-It is usual in these circumstances for each party to promise to maintain the confidentiality of the other’s secrets, and for express terms to that effect to be included in the contract.

**Payment terms**

a pattern of payments such as the following must be included:

* an initial payment of, say, 15 percent of the contract value becomes due on the signature of the contract.
* further stage payments become due at various points during the development, bringing the total up to, say, 65 percent.
* a further 25 percent becomes due on acceptance of the software.
* the final 10 percent becomes due at the end of the warranty period.

**=============== Standards and methods of working ================**

The supplier is likely to have company standards, methods of working, quality assurance procedures, and so on, and will normally prefer to use these. More sophisticated clients will have their own procedures and may require that these be adhered to. In some cases, the supplier may be required to allow the client to apply quality control procedures to the project.

The contract must specify which is to apply.

**========== Project meeting ================**

Regular progress meetings are essential to the successful completion of a fixed-price contract and it is advisable that standard terms and conditions require them to be held. The minutes of progress meetings, duly approved and signed, should have contractual significance in that they constitute evidence that milestones have been reached (so that stage payments become due) and that delay payments have been agreed upon.

**========== Project managers ==========**

Each party needs to know who, of the other party’s staff, has day-to-day responsibility for the work and what the limits of that person’s authority are. The standard terms and conditions should therefore require each party to nominate, in writing, a project manager. The project managers must have at least the authority necessary to fulfill the obligations that the contract places on them. It is particularly important that the limits of their financial authority are explicitly stated, that is, the extent to which they can authorize changes to the cost of the contract.

========== **Inflation ===========**

In lengthy projects or projects where there is a commitment to long-term maintenance, the supplier will wish to ensure protection against the effects of unpredictable inflation. To handle this problem, it is customary to include a clause that allows charges to be increased in accordance with the rise in costs.

The clause should state how often (once a year, twice a year) charges can be increased and how the effect on the overall price is to be calculated.

**======== Termination of contract =========**

There are many reasons why it may become necessary to terminate a contract before it has been completed. It is not uncommon, for example, for the client to be taken over by another company that already has a system of the type being developed, or for a change in policy on the part of the client to mean that the \ system is no longer relevant to its needs. It is essential, therefore, that the contract makes provision for terminating the work in an amicable manner. This usually means that the supplier is to be paid for all the work carried out up to the point where the contract is terminated, together with some compensation for the time needed to redeploy staff on other revenue-earning work. The question of ownership of the work so far carried out must also be addressed.

**================== CONSULTANCY AND CONTRACT HIRE ==================**

**===== Consultancy =====**

* The product of a consultancy project is usually a report or other document.
* Under normal circumstances, a fee for IT consulting is measured on a per-day, per-consultant basis.
* Fixed-fee IT consulting contract applies to projects which are well-defined.
* Open-ended consultancy models generally favor the consulting firm, as the consultancy firm is rewarded on a per-day basis, there is no incentive to complete assignments within a fixed time. The result often is a risk of project and cost overrun.
* The contract is very simple.

**===== Contract hire =====**

* Suppliers’ responsibility is limited to providing suitably competent people and replacing them if they become unavailable.
* The staff work under the direction of the client.
* Payment is based on a fixed rate for each day worked.
* Ownership of intellectual property rights generated in the course of the work may be needed to be addressed.

**============== There are four important aspects of a consultancy contract ==============**

**Confidentiality**: Consultants are often able to learn a lot about the companies for which they carry out assignments and may well be able to misuse this information for their own profit.

**Terms of reference**: It is important that the contract refers explicitly to the terms of reference of the consultancy team, and, in practice, these are perhaps the commonest source of disagreements in consultancy projects. As a result of their initial investigations, the consultants may discover that they need to consider matters that were outside their original terms of reference, but the client may be unwilling to let this happen, for any one of several possible reasons.

**Liability**: Most consultants will wish to limit their liability for any loss

that the customer suffers because of following their advice. Customers may not be happy to accept this and, in some cases, may insist on verifying

that the consultant has adequate professional liability insurance.

**Who has control over the final version of the report:** It is common practice for the contract to require that a draft version of the final report be presented to the client. The client is given a fixed period to review the report and, possibly, ask for changes. The revised version that is then submitted by the consultant should be the final version.

**============ Time and Materials ==========**

A time and materials contract (often referred to as a ‘cost plus contract) is somewhere between a contract hire agreement and a fixed price contract. The supplier agrees to undertake the development of the software in much the same way as in a fixed price contract, but payment is made on the basis of the costs incurred, with labour charged in the same way as for contract hire. The supplier is not committed to completing the work for a fixed price, although a maximum payment may be fixed beyond which the project may be reviewed.

**========= OUTSOURCING ==========**

Outsourcing, sometimes known as facilities management, is the commercial arrangement under which a company or organization (the customer) hands over the planning, management and operation of certain functions to another organization (the supplier).

IT outsourcing contracts are inherently complex and depend very much on individual circumstances. It is not appropriate to go into detail here about such contracts but the following is a list of just some of the points that need to be addressed:

* how is performance to be monitored and managed?
* what happens if performance is unsatisfactory.
* which assets are being transferred.
* staff transfers.
* audit rights.
* contingency planning and disaster recovery.
* intellectual property rights in software developed during the contract.
* duration of the agreement and termination provisions.

**HR (Miss Mubashra)**

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**Human Resources Issues**

* ●  What are the complexity of the law in this area;
* ●  What are the constraints under which management and human resources staff act;
* ●  Why and to what extent managers need to be aware of general human resources issues.

**Human resources**

* ●  What is a resource?
* ●  What is human resource?
* ●  Why do we need Human Resources in an organization?

**THE LEGAL CONTEXT**

* ●  In the 20th century, industrial relations in the UK were based on collective bargaining and were conceived very much in terms of relations between trade unions and employers. In particular, the rights of trade unions received much more prominence than the rights of individual employees.
* ●  Strikes were a common weapon for bargaining.
* ●  Individual employee/ unions
* ●  The greater attention paid to the rights of individual employees and the need to comply with anti-discrimination legislation have very considerably

increased the workload of human resources departments in the UK..

**HR Activities**

The following list is a summary of the tasks that are expected to undertake within the overall aim of ensuring that the organization has the workforce that it needs:

* ●  ensuring that recruitment, selection and promotion procedures comply
* ●  with anti-discrimination legislation;
* ●  staff training and development;
* ●  setting up and monitoring remuneration policy;
* ●  setting up and monitoring appraisal procedures;
* ●  administering dismissal and redundancy procedures;
* ●  dealing with contracts of employment;
* ●  workforce planning;
* ●  administering grievance procedures;
* ●  being aware of new legislation affecting employment rights and advising management of what the organization must do to comply with it;
* ●  dealing with health and safety;
* ●  administering consultative committees

**Recruitment and Selection**

* ➔  Human resources managers often make a distinction between the two terms recruitment and selection, using recruitment is to mean soliciting applications and selection is to mean selecting the applicants to whom offers will be made.
* ➔  Selection is kept in the hands of the employer, although a member of the recruitment agency staff may sometimes be invited to advise.

**Selection tools**

A wide range of selection techniques is available and is used in making professional appointments:

* ➔  A series of one-to-one interviews with senior management and senior technical staff.
* ➔  Interview by a panel: A number of interviewers are involved. This technique is widely used, particularly in the public sector. It tends to favor applicants

who are smooth talkers. It is unreliable.

* ➔  Assessment of references: Great importance is usually attached to references for academic posts and some other posts in public bodies.
* ➔  Psychometric tests: These are of three types. Ability tests measure an individual’s ability in a general area, such as verbal or numerical skills. Aptitude

tests measure a person’s potential to learn the skills needed for a job. Personality tests attempt to assess the characteristics of a person that significantly

affect how they behave in their relationships with other people.

* ➔  Situational assessment: Real time situations are given to shortlisted candidates. Its most expensive and used in military officers selection.
* ➔  Task assessment: Candidates are asked to carry out some of the tasks that they will be required to do in the job. People usually are able to do small tasks

but unable to do large tasks so this is unfavorable.

**Staff Training and Development**

* ➔  Training and development encompasses three main activities: training, education, and development.It is a function concerned with organizational activity aimed at bettering the performance of individuals and groups in organization. It has been known by several names, including "Human Resource Development", "Human Capital Development" and "Learning and Development".
* ➔  Staff training and development are of particular importance in high technology companies, where failure in this respect can threaten the company’s performance
* ➔  It is unfortunate that, when money is tight, it is often the first thing to be cut.

**REMUNERATION POLICIES AND JOB EVALUATION**

* ➔  Remuneration is the compensation that one receives in exchange for the work or services performed.
* ➔  Typically, this consists of monetary rewards, also referred to as wage or salary.
* ➔  A number of complementary benefits, however, are increasingly popular remuneration mechanisms.
* ➔  For grading and scaling policies are developed and job evaluations are held.

**APPRAISAL SCHEMES**

* ➔  Appraisal (Performance appraisal)is a method by which the job performance of an employee is documented and evaluated
* ➔  Need of Appraisal?
* ➔  Appraisal schemes usually involve an appraiser and an appraisee meeting regularly (every six months, every year, even every two years) to discuss the

employee’s performance and career development under a number of headings.

* ➔  The result is a report signed by both parties; if they cannot agree on certain points this will be recorded in the report.

**REDUNDANCY and DISMISSAL**

* ●  Unfair dismissal
* ●  Reasons justifying dismissal:
* ●  lack of capability;
* ●  misconduct;
* ●  breach of the law
* ●  Redundancy
* ●  Constructive dismissal
* ●  Unfair dismissal vs wrongful dismissal
* ➔  Dismissal of an employee without valid reasons is unfair
* ➔  A fair dismissal of an employee but violating a contract is wrongful dismissal

**Takeovers and outsourcing**

* ➔  Employees employed by the previous employer when the undertaking changes hands automatically become employees of the new employer on the same terms and conditions. It is as if their contracts of employment had originally been made with the new employer. Thus employees’ continuity of employment is preserved, as are their terms and conditions of employment under their contracts of employment (except for certain occupational pension rights).
* ➔  Representatives of employees affected have a right to be informed about the transfer. They must also be consulted about any measures which the old or new employer envisages taking concerning affected employees.

**Public interest disclosures**

* ➔  Whistle blowers
* ➔  The Public Interest Disclosure Act 1998 (PIDA) applies to people at work who raise concerns about criminal behaviour, certain types of civil offences,

miscarriages of justice, activities that endanger health and safety or the environment, and attempts to cover up such malpractice.

**CONTRACTS OF EMPLOYMENT**

What is a contract?

* ➔  The written agreement between an employee and their employer can be enforced in a court of law.
* ➔  A good contract of employment should be written in terms that are easily understood and should avoid legal conflicts.

**HUMAN RESOURCE PLANNING**

* ➔  If the human resources department is to ensure that the organization always has available the staff it needs, it must be able to forecast the needs some time ahead.
* ➔  In a software house, there are three inputs to the human resource planning process:
* ➔  Human resource plans from existing projects,
* ➔  Sales forecasts
* ➔  Forecasts of the likely staff losses in the coming months

**JOB DESIGN**

➔ Job rotation: Job rotation, that is, rotating staff through a series of jobs, is the most obvious way of preventing employees from becoming bored with a very narrow and specialized task.

* ➔  Job enlargement: Job enlargement means increasing the scope of a job through extending the range of its job duties and responsibilities generally within the same level and periphery. Job enlargement involves combining various activities at the same level in the organization and adding them to the existing job
* ➔  Job enrichment: Job enrichment can be described as a medium through which management can motivate self-driven employees by assigning them additional responsibility normally reserved for higher level employees. By doing this, employees feel like their work has meaning and is important to the company

Question :  
1. What is a resource?  
2.What is human resource?  
3.Why do we need Human Resources in organizations?  
Give one example each to support your answer.  
1. How many ways are JOB DESIGNS performed ? Give an example for each.  
2. How many ways are Psychometric tests performed ? Give an example for each.

**HR (Saeeda Kanwal)**

Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization.

**OR**

Human resources is used to describe both the people who work for a company or organization and the department responsible for managing resources related to employees.

**Aim of HRM**

The term ‘human resources’ emphasizes the fact that the people who work for an organization are an indispensable part of the organization’s resources and the most important one.  
For this reason, the organization will try to ensure that it always has appropriately skilled, qualified & experienced staff that it needs.  
This must be done without wasteful over-staffing and within the constraints of what is lawful.

Organizational effectiveness  
HRM strategies aim to support programmes for improving organizational effectiveness by developing policies in areas such as management, management such as knowledge talent generally and creating a great place to work'.  
Human capital  
HRM aims to ensure that the organization retains committed, motivated needs. obtains the skilled, and workforce well it  
Knowledge management  
HRM aims to support the development of firm-specific knowledge and skills that are the result of organizational processes.  
Employee Relations  
The aim is to create a climate in which productive and harmonious relationships maintained partnerships  
Management employees and can be through between and their trade unions.  
Reward Management

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HRM aims to enhance motivation, job engagement and commitment by introducing policies and processes that ensure that people Are valued and rewarded for what they do and achieve, and for the levels of skill and competence they reach.  
Meet diverse needs  
HRM aims to develop and implement policies that balance and adapt to the needs of its stakeholders and provide for the management of a diverse workforce, taking

into account individual and group differences in employment, personal needs, work style and aspirations, and the provision of equal opportunities for all. .  
**Aim of HRM**

* ➔  The cost of recruiting new staff is high and the loss of continuity when staff leave can also be very expensive.
* ➔  Accordingly the organization will want to keep staff turnover low.
* ➔  Many organizations want to behave as a ‘good’ employer and will therefore try to follow the best of current employment practice.
* ➔  Any organization that employs staff will be faced with the need to handle administrative issues relating to their employment.
* ➔  As the number of employees grows, a full-time personnel officer or human resources manager will be required.
* ➔  However, managers cannot hand over all responsibility for personnel matters to specialists.
* ➔  This is true specially in the IT industry, where staff have high expectations and staff turnover is particularly high.

**Recruitment and selection**

* ➔  Human resources managers often make a distinction between the two terms recruitment and selection.
* ➔  Recruitment is the process of soliciting applications for jobs. It is often handled partly or entirely by consultants.
* ➔  Selection is the process of selecting from the available applicants.
* ➔  While recruitment consultants may screen the initial applications, they don’t usually do the final selection.

**Selection techniques**

Selection is made mostly by the employer, although a member of the recruitment agency staff may also be used to advise. Following are some of the selection techniques used in making professional appointments:

* ●  One-to-one interviews with several senior managers and technical staff
* ●  Interview by a panel
* ●  Assessment of references
* ●  Aptitude tests
* ●  Situational assessment
* ●  Task assessment

**Staff training and development**

* ➔  Staff training and development are of particular importance in high technology companies, where failure in this respect can threaten the company’s reputation.
* ➔  It is unfortunate that, when money is tight, it is often the first thing to be cut.
* ➔  Companies Identify training & development needs during appraisals/reviews. They give staff a guarantee of at least 10 days training a year.
  + ●  This training in specific skills is only useful if they can be exercised straightaway
  + ●  Development/education has long term impact

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● Can be a good way of keeping staff

**Remuneration policies**

One of the major sources of staff dissatisfaction in organizations is perceived disparities in remuneration, (Remuneration means salaries + Benefits). A good remuneration policy aims are:

* ●  Staff retention (or controlled loss!)
* ●  Consistency of treatment within the company, to avoid discontent
* ●  Comparability with conditions outside the company.

**Appraisal schemes**

* ➔  It is astonishing that people work for years in a professional job without anyone, colleague or superior, giving them any indication of how well they are doing the job or how they might improve.
* ➔  This was commonly the case for school teachers, university lecturers, many civil servants, and managers in commercial and industrial organizations.
* ➔  It is still true of many doctors, solicitors, architects, etc.
* ➔  Till recently, there were no procedures or regulations that ensured that there was any such feedback.
* ➔  It is the job of the human resources management to design procedures to avoid this undesirable situation.
* ➔  Appraisal schemes are the usual formal way of doing this.They derive from the idea of Management by Objectives(MBO).
* ➔  A good appraisal process provides an effective way of fulfilling the requirements of a professional body and It must:
  + ●  Set agreed objectives
  + ●  Monitor and review performance against objectives
  + ●  Set new or modified objectives
  + ●  Assess training needs
  + ●  Discuss career ambitions

**Failure of appraisal schemes**

* ➔  However great, appraisal schemes usually fail due to the following reasons:
* ➔  There’s always something more urgent than the appraisal interview.
* ➔  Seen as ineffective – good appraisal reports don’t lead to anything; no one takes any notice of what was agreed.
* ➔  Appraisers who don’t know anything about the appraiser's work.
* ➔  More emphasis on the measurable.

**Redundancy and dismissal**

* ➔  Redundancy occurs when staff are fired because there is insufficient work for them. They may be eligible for compensation.
* ➔  Dismissal means firing staff because their work is unsatisfactory.
* ➔  In both cases it is important to have procedures and to follow them, in order to avoid litigation/legal action.
* ➔  The HRM department is responsible for setting up these procedures and advising the company on how to use them.

**Dismissal Procedures**

Following are the dismissal procedures:

* ●  employer must give employee a written statement of why dismissal is being considered;
* ●  employer must arrange a meeting at which both sides can state their case;
* ●  employer must inform employee of decision, in writing;
* ●  an employee must have the right to appeal to a more senior manager, where this is practicable.

Any dismissal that does not follow or incorporate this procedure will automatically be considered unfair. Simply following the procedure does not, however, automatically make the dismissal fair.

**Contracts of Employment**

* ➔  According to Law, every employee must have a contract of employment.
* ➔  What this means is that the agreement between an employee and their employer can be enforced in a court of law.
* ➔  A good contract of employment should be written in terms that are easily understood and should avoid legal jargon.
* ➔  Prospective employees should not need to consult a lawyer in order to understand it. They should, however, read it carefully before signing it.

**Human resource planning**

* ➔  If the human resources department wants to ensure that the organization always has the staff available it needs, it must be able to forecast the needs some time ahead.
* ➔  This is extremely difficult, particularly in software companies.
* ➔  From software houses through banking, manufacturing and retailing the uncertainty is always present, but it can be reduced to possibly predict staff

needs much more precisely.

* ➔  In a software house, there are three inputs to the human resource planning process:
  + ●  Human resource plans from existing projects, showing how many staff of each grade and with which specialized skills will be required in each of the following months.
  + ●  Sales forecasts: These are subject both to the unexpected behavior of potential clients and the judgment, good or otherwise, of the sales staff.
  + ●  Forecasts of the likely staff losses in the coming months: In the software business this depends very much on the buoyancy of the market for

software developers.

* ➔  From these inputs, it can be predicted as to how many staff will be required each month, and how many will be available.
* ➔  In practice, human resource prediction in project-based companies never works very well and there are good statistical reasons why it never will.
* ➔  If we are summing 1,000 weighted predictions, the uncertainty in the sum will be quite small, even though the uncertainty in each prediction may be quite

large; this is called the Law of Large Numbers.

**Job Design**

* ➔  Setting up an organizational structure implies designing jobs. As soon as a one-person organization becomes a two-person organization, it has to decide who does what; in other words it has to design jobs.
* ➔  In project-based organizations, jobs get designed when the project team is set up and when the project plan is produced.
* ➔  The jobs are temporary – they last only as long as the project – and the technical nature of the project determines exactly what tasks the jobs have to

cover.

* ➔  The job design in IT companies is done within an established framework:

● a project-based organization will have procedures in which project teams are to be structured

* ➔  Such procedures may mandate the use of chief programmer teams in certain circumstances, or specify the maximum span of control and the responsibilities of team leaders, and project quality assurance (QA) staff in a hierarchically organized project.
* ➔  The tasks to be carried out will be defined by the development methodology that the company uses.
* ➔  In many large organizations structured along bureaucratic lines, job specialization leads to very narrow and tightly defined jobs.
* ➔  As a result, the people carrying out those jobs find them dull and unsatisfying. This in turn leads to poor performance and high turnover.
* ➔  In an effort to alleviate this problem, companies have tried three different ways to provide more interesting and satisfying jobs: job rotation, job

enlargement, and job enrichment.

**Scenario**

* ➔  Job rotation is rotating staff through series of jobs, is the most obvious way of preventing employees from
* ➔  becoming bored with a very narrow and specialized task.
* ➔  Consider handling of creditor’s invoices in a large accounts department with a very specialized regime.
* ➔  An analysis of the process might identify the following tasks, which then might be allocated to the individuals named: Freda, Gareth, John, Peter, Julie.

**Tasks**

1. Receive incoming invoice and match to purchase order (Freda)  
2. Confirm price calculations and despatch to receiving Department for confirmation that goods or services have been received (Gareth) 3. Receive confirmation from department and pass for payment (John)  
4. Produce payment (Peter)  
5. Handle queries arising at any of the above stages (Julie)

**Job rotation**

* ➔  Freda, Gareth, John and Peter move around every week.
* ➔  It gives staff a greater variety.
* ➔  It gives the department greater resilience or elasticity in the case of sickness, holiday or resignation.

**Job enlargement**

* ➔  Job enlargement means each of these members does tasks 1 to 4 for a particular group of invoices (e.g. particular suppliers or particular divisions).
* ➔  It adds variety and interest, and may increase pride in a job.
* ➔  It may not be consistent with separation of responsibilities in financial matters.

**Job enrichment**

* ➔  Job enrichment means adding more responsibilities, to say, Julie’s job.
* ➔  It is very effective for some staff members.
* ➔  Others may not want too much responsibility.

**Personnel Planning & Recruitment**

1)Decide what positions you'll have to fill through personnel planning and forecasting. 2) Build a pool of candidates for these jobs by recruiting internal or external candidates.

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3) Have candidates complete application forms and perhaps undergo an initial screening interview.  
4)Use selection techniques like tests, background investigations, and physical exams to identify viable candidates. 5)Decide who to make an offer to, by having the supervisor and perhaps others on the team interview the candidates.

**Recruitment and Selection Process**

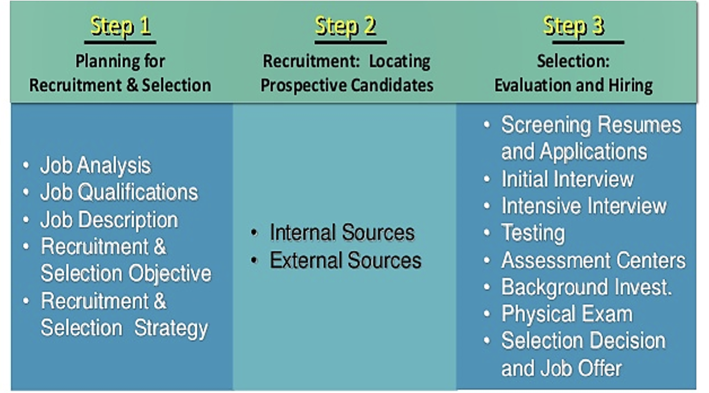
**Rules Of Recruitment And Selection**

Commonality  
Openness  
Competitiveness  
Legality  
Non-discrimination  
Constancy of criteria  
Neutrality  
Objectivism  
Transparency  
Personal data security  
Acting without delay  
**RECRUITMENT PROCESS**The steps in the recruitment process are to: 1)Identify the job vacancy 2)Carry out a job analysis 3)Prepare a Job Description 4)Prepare a Person Specification5)Advertise the job 6)Sent out application forms

**JOB ANALYSIS**

Job analysis involves finding out everything about what a job involves by identifying the following:

Tasks to be completed in the job Responsibilities of the job

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Technology that is used in the job Knowledge needed to carry out the job Skills needed to carry out the job Level of initiative needed from staff

**Advertising: In Direct method**

Advertising  
• The Media: selection of the best medium depends on the positions for which the firm is recruiting.

Newspapers (local and specific labor markets) Trade and professional journals  
Internet job sites  
Marketing programs

Advertisement: The most popular method Blind ad (no identification of company) AIDA (attention, interest, desire, action)

Constructing (Writing) Effective Ads  
Create attention, interest, desire, and action (AIDA). Create a positive impression (image) of the firm.

Content of Job Advertisement  
1)job content li) working conditions iii)location of job iv) compensation Vl)job specification vi) to whom apply

**Other Methods**

A) private employment Search Firms B) Employment Exchanges

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C) Gate Hiring & Contracting  
D) Unsolicited Applications / Walk-ins E) Internet recruiting  
F) Raiding  
G) Nepotism: Hiring relatives.

Does your organization have a policy on nepotism? May be discriminatory, Must ensure individuals are not in supervisory positions managing their own relatives.  
May create issues of favoritism.

**Outside Sources of Candidates**

Executive recruiters (headhunters)  
• Special employment agencies retained by employers to seek out top- management talent for their clients.  
• Contingent-based recruiters collect a fee for their services when a successful hire is completed, Retained executive searchers are paid regardless of the outcome of the recruitment process.  
• Internet technology and specialization trends are changing how candidates are attracted and how searches are conducted,

**Discrimination**

Discrimination means treating one person or one group of people less favorably than another on the grounds of personal characteristics. The law in Europe, the USA and other countries prohibits discrimination on grounds of:  
Gender; race, color, ethnic origin;nationality;disability;religion;age.Much of the law focus on discrimination issues relates to employment and related matters. However, the law relates to discrimination in other contexts as well. Discrimination can be direct or indirect. Direct discrimination is when a person is treated less favorably than another because of their gender or race, and so on.

Here are some examples that would constitute direct discrimination: A woman does exactly the same job as a man but is paid less than he is.  
**Indirect discrimination** occurs when an employer imposes conditions that apply to all employees or all applicants but have a disproportionate effect on one group. Here are a few examples that might constitute indirectdiscrimination:  
Advertising a job with the requirement that applicants must be at least 180 cm tall. In the UK, there are many men over 180 cm tall but very few women. The result is that few women can apply for the job.  
**Employment** : It is unlawful for an employer to discriminate against a person on grounds of gender or marital status :  
in regard to opportunities for promotion, transfer or training or to any other benefits. in regard to dismissal or victimization for bringing a complaint of gender discrimination.  
In regard to a trade union, a professional body, an employment agency or a provider of vocational training.  
Contract workers are covered by the legislation.  
**Education**: It is unlawful for a provider of education (public or private, school, college or university) to discriminate against a person on the basis of their gender, in offering admission to the establishment or to specific courses, and in providing access to the other benefits and facilities it offers.  
**Provision of services**: It is unlawful to discriminate on grounds of gender:  
In the provision of goods, facilities or services. For example in accommodation in a hotel,

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facilities for entertainment, recreation or refreshment, banking and insurance services, and soon.  
in selling or letting property. The main exception to these provisions are for charities that have been founded with the purpose of helping a specific group of people who are all of the same gender, for example, single mothers.  
**Remedies:** A person who believes that they have been discriminated against in their employment because of their gender by being refused a job, refused promotion, paid less, not given training opportunities or anything else, can bring the matter to an employment tribunal/court.  
If the tribunal finds in favor of the complainant, it can award damages and make recommendations to the respondent. If the respondent fails to act on the recommendations, the amount of the damages may be increased.  
An individual who feels that they have been the victim of gender discrimination in other areas covered by the legislation, can take action in the civil courts for damages. The Equal Opportunities Commission is a government body set up to promote the cause of equality between the genders. Anyone considering a formal complaint of  
gender discrimination is well advised to start by consulting the Commission.  
The first act in the UK was the Race Relations Act 1965, which made it unlawful to  
discriminate on grounds of race or color by banning people from using public services or  
entering places such as bars, cinemas or theaters. It made racial hatred a criminal offense by inflammatory publications or speeches. It made it unlawful to refuse housing, employment or public services to people because of their ethnic background. This act also established the Race Relations Board, and the Community Relations Commission.  
The present law based on the Race Relations Act 1976 makes it unlawful to discriminate on grounds of race, color, ethnic origin or nationality.  
There is one major difference, however, that makes the implementation of racial discrimination legislation much more problematic than that of gender discrimination legislation.  
The human race is divided into two genders; a person can only belong to one gender at one  
time; and it is clear to which gender any given person belongs.  
The same is very much not true of race, color, ethnic origin or nationality. The Act  
attempts to define these terms but the definitions are imprecise and ambiguous.  
Are the English, the Irish, the Scots and the Welsh to be regarded as different racial groups?  
Is a person whose parents were Afro-Caribbean, but who was born in Cardiff to be regarded as belonging to the Welsh, British, or Afro-Caribbean racial groups, or perhaps to all three? These illustrate the difficulty of legislation in this area.  
From 1970s governments had been encouraging the recruitment of disabled employees into  
the Civil Service and withholding contracts to employers who do not encourage the disabled. (Arshad Abbasi CSS Qualified)  
In 1995 the Disability Discrimination Act was passed. This was followed in 2001 by the Special Educational Needs and Disability Act, which extends the provisions of the earlier act to cover education.  
The Disability Rights Commission has been established, similar to the Equal Opportunities Commission and the Commission for Racial Equality

**DISCRIMINATION ON GROUNDS OF DISABILITY...**The Act makes it unlawful to treat a disabled employee or applicant less favorably because of their disability without justification. The justification must be serious. Thus it would be justified to reject a blind applicant for a job as a bus driver or a paraplegic for a job as a lifeguard.  
However, the Act requires the employer to make reasonable adjustments to meet the needs of disabled employees. This could be providing a work station with special hardware and software to make it suitable for use by a partially sighted employee. The requirement for reasonable adjustments could be adapting information systems so that  
they can be used by a blind or partially sighted employee, provided this can be done at reasonable cost.

The requirement for service providers for adjustments requires that reasonable adjustments should be made to the way that services are provided over the web. Thus the Disability Discrimination Act effect directly on information system professionals and it directly influences the way in which ISs are designed.  
In practice, for the ordinary information systems developer this translates into the need  
to make systems usable by the blind, those whose vision is impaired, those whose

hearing is impaired, those suffering from lack of manual dexterity (and so unable to use a mouse, for example), and those suffering from dyslexia.  
This need is most apparent, and likely to be enforced, when the system has publicly

* ●  accessible web pages.
* ●  page layout was unclear and confusing;
* ●  the navigation mechanisms were confusing and disorienting;
* ●  there was poor contrast between the text and the background and colors were used inappropriately;
* ●  graphics and text were too small;
* ●  links and images were poorly labeled;
* ●  the web pages were incompatible with the software designed to assist disabled users (screen readers)

It is striking that the first four of these, and possibly the fifth, are a source of difficulty for all web users. Eliminating  
these faults would not only improve the accessibility of the web to disabled users, but would also enhance its usability  
for everyone. It is clear from the report that a great deal needs to be done before there is widespread compliance with the requirements of the Disability Discrimination Act, as it applies to access to the web.  
They differ in certain important respects, however:  
They are limited to discrimination in employment, education, and related matters, and do not address discrimination in the provision of services or accommodation. They explicitly make harassment unlawful, defining it as ‘unwanted conduct which has the purpose or effect of violating a person’s dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment.  
They do not make the Commission for Racial Equality responsible for promoting the implementation of the legislation nor do they create any new body for this purpose. However, in October 2003, the government announced its plans for a single equality body for the UK to take over the responsibilities of the Equal Opportunities Commission, the Commission for Racial Equality, and the Disability Rights Commission.  
Regulations making it unlawful to discriminate on grounds of age. They could, for example, mean the end of compulsory retirement ages. This could mean that it is unlawful for employers to seek specifically to recruit new  
graduates. (This would be indirect age discrimination because a much smaller proportion of over-50s fall into the category of ‘new graduates’ than of the under-25s.)  
fixing a maximum age for recruitment based on the need for a reasonable period of employment after training and before retirement; fixing a minimum age, a minimum amount of professional experience or a minimum number of years with the company before a person will be regarded as eligible for a given post or eligible for certain employment benefits (e.g. additional annual leave).  
In an organization of any size, it is necessary to ensure that all members of the organization  
are treated equally. Even after, this organizations may have to deal with unlawful harassment from its customers or unjustified accusations of discrimination.

* ●  Effective compliance with anti-discrimination legislation in the workplace requires three things:
* ●  a suitable written policy, well publicized, and freely and easily available;
* ●  a training program for new and existing staff, to ensure that they are all aware of the policy and its importance;
* ●  effective procedures for implementing the policy.

It is a sad fact that an employer’s ability to tackle a accusation of unlawful discrimination will often depend as much on their ability to demonstrate that proper procedures have been followed as on whether any discrimination took place.  
The three bodies charged with responsibility for tackling discrimination (the Commission for Racial Equality, the Equal Opportunities Commission, and the Disability Rights Commission) all provide extensive guidance to employers discrimination.

Ensighten Summary

Strengths Ensighten  
The strengths of Ensighten Software in Ensighten Harvard Business Review case study are - **Learning organization**

- Ensighten Software is a learning organization. It has inculcated three key characters of learning organization in its processes and operations – exploration, creativity, and expansiveness. The work place at Ensighten Software is open place that encourages instructiveness, ideation, open minded discussions, and creativity. Employees and leaders in Ensighten Harvard Business Review case study emphasize – knowledge, initiative, and innovation.

***Effective Research and Development (R&D)***

– Ensighten Software has innovation driven culture where significant part of the revenues are spent on the research and development activities. This has resulted in, as mentioned in case study Ensighten - staying ahead in the industry in terms of – new product launches, superior customer experience, highly competitive pricing strategies, and great returns to the shareholders.

***Analytics focus***

– Ensighten Software is putting a lot of focus on utilizing the power of analytics in business decision making. This has put it among the leading players in the industry. The technology infrastructure suggested by Lena G. Goldberg, Michael J. Roberts can also help it to harness the power of analytics for – marketing optimization, demand forecasting, customer relationship management, inventory management, information sharing across the value chain etc.

***Diverse revenue streams***

– Ensighten Software is present in almost all the verticals within the industry. This has provided firm in Ensighten case study a diverse revenue stream that has helped it to survive disruptions such as global pandemic in Covid-19, financial disruption of 2008, and supply chain disruption of 2021.

***Innovation driven organization***

– Ensighten Software is one of the most innovative firm in sector. Manager in Ensighten Harvard Business Review case study can use **Clayton Christensen Disruptive Innovation** strategies to further increase the scale of innovtions in the organization.

***Strong track record of project management***

– Ensighten Software is known for sticking to its project targets. This enables the firm to manage – time, project costs, and have sustainable margins on the projects.

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***Training and development***

– Ensighten Software has one of the best training and development program in the industry. The effectiveness of the training programs can be measured in Ensighten Harvard Business Review case study by analyzing – employees retention, in-house promotion, loyalty, new venture initiation, lack of conflict, and high level of both employees and customer engagement.

***Low bargaining power of suppliers***

– Suppliers of Ensighten Software in the sector have low bargaining power. Ensighten has further diversified its suppliers portfolio by building a robust supply chain across various countries. This helps Ensighten Software to manage not only supply disruptions but also source products at highly competitive prices.

***Digital Transformation in Innovation & Entrepreneurship segment***

- digital transformation varies from industry to industry. For Ensighten Software digital transformation journey comprises differing goals based on market maturity, customer technology acceptance, and organizational culture. Ensighten Software has successfully integrated the four key components of digital transformation – digital integration in processes, digital integration in marketing and customer relationship management, digital integration into the value chain, and using technology to explore new products and market opportunities.

***Superior customer experience***

– The customer experience strategy of Ensighten Software in the segment is based on four key concepts – personalization, simplification of complex needs, prompt response, and continuous engagement.

***High switching costs***

– The high switching costs that Ensighten Software has built up over years in its products and services combo offer has resulted in high retention of customers, lower marketing costs, and greater ability of the firm to focus on its customers.

***Ability to recruit top talent***

– Ensighten Software is one of the leading recruiters in the industry. Managers in the Ensighten are in a position to attract the best talent available. The firm has a robust talent identification program that helps in identifying the brightest.

Weaknesses Ensighten

***Aligning sales with marketing***

– It come across in the case study Ensighten that the firm needs to have more collaboration between its sales team and marketing team. Sales professionals in the industry have deep experience in developing customer relationships. Marketing department in the case Ensighten can leverage the sales team experience to cultivate customer relationships as Ensighten Software is planning to shift buying processes online.

***Workers concerns about automation***

– As automation is fast increasing in the segment, Ensighten Software needs to come up with a strategy to reduce the workers concern regarding automation. Without a clear strategy, it could lead to disruption and uncertainty within the organization.

***Slow decision making process***

– As mentioned earlier in the report, Ensighten Software has a very deliberative decision making approach. This approach has resulted in prudent decisions, but it has also resulted in missing opportunities in the industry over the last five years. Ensighten Software even though has strong showing on digital transformation primary two stages, it has struggled to capitalize the power of digital transformation in marketing efforts and new venture efforts.

***Capital Spending Reduction***

– Even during the low interest decade, Ensighten Software has not been able to do capital spending to the tune of the competition. This has resulted into fewer innovations and company facing stiff competition from both existing competitors and new entrants who are disrupting the industry using digital technology.

***Compensation and incentives***

– The revenue per employee as mentioned in the HBR case study Ensighten, is just above the industry average. Ensighten Software needs to redesign the compensation structure and incentives to increase the revenue per employees. Some of the steps that it can take are – hiring more specialists on project basis, etc.

***Products dominated business model***

– Even though Ensighten Software has some of the most successful products in the industry, this business model has made each new product launch extremely critical for continuous financial growth of the organization. firm in the HBR case study - Ensighten should strive to include more intangible value offerings along with its core products and services.

***High dependence on existing supply chain***

– The disruption in the global supply chains because of the Covid-19 pandemic and blockage of the Suez Canal illustrated the fragile nature of Ensighten Software supply chain. Even after few cautionary changes mentioned in the HBR case study - Ensighten, it is still heavily dependent upon the existing supply chain. The existing supply chain though brings in cost efficiencies but it has left Ensighten Software vulnerable to further global disruptions in South East Asia.

***Low market penetration in new markets***

– Outside its home market of Ensighten Software, firm in the HBR case study Ensighten needs to spend more promotional, marketing, and advertising efforts to penetrate international markets.

***Slow to harness new channels of communication***

– Even though competitors are using new communication channels such as Instagram, Tiktok, and Snap, Ensighten Software is slow explore the new channels of communication. These new channels of communication mentioned in marketing section of case study Ensighten can help to provide better information regarding products and services. It can also build an online community to further reach out to potential customers.

***Lack of clear differentiation of Ensighten Software products***

– To increase the profitability and margins on the products, Ensighten Software needs to provide more differentiated products than what it is currently offering in the marketplace.

***Ability to respond to the competition***

– As the decision making is very deliberative, highlighted in the case study Ensighten, in the dynamic environment Ensighten Software has struggled to respond to the nimble upstart competition. Ensighten Software has reasonably good record with similar level competitors but it has struggled with new entrants taking away niches of its business.

Opportunities Ensighten

***Creating value in data economy***

– The success of analytics program of Ensighten Software has opened avenues for new revenue streams for the organization in the industry. This can help Ensighten Software to build a more holistic ecosystem as suggested in the Ensighten case study. Ensighten Software can build new products and services such as - data insight services, data privacy related products, data based consulting services, etc.

***Using analytics as competitive advantage***

– Ensighten Software has spent a significant amount of money and effort to integrate analytics and machine learning into its operations in the sector. This continuous investment in analytics has enabled, as illustrated in the Harvard case study Ensighten - to build a competitive advantage using analytics. The analytics driven competitive advantage can help Ensighten Software to build faster Go To Market strategies, better consumer insights, developing relevant product features, and building a highly efficient supply chain.

***Low interest rates***

– Even though inflation is raising its head in most developed economies, Ensighten Software can still utilize the low interest rates to borrow money for capital investment. Secondly it can also use the increase of government spending in infrastructure projects to get new business.

***Remote work and new talent hiring opportunities***

– The widespread usage of remote working technologies during Covid-19 has opened opportunities for Ensighten Software to expand its talent hiring zone. According to McKinsey Global Institute, 20% of the high end workforce in fields such as finance, information technology, can continously work from remote local post Covid-19. This presents a really great opportunity for Ensighten Software to hire the very best people irrespective of their geographical location.

***Leveraging digital technologies***

– Ensighten Software can leverage digital technologies such as artificial intelligence and machine learning to automate the production process, customer analytics to get better insights into consumer behavior, realtime digital dashboards to get better sales tracking, logistics and transportation, product tracking, etc.

***Increase in government spending***

– As the United States and other governments are increasing social spending and infrastructure spending to build economies post Covid-19, Ensighten Software can use these opportunities to build new business models that can help the communities that Ensighten Software operates in. Secondly it can use opportunities from government spending in Innovation & Entrepreneurship sector.

***Better consumer reach***

– The expansion of the 5G network will help Ensighten Software to increase its market reach. Ensighten Software will be able to reach out to new customers. Secondly 5G will also provide technology framework to build new tools and products that can help more immersive consumer experience and faster consumer journey.

***Harnessing reconfiguration of the global supply chains***

– As the trade war between US and China heats up in the coming years, Ensighten Software can build a diversified supply chain model across various countries in - South East Asia, India, and other parts of the world. This reconfiguration of global supply chain can help, as suggested in case study, Ensighten, to buy more products closer to the markets, and it can leverage its size and influence to get better deal from the local markets.

***Lowering marketing communication costs***

– 5G expansion will open new opportunities for Ensighten Software in the field of marketing communication. It will bring down the cost of doing business, provide technology platform to build new products in the Innovation & Entrepreneurship segment, and it will provide faster access to the consumers.

***Manufacturing automation***

– Ensighten Software can use the latest technology developments to improve its manufacturing and designing process in Innovation & Entrepreneurship segment. It can use CAD and 3D printing to build a quick prototype and pilot testing products. It can leverage automation using machine learning and artificial intelligence to do faster production at lowers costs, and it can leverage the growth in satellite and tracking technologies to improve inventory management, transportation, and shipping.

***Identify volunteer opportunities***

– Covid-19 has impacted working population in two ways – it has led to people soul searching about their professional choices, resulting in mass resignation. Secondly it has encouraged people to do things that they are passionate about. This has opened opportunities for businesses to build volunteer oriented socially driven projects. Ensighten Software can explore opportunities that can attract volunteers and are consistent with its mission and vision.

***Reforming the budgeting process***

- By establishing new metrics that will be used to evaluate both existing and potential projects Ensighten Software can not only reduce the costs of the project but also help it in integrating the projects with other processes within the organization.

***Finding new ways to collaborate***

– Covid-19 has not only transformed business models of companies in Innovation & Entrepreneurship industry, but it has also influenced the consumer preferences. Ensighten Software can tie-up with other value chain partners to explore new opportunities regarding meeting customer demands and building a rewarding and engaging relationship.

Threats Ensighten

***Learning curve for new practices***

– As the technology based on artificial intelligence and machine learning platform is getting complex, as highlighted in case study Ensighten, Ensighten Software may face longer learning curve for training and development of existing employees. This can open space for more nimble competitors in the field of Innovation & Entrepreneurship .

***Shortening product life cycle***

– it is one of the major threat that Ensighten Software is facing in Innovation & Entrepreneurship sector. It can lead to higher research and development costs, higher marketing expenses, lower customer loyalty, etc.

***Trade war between China and United States***

– The trade war between two of the biggest economies can hugely impact the opportunities for Ensighten Software in the Innovation & Entrepreneurship industry. The Innovation & Entrepreneurship industry is already at various protected from local competition in China, with the rise of trade war the protection levels may go up. This presents a clear threat of current business model in Chinese market.

***Increasing international competition and downward pressure on margins***

– Apart from technology driven competitive advantage dilution, Ensighten Software can face downward pressure on margins from increasing competition from international players. The international players have stable revenue in their home market and can use those resources to penetrate prominent markets illustrated in HBR case study Ensighten .

***Regulatory challenges***

– Ensighten Software needs to prepare for regulatory challenges as consumer protection groups and other pressure groups are vigorously advocating for more regulations on big business - to reduce inequality, to create a level playing field, to product data privacy and consumer privacy, to reduce the influence of big money on democratic institutions, etc. This can lead to significant changes in the Innovation & Entrepreneurship industry regulations.

***Increasing wage structure of Ensighten Software***

– Post Covid-19 there is a sharp increase in the wages especially in the jobs that require interaction with people. The increasing wages can put downward pressure on the margins of Ensighten Software.

***Environmental challenges***

– Ensighten Software needs to have a robust strategy against the disruptions arising from climate change and energy requirements. EU has identified it as key priority area and spending 30% of its 880 billion Euros European post Covid-19 recovery funds on green technology. Ensighten Software can take advantage of this fund but it will also bring new competitors in the Innovation & Entrepreneurship industry.

***New competition***

– After the dotcom bust of 2001, financial crisis of 2008-09, the business formation in US economy had declined. But in 2020 alone, there are more than 1.5 million new business applications in United States. This can lead to greater competition for Ensighten Software in the Innovation & Entrepreneurship sector and impact the bottomline of the organization.

***Barriers of entry lowering***

– As technology is more democratized, the barriers to entry in the industry are lowering. It can presents Ensighten Software with greater competitive threats in the near to medium future. Secondly it will also put downward pressure on pricing throughout the sector.

***Stagnating economy with rate increase***

– Ensighten Software can face lack of demand in the market place because of Fed actions to reduce inflation. This can lead to sluggish growth in the economy, lower demands, lower investments, higher borrowing costs, and consolidation in the field.

***Instability in the European markets***

– European Union markets are facing three big challenges post Covid – expanded balance sheets, Brexit related business disruption, and aggressive Russia looking to distract the existing security mechanism. Ensighten Software will face different problems in different parts of Europe. For example it will face inflationary pressures in UK, France, and Germany, balance sheet expansion and demand challenges in Southern European countries, and geopolitical instability in the Eastern Europe.

***High level of anxiety and lack of motivation***

– the Great Resignation in United States is the sign of broader dissatisfaction among the workforce in United States. Ensighten Software needs to understand the core reasons impacting the Innovation & Entrepreneurship industry. This will help it in building a better workplace.

***Backlash against dominant players***

– US Congress and other legislative arms of the government are getting tough on big business especially technology companies. The digital arm of Ensighten Software business can come under increasing regulations regarding data privacy, data security, etc.