

STRATEGIC DIRECTION FOR IBA **2008/09 – 2013/14**

1. IBA has established itself as a premier business school in Pakistan with a strong track record of over fifty years of producing quality undergraduates and post-graduates in Business and Computer Sciences. Student intake into both undergraduate and graduate programmes is highly competitive and based on pure merit. IBA is the school of choice for most young men and women interested in careers and leadership in business. Employers in the corporate sector prefer IBA graduates in their selection of entry level work force. A large network of over 7500 alumni spread all over Pakistan and outside is a valuable asset. The IBA values of merit, truth, excellence, diligence, tolerance and humility have established a culture in which outstanding young men and women and teachers create a community dedicated to quality, innovation and challenge. IBA is playing a powerful equalizing role in the society by pursuing a need-blind admission policy and providing financial assistance to the students from families of modest means.

2. IBA'S MBA is the best established brand in business education. Now its Computer Sciences programme is also recognized for its creative, functional design and high quality. The IBA has launched a Ph.d in MIS, Computer Sciences and Engineering and Information and Communication Technologies. The market has received the young BBA graduates with enthusiasm. Starting 2008-09 only those who have completed four year undergraduate degree course will be eligible to apply for admission to M.B.A. This up-gradation in the quality of intake will bring in more mature and well prepared students to the pool of applicants.

3. As the world is changing rapidly IBA cannot remain complacent at its past laurels. In case it does so the Institute is at risk of being left behind in a field where it was once a trailblazer. It faces and is likely to face a very different local and regional competitive environment. The competition for talent is going to be stiff as world class business schools locate their campuses in the neighbouring Gulf countries. The graduates of IBA may be edged out as these schools add to the supply stream. IBA has therefore 'catching up' to do in terms of meeting these new challenges and equipping its graduates with the new marketable skills that are emerging at the work place nationally, regionally and globally. Even in the national context ten of the twenty companies listed on the Karachi Stock Exchange are majority owned and / or controlled by foreign companies. Similarly, leading local business houses are eyeing foreign

markets for their continued growth. The Middle East market will require twenty to thirty thousand managers per year over the next ten years.

4. The thrust of the strategic direction for the next five years is, therefore, to build on up these strengths, overcome the weaknesses and steer the IBA in the direction where it can match the standards of the leading educational institutions in the world in supplying the managerial talent of the kind that will be required in Pakistan, the Middle East and Central Asia. The IBA will benchmark itself in this period against a few chosen institutions in India, Singapore, Hong Kong and Turkey. The ultimate objective is that IBA should be ranked among the top 100 global business schools and top 10 in the Middle East and South Asia region. To move in this direction the IBA has to (a) restructure its internal management processes and governance, (b) develop physical plant and infrastructure and remodel and renovate its existing facilities, (c) attract, train, retain and motivate a highly qualified faculty from among those who have distinguished themselves in academia, professions and practice of management, (d) strengthen its outreach activities through the Centre for Executive Education (CEE), establish the Centre for Entrepreneurship Development (CED), and Centre for Access to Finance (CAF) to meet the needs of the corporate, public and non profit sectors, reinvigorate the Centre for Research and set up international linkages, (e) rebuild quality assurance and plan expansion and strengthening of academic programs for the future. Underpinning these drivers of change is the proposition that IBA would remain alert, adaptable and responsive to student demographics, changes in market conditions and national and international economic and social environment. It will seize opportunities as they emerge from new ideas, new technology, faster communication and strengthening linkages. The implications of these strategic changes for the academic organization, support departments and service units and the finances have been analyzed that require the institution to be recalibrated to develop the capabilities to adopt these changes.

Governance and Internal Management

5. Draft legislation has been proposed to upgrade the IBA to the status of university. As the current Board structure has proved successful and has been of immense value in the smooth functioning of IBA the authorities are being approached to keep this structure intact even when university status is conferred. The Board and its various committees will set the strategy, approve the policies, plans, programs and budget, guide, monitor, oversee and supervise the affairs of IBA, while the day-to-day running of the Institute will be the responsibility of the

management. The separation between the governance and management of the university, will follow good corporate governance practices.

6. Despite many strengths of the institution there are some weaknesses which have to be rectified. As a leading business school, IBA should be the trend-setter for the industry in management processes that promote efficiency and effectiveness. Unfortunately, the popular perception is that IBA is an insular, bureaucratic organization. The management structure and processes have therefore to be replaced by those characterizing an open, service oriented and responsive organization i.e. lean, flat and non-hierarchical. Responsibilities for carrying out clearly defined functions have to be assigned to individuals or groups of individuals who will be held accountable for results. Instead of getting entangled in tiering and layering the staff would be empowered and delegated financial and administrative authority and resources to perform discrete tasks subject to a system of internal controls and ex-post audit. Support departments will have to reorient themselves as service units which facilitate the faculty and students in creating a conducive learning environment. Centralized decision making has to give way to a collegial, collective decision process in which academics and support departments participate equally and follow Management by Objectives (MBO) practices and techniques. This will free up the time and energies of the Chief Executive of IBA to focus on strategic thinking, strategic planning and strategic management. Faculty members are not only obligated to teach the assigned courses but also expected to contribute to all other aspects of learning process – student advising and counseling, research, extra curricular activities, internal committees, case studies, setting and evaluating academic standards.

7. Two initiatives have already been taken to improve the internal working of IBA. First, instead of the Director taking all the decisions himself, an Executive Committee (EXCO) consisting of two senior faculty members and heads of administrative departments has been formed as the main decision making body of IBA. Any staff, student or faculty member can raise any issue or bring suggestions and proposals for the consideration of the EXCO. This year's budget was submitted to the Board after thorough discussion and prioritization set by the EXCO. Second, an Academic Committee drawing faculty members from all levels has been formed to set and enforce academic standards, accreditation, linkages with external institutions, curriculum revision, etc. This Committee will prepare proposals for the formal approval of the Academic Board.

8. To keep the headcount of permanent regular non-teaching staff and the budget of the support departments to manageable levels it is envisaged that some of the routine tasks in IT Services, Library, Laboratories, Student Affairs, Alumni Office, Reception desks, Centres, Hostels, Financial Aid office, etc., can be performed by hiring senior students of IBA on part-time paid basis. The students will gain hands-on practical experience and earn some income while the IBA will gain by savings on budgetary costs and promoting a culture of courteous interface with both outsiders as well as the members of the IBA community.

Technology Upgradation:

9. The other weakness faced by the institution is that technology is not being employed effectively to manage the institution, make the service provision more user friendly and save time and costs for students and faculty. Although considerable investment has been made in networking, back up power supply, hardware and software applications, the stand-alone and disparate applications have made operational efficiency difficult to achieve. The Board has approved the installation of an Enterprise Resource Planning (ERP) system and allocated a substantial amount in the budget for the infrastructure, hardware, software and training. It is expected that the ERP should be up and running by early 2010 making a major breakthrough in the day to day working and service provision to the whole IBA community. The ERP would be able to provide integrated financial, HR, Campus Management and MIS solutions for the management as well as the students and faculty. The proposed internal organizational structure, and the Business Process Re-engineering (BPR) will be realigned with a successful and well functioning ERP. The BPR exercise is being carried out concomitant with the switch over to ERP.

10. E_ learning is becoming increasingly popular as a tool for bringing external faculty and scholars into classrooms. Video conferencing, open course ware and virtual classroom will be used to augment the teaching resources of IBA. High speed connectivity, dedicated network and, Digital Library resources provided by the HEC will be deployed for this purpose. Library system will also be integrated with the ERP and the physical facilities upgraded.

Physical Infrastructure:

11. The third area of weakness is the inadequacy of physical infrastructure – classrooms, laboratories, faculty and staff offices, seminar rooms, hostels, student centre, recreational grounds, power, water, sewerage, air-conditioning and other facilities. IBA hasn't added any

new facilities on either the Main Campus or City Campus, although the enrolments and the program offerings have expanded significantly. We are at present facing almost a crisis situation where we are constrained in hiring senior faculty and managers because we cannot provide them office space on either of the two campuses. The existing faculty members are working under highly cramped physical environment. Students do not have any proper place for their daily interactions, cultural events and extra curricular activities. Dining facilities on the campuses leave much to be desired. Boys' hostel is congested and the students are living in less than satisfactory conditions. Although IBA is a national institute of repute, we cannot attract outstation students because the hostel facilities are available for only 100 persons. Girls are lodged in Staff Colony in two quarters and there is no proper arrangement for their safety, security or comfort. Auditoriums in both the campuses are in bad shape. Library facilities are not upto the mark.

12. The IBA Board and HEC, realizing these difficulties, have approved several projects for remodeling, renovation and expansion of physical infrastructure. Ongoing work includes the refurbishment of classrooms and renovation of labs at the City Campus, remodeling of the Boys' Hostel and server room at the Main Campus. Fiscal year 2008-09 capital budget includes the following projects:

- a) Temporary facility on Main Campus that will be used ultimately for storage purposes but in the meanwhile utilized for office accommodation.
- b) Alteration in the existing Admin Block (Main Campus).
- c) Alteration in the existing Academic Block (Main Campus).
- d) Centre for Entrepreneurship Development (Main Campus).
- e) Expansion of Server Room (City Campus).
- f) External Development at the Main Campus.
- g) Renovation of the Library, Main Campus.
- h) Renovation of Auditorium, Main Campus.
- i) New Academic Block, Main Campus.
- j) Construction of New Boys Hostel, Main Campus.
- k) Visiting Faculty Hostel, Staff Town, Main Campus.
- l) Boys and Girls Hostel
- m) Foreign Students' Hostel

13. An amount of Rs.418 million (including HEC funding of Rs.129 million) is proposed to be spent in the current fiscal year on the capital projects. When completed this will provide some relief to the space problems. In the coming years a new Student Centre and a new Girls' Hostel will be built in the Main Campus. We are negotiating with the Cantonment Board authorities the permission to build a multi – storeyed at the City Campus, which will house a residential facility and academic block for the Centre for Executive Education and for expansion of other regular programmes in the future. Faculty lounges and additional office spaces for the existing and incoming faculty members will be set up. Auditoriums and conference rooms will be renovated and equipped with multi media, proper lighting, video conferencing and other facilities.

14. The total estimated cost of the projects that have been identified and prioritized for the next two years is Rs.850 million. In the third year it is hoped that all the permissions are obtained, plans and architectural designs have been finalized and tender documents are ready for building a multi-storeyed complex at the City Campus in the area where the existing Library and Auditorium are located. Although it is too early to make any meaningful financial projections for estimating the cost of this building, it has been assumed for resource mobilization purposes that approximately Rs.1 billion would be needed for this purpose. The annual capital expenditure estimates for the financial years 2008/09 – 2010/11 would run at Rs.600 million.

Faculty Development

15. The other area in which IBA has to invest in the next five years is Faculty Development. The aim is to provide a regular and continuous supply of high caliber and well qualified faculty. The mix of part-time and visiting faculty with full time faculty has to be gradually shifted in favour of the latter as this will permit greater student-teacher interactions and greater faculty involvement in IBA's academic and extra curricula activities, commitment to research, advisory services to industry and participation in the Executive Development program.

16. Both the number as well as the quality of IBA faculty have to be upgraded in a carefully planned manner. A multi-pronged approach will be pursued for Faculty Development Plan for regular teachers whose main ingredients will be :-

- (i) To introduce a Tenure Track System on the lines of HEC approved scheme.
- (ii) To revise the compensation structure and allow greater flexibility in negotiating the package.

- (iii) To appoint any Pakistani from within Pakistan or elsewhere who has secured admission to Ph.d degree in top fifty universities / business schools / Computer Sciences Departments in the world as a faculty member of IBA and finance the Ph.d program at the University to which he/she has been admitted.
- (iv) To offer faculty positions to IBA graduates (MBAs) who rank among the top 10 positions in order of merit at their final semester with the condition that they will agree to proceed abroad for completing Ph.d degrees. They will be paid salaries matching or exceeding what they could get from other employers.
- (v) To approach Ph.d candidates finishing their degrees in the leading universities/business schools in the world with the offers of appointments.
- (vi) To create a new category of full time faculty as Professors / Associate Professors / Assistant Professors in practice for those who have established their names in the Corporate or business sector.
- (vii) To invite established and reputed faculty members from leading universities for spending one or two semesters or even a few months at IBA or spending their sabbaticals.
- (viii) To make use of the Foreign Faculty Programme of HEC for inviting visiting faculty from Indian Institutes of Management / Business Schools / IT and Computer Science Department.
- (ix) To tap the pool of the returning HEC scholars and other Pakistani nationals who have completed their Ph.ds from reputable universities abroad.
- (x) The existing faculty members should be encouraged to apply for competitive research grants, develop case studies, proceed to top universities for post-doctoral programs, avail of sabbatical and foreign service leave to teach at other leading Universities, engage in consultancy and advisory services to the industry.

17. The current excessive emphasis on teaching work load and the number of courses will be replaced by a more healthy balance between different components of learning value chain. Each individual teacher will be allowed choices to allocate his/her time between Research, Case Study Development, Executive Education, Consultancy and Advisory Services, new course material and text book production, in addition to the teaching and Student Counseling. The performance will be evaluated on the basis of the outcomes achieved under each of the components chosen and agreed at the beginning of each academic year as part of academic plan.

18. IBA will also recruit senior MBA students as Teaching Assistants and Research Assistants to work with the senior faculty. Fresh recruits to faculty positions without any previous experience of teaching will be sent for training in pedagogical tools and attached with the senior faculty members for at least two years. This process will help nurture and groom some of the younger faculty members who require mentoring and guidance in the post-induction period.

COMMUNITY OUTREACH AND INTERNATIONAL LINKAGES

19. A public sector institution of higher education has to play an important role in contributing directly or indirectly to the socio-economic development of the country. While teaching and research will generate the direct linkages by providing high calibre human resources to the economy in the medium to long term an institution such as IBA has an obligation to strengthen its community, corporate sector, public sector and non profit sector linkages in the short run. These linkages can be fostered by providing advisory and consultancy service, nurturing entrepreneurship and innovation and training of mid career executives. IBA is already providing a few of such services on a sporadic basis but they have to be further expanded and enlarged in a more systematic way. The vehicle through which this will take place are the Centre for Entrepreneurship Development, Centre for Executive Education and the Centre for Access to finance.

Centre for Entrepreneurship Development (CED)

20. A demand survey in Karachi indicates an overwhelming desire by the respondents to receive entrepreneurship education, training and motivation and to leverage these factors as a career option. Consequently, a feasibility study was carried out by J.E. Austin. The feasibility study and the Business Plan of the CED were completed almost 18 months ago but the implementation has lagged far behind. Physical construction work of the Centre will start in the current fiscal year and a substantial allocation has been made in the budget. The Centre will offer education and training; research, advocacy and networking; Advisory Services and Promotion activities. A full time Director / CEO will be appointed to start the operations of the Centre. The main focus of the CED would be to promote entrepreneurship and business incubation, to train small and medium entrepreneurs and women entrepreneurs. Linkages will be established with similar centers in the advanced countries. Teachers and students of IBA will make use of the Centre for developing their own intellectual property in form of new products, new processes and commercialization of innovation.

Centre for Executive Education (CEE)

21. The strategic location of IBA in Karachi the business and financial capital of Pakistan, the long standing presence of IBA with its brand name and a vast network of alumni spread over the corporate sector are the assets that have not been fully utilized by the CEE. Shortages of middle level managers in the Corporate sector, lack of management and leadership training opportunities for the public sector and the growing requirements of non-profit organizations can be translated into demand for CEE services. The Academic Board has already approved two Executive MBA programs – one for the public sector managers and the second for middle level corporate managers – to be offered by CEE. These courses will be offered on competitive basis and selection will be made through entry tests on merit only. In future, the CEE should explore the possibilities of organizing short term (3 months) training courses in the following areas:

- a) Urban management for the officials of City District Government, Karachi Water and Sewerage Board, Urban Transport Corporation, Karachi Circular Railway and Mass Transit, Cantonment Boards, DHA, Karachi Port Trust and Port Qasim Authority, Traffic Management, Environment Agency and other urban agencies.
- b) Higher Education management for the officials of Universities, colleges, Institutes, Academies in the public, private and non-profit sectors.
- c) Management of non-profit organizations and Social enterprises.
- d) Health Management for the officials of hospitals, clinics and other medical facilities in the public, private and non-profit sectors.
- e) Public-Private partnerships in infrastructure projects – ports, terminals, highways, bridges, pipelines, railways, airports, water supply, sewerage.

Depending upon the response to these short term courses, market surveys and the build up of the capacity of IBA itself some of these courses could be transformed later into Executive MBA programs.

Centre for Access to Finance (CAF)

22. One of the major factors inhibiting rapid progress in poverty reduction and better income distribution is that institutional finance is not accessible by the low and middle income groups in Pakistan. In recent years some headway has been made in the areas of Microfinance, SME finance, Agriculture Credit, Low Cost Housing finance, Islamic Banking. The CAF will carry out

analytical studies, action research, monitoring and evaluation of the existing infrastructure, institutions and networks supplying finances and assess the demand and demand side constraints through surveys, focus groups and structured interviews. Both primary and secondary data sources will be used for this purpose.

23. The link between the CED and CAF is likely to be quite critical as new ventures and new comers face financing difficulties in translating their business ideas into reality. The CAF would track the difficulties and problems faced by these new comers and existing lot, analyze the patterns and trends, explore options and make recommendations to the financial institutions, the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Provincial Governments and the Ministry of Finance for legal, policy and regulatory changes. The CAF will also work closely with the MBA (Financial Services) program, the CEE and the Centre for Business and Economic Research (CBER) in the curriculum development, course content, post induction and mid-career training programmes and applied research.

QUALITY ASSURANCE AND FUTURE ACADEMIC PROGRAMME DEVELOPMENT

24. IBA takes pride that it has never compromised quality in its standards of student intake, classroom instruction and discipline, assessment and testing during the fifty years of its existence. The challenge is to continue the emphasis on quality assurance while promoting a culture of inquiry, inquisitiveness and innovative thinking. Individual students will be assigned and guided by a faculty member as a mentor throughout their stay at IBA and total personality development, including critical thinking and ability to solve problems rather than simply achieving high grades will be the focus of attention. The eligibility for recruitment and promotion criteria for the new faculty would pay sufficient attention to those who can demonstrate their willingness and ability to adapt to this learning paradigm shift.

25. The curriculum course offerings and course contents will be enriched in three directions. First, a balance will be struck between hard skills and soft skills such as inculcating leadership qualities. The curriculum itself will reflect this balance supplemented by a more systematic emphasis on extra-curricular activities. Second, courses aimed at enhancing the expertise of regional and international businesses,

socio-economic environment and cultural sensitivities would be offered to shift the emphasis from purely local or national to regional and international fields. Third, exchanges of students and faculty, internships in Corporates outside Pakistan, field visits and other avenues of broader exposure for IBA students will be explored.

26. Although the quality of student intake into IBA remains quite high the increasing competition makes it imperative to review the admissions policy and align it with international best practices such as standardized international teaching, work experience requirements for MBAs and assessment of leadership potential. While these goals are desirable care must also be taken that there are strong risks arising due to the Pakistani socio-cultural milieu that introduction of subjective criteria or discretionary measures may lead to abuses that have ruined most institutions in the country. The fact that IBA is perhaps one of the few institutions that has withstood these extraneous pressures and maintained the principle of merit over its 50 years history should not be conveniently forgotten.

27. The pedagogical tool box would be expanded during this period to include not only lectures but internships, assignments, term papers, case studies, research projects, plant and company visits, syndicates and group discussions, etc. Participation in class discussions will be given weight in the grading structure. The students will be exposed to leading Corporate Chief Executives and leaders who will be invited to deliver distinguished lecture series. International exchange programmes for students to spend one semester at an institution outside Pakistan will also be explored. IBA students will be encouraged to compete for international scholarship programmes and other international educational events.

28. IBA will be actively engaged in programs of institutional accreditation at the national, regional and international levels. We will actively participate in the various rankings of universities such as the Times Higher Education and Shanghai Jiao Tong. Efforts will be intensified to align our entry tests and assessments to the best international practices. Memberships in the professional associations will be encouraged both at the institutional as well as individual faculty member level. External

linkages, partnerships and alliances with leading departments, schools and universities will also help in maintaining and enhancing the quality of our teaching, instruction and research.

29. A Visitors Committee consisting of leading academics and practitioners from Pakistan and other academically advanced countries will be formed to carry out an appraisal of the course contents, pedagogical tools, quality of faculty and student intake, relevance of the programs to the Corporate and industry requirements. The Academic Board and the Board of Advanced Studies and Research will arrange annual academic audit by independent scholars.

30. In addition to the on going programmes it is envisaged that a new programme MBA (Financial Services) should be offered by IBA beginning Fall 2009. It appears that the financial services industry that has expanded tremendously in the last few years is facing a serious problem of trained and skilled professionals. Although a majority of MBAs from IBA do join the financial services the supply remains highly inadequate in relation to the growth, diversity and range of services being offered in the industry. We have been encouraged by many players including some of the regulators to take this initiative.

31. The MBA in financial services will cover banking, non-banking financial institutions, mutual funds and asset management, Islamic banking, Micro Credit, Insurance, Equity Capital Markets and Debt Capital Markets. A degree of MBA in Banking and finance used to be offered by IBA in the past but was discontinued. The State Bank of Pakistan, Securities and Exchange Commission, Pakistan Banking Association, Karachi Stock Exchange, National Commodities Stock Exchange, Insurance Association of Pakistan could be approached to participate in this program as partners – supplying both the trainers as well as trainees. To avoid program fragmentation and maintain the brand equity of IBA as the breeding ground of general managers and leaders the core curriculum will remain the same as general MBA. Only the scope of electives will be expanded in the second year to deepen the domain

expertise in financial services. The need for this expertise has arisen as the demand on managers of financial services industry in terms of understanding the complex financial innovations is becoming apparent.

32. The other programmes for which the market demand is likely to be strong is in Urban Management, Education Management, Health Management, Public-Private partnerships, Management of non-profit organizations and social enterprises. The strategy is to first introduce short term courses of 3 months duration at the Centre for Executive Education (CEE) as prototype or pilot projects. Once the market demand for degree courses in these subjects is assessed, IBA's own capacity to develop the curriculum and faculty is strengthened and the job market response for MBAs in these specialized field is found to be robust requiring regular flows, then it would be advisable to start the MBA programmes in these disciplines in the next five year period.

33. IBA has been advertising and seeking applicants for regular full time Master's degree courses in Economic and Finance for last four years but the response has been quite poor. It is therefore proposed to redesign this course and offer it as part time degree programme in the evenings. There appears to be a lot of interest in this kind of programme among those who are already employed and wish to improve their academic credentials. The successful planning of this programme will depend on the availability of class room, seminar room space at the main campus and attracting quality faculty members who can ably steer the courses at this level.

34. The number of regular students by expanding the MBA (Financial Services) programme and maintaining the present level of annual intake to the existing programmes will rise to 2000 by the year 2013. Assuming a student : teacher ratio of 1:15 the number of faculty members required to meet the demand will have to be raised to 133, a net addition of 53 in the next five years.

35. The growing income and regional inequalities in Pakistan necessitate that educational opportunities at institutions of excellence such as IBA are made available to

talented and meritorious students from poor families and backward districts. To meet this objective the IBA will keep on increasing the number of scholarships and also set up a National Talent Hunt Programme (NTHP) to identify meritorious students from the backward districts of Pakistan, provide them special coaching to prepare for IBA entry tests and provide full financial support to those who are selected for admission.

External Linkages, Collaborations and Partnerships

36. IBA is a product of collaboration with a leading U.S. business school in the 1950's. To meet the goal of producing regional and global managers and leaders of the future, the IBA has to intensify its efforts to establish linkages, collaborations and partnerships with eminent institutions all over the globe. A multi-faceted approach would use student and faculty exchanges, joint research projects, short term visits, training and participation in academic programmes. Accreditation will be sought from international accreditation bodies. External reviews of academic programmes offered at IBA will be undertaken to assess their congruence with global standards. Joint degree programs or split degree programs with leading Universities and business schools will be established. Exchange programs where credits earned at partner Universities will count towards IBA degree fulfillment requirements would be encouraged. Preliminary agreement has been reached with LUMS.

IMPLICATIONS FOR ORGANIZATIONAL DESIGN OF IBA

(a) Academic Organization:

37. The above strategic direction will have consequences for the academic organization and management structure of IBA.

Although only two faculties – Faculty of Business and Faculty of Computer Sciences will continue to exist in the next five years, each will be headed by an Associate Dean appointed for a period of three years extendable for another term. Faculty of Business will have departments of (i) Management, (ii) Marketing, (iii) Economics and Social Sciences, (iv) Finance and Banking, Accountancy and Law. Faculty of Computer

Sciences will have departments of Computer Sciences, M.I.S. and Quantitative Methods (Maths, Statistics and Operations Research). Other faculties will be added if and when a need arises. Each department will be headed by a Chairman appointed for a tenure of three years from among the faculty members on a rotation basis. The terms of reference, authority and the accountabilities of the departmental Chairperson will be developed and communicated to them.

38. Each faculty will consist of (a) Full Time Faculty – Regular or Contract; (b) Tenure Track Faculty – selected on the basis of HEC criteria; (c) Part-time faculty; (d) Visiting Faculty; (e) Teaching Associates; (f) Teaching Assistants (g) Research Assistants; (h) Graders; (i) Departmental Secretary selected from among the students. Full time and Tenure Track Faculty members will carry designations as Professor, Associate Professor, Assistant Professor, Lecturer.

39. Full time faculty will be drawn from two streams – academia fulfilling minimum qualifications and eligibility criteria prescribed by HEC and practice – those who have established and distinguished themselves in the practice of their profession. A Faculty Appointments, Selection Committee headed by the Director and consisting of Associate Dean and Chairman of the Department will make recommendations to the Selection Board for appointment on faculty. Fresh MBAs or MCSs recruited as Lecturers will be given mandatory training in pedagogical tools and initially assigned to a senior faculty member for teaching, research and mentoring. The criteria for selecting Faculty-in-practice will be developed by the Academic Committee (AC) and notified.

40. Before the beginning of each academic year, each faculty member will prepare an academic plan which will be discussed and agreed with the Chairman. The Academic plan will outline the choices for each faculty from the following menu of options:

- a) Number and selection of courses to be taught each semester
- b) Research projects to be undertaken with timelines, deliverable outputs, Ph.d / M. Phil students to be supervised including presentation of papers at

- international or national conferences / seminars / symposia of acceptable standards and quality.
- c) Post-doctoral fellowships or other attachments with the institutions with which IBA has developed linkages or alliances.
 - d) Training courses to be attended during the year, if any.
 - e) Number of books, text books, chapters in the books, publications or papers to be submitted to the refereed journals.
 - f) Number of courses to be taught at the Centre for Executive Education or the Centre for Entrepreneurship Development or the Centre for Access to Finance or National Talent Hunt programme.
 - g) Consultancy or other outside advisory assignments with the industry / Government / international organizations / non-profit organizations / media.
 - h) Number of hours to be devoted to mentoring the students as Faculty Advisers, regular office hours guiding student's clubs or extracurricular activities.
 - i) Number of IBA Committees / Boards or sub-committees on which the faculty member will serve.
 - j) Any other special task assigned to the Faculty member, e.g. Testing, Students' Counsellor, Boys' Hostel, Girl's Hostel, etc.

41. Each faculty member's performance will be evaluated on the basis of the agreed Academic Plan and Student Evaluation and the annual increment determined according to the performance evaluation. The weights assigned to each of the components of performance management plan will be determined by the Academic Board. Recruitment Rules, Performance Appraisal System, Promotion Policy, Severance Policy will be developed and proposed by the Academic Committee for incorporation in the Rules hand book to be submitted to the Board of IBA. The students will have a greater say than they have so far enjoyed in providing candid and honest feedback about quality of teaching without fear or currying favours. Regular academic audit will become an integral part of performance management process.

42. The objective of the Annual Academic Plan is to provide the choice to each faculty member to select the elements that balance his personal / professional development with the institutional goals. Linking the performance appraisal and incentives to the achievements under the agreed Academic Plan will serve both the institution and the individual well. The Academic Plan of each faculty member will be posted on the intranet for purposes of transparency. Course outline, reading lists and plans for quizzes, mid terms, tests, assignments and term papers will be part of the Academic Plan.

43. Academic Committee (AC) of IBA that has already been notified will oversee the Academic work, Faculty development, Curriculum revision and updating, external linkages and university partnerships, academic standards, accreditation, ratings and rankings, professional associations, etc. Associate Deans will become ex-officio members of the AC and rotate as Chairpersons of the Committee.

44. Faculty members will assist the Director by actively participating in a number of committees and helping in the decision making process. The Committees that will require the participation by faculty members are:

- i) Academic Board
- ii) Executive Committee
- iii) Academic Committee
- iv) Research and Publication Committee
- v) Faculty Appointments, Selection, Tenure and Promotion Committee
- vi) Scholarship and Financial aid Committee
- vii) Admission Committee
- viii) Library Committee
- ix) Conduct and Discipline Committee
- x) Purchase Committee
- xi) IT Planning and Purchase Committee

Other committees may be formed from time to time. All faculty members – senior or junior – will be expected to become members for a limited period of time to ensure burden sharing as well as maximum participation.

45. The Committees will propose, discuss and draft policies, procedures, processes, develop standards, review the proposals, make recommendations to the Director, Board, Academic Board, A&FC and Selection Board. The terms of reference of each committee will be developed later on. Each committee will have a convener and a part-time Secretary for recording and following up the decisions.

(b) **Centre for Business and Economic Research (CBER)**

46. Karachi badly needs a first rate think tank that can be of assistance to its business community, public policy makers, and the civil society. The existing Centre for Research will be reactivated and named as the Centre for Business and Economic Research (CBER) to perform this function. The CBER will be headed by a Director of Research who will be selected from among the faculty members for a period of three years. The Centre will be managed by a Research Committee (RC) consisting of the eminent researchers within the IBA while its Advisory Committee will be drawn mainly from the users of research. The CBER will have two main windows – academic research and demand driven applied research in response to the business community or policy makers. Housing both these windows under one roof will have many advantages. The sharing of physical infrastructure and facilities will minimize costs. A symbiotic relationship will emerge in which academic research choices will be influenced to some extent by the questions raised by the community of users, thus becoming more relevant while applied research will benefit from the rigour in methodology, analytical framework and testing techniques of academic researchers working under the same roof.

47. The RC will play a pro-active role in (a) inviting proposals for award of research grants, (b) organizing research seminars workshops/conferences, (c) training in

research proposal writing and research methodology, (d) soliciting research ideas and funding from the industry and corporate sectors for core and contract research, (e) establishing collaborative research projects with international and national institutions of repute, (f) screening and prioritizing research studies to match the availability of researchers with the diverse demand originating from outside; (f) publishing the working papers on the findings of research outputs and inviting comments for their conversion into papers for submission to journals; (g) regularly publishing and updating the quality of Business Review, (h) disseminating the research outputs and publications. The AC will help in setting the research agenda, identifying the themes and topics that require priority attention, disseminating the findings of the researchers among the business community, Policy Makers and the media. As the challenges facing the businesses require a multi functional problem solving approach, heavy emphasis will be placed by the RC in promoting multi-disciplinary research breaking the existing barriers, boundaries and blocks between various departments and specializations.

48. All matters relating to the admissions, testing, curriculum, examinations, course requirements, theses and dissertations and other related matters pertaining to M. Phil / Ph.D / Post doctoral programmes and research carried out at all the faculties and departments of IBA will be regulated, guided and supervised by the Board of Advanced Studies and Research (BASR). The RC will report to BASR and also implement the decisions taken by the BASR. As pointed out earlier, the demand driven research carried out by the CBER will be separated from the academic research and will not fall within the purview of BASR. This component of research program will be supervised by the Advisory Committee.

(c) **Organization of Support departments and Services**

49. The core business of learning at IBA will be carried out by the faculty and students but will be facilitated by the support departments and service units. The support departments and units will be flat, lean and enjoy non hierarchical organization structure. The present organizational structure is too top heavy with almost 17 departments reporting directly to Dean and Director. This large span of control violates the principle of good management. The

proposed structure would have two Associate Deans and six support departments. The support departments will be:

- (i) Office of the Registrar
- (ii) Office of the Controller of Examinations
- (iii) Finance Department headed by Director
- (iv) Human Resources Department headed by Director
- (v) Project and Planning Department headed by Director
- (vi) Information Technology Department headed by Director
- (vii) Resource Mobilization, Alumni Affairs and Public Affairs headed by Director

These departments will be reporting directly to Dean and Director, IBA. The heads of these departments will be appointed for an initial tenure of four years that can be renewed upon satisfactory performance. The service units will be:

- (i) Admissions office under Registrar
- (ii) Testing Services reporting directly to Director
- (iii) Program Offices under Program Coordinators / Associate Deans
- (iv) Financial Aid Office under Director Finance
- (v) Student Affairs under Associate Deans
- (vi) Career Counseling and Placement Office under Director HR
- (vii) Alumni Relations under Director Resource Mobilization, Alumni Affairs and Public Affairs
- (viii) Public Affairs reporting to Director Resource Mobilization, Alumni Affairs and Public Affairs
- (ix) Resource Mobilization under Director Resource Mobilization, Alumni Affairs and Public Affairs
- (x) Library under Associate Deans
- (xi) Board Secretariat reporting directly to Dean and Director
- (xii) Purchase Office under Director Finance
- (xiii) City Campus Coordinator under Registrar
- (xiv) Facilities Management under Director Project and Planning
- (xv) Boy's Hostel under Registrar / Director Project & Planning
- (xvi) Staff Colony under Registrar / Director Project & Planning
- (xvii) Girl's Hostel under Registrar
- (xviii) Skill Development under Centre for Executive Education

- (xix) Security Services under Registrar
- (xx) Internal Audit under Head of Internal Audit
- (xxi) National Talent Hunt Program under Program Coordinator
- (xxii) Transportation Services under Registrar

50. Each Service Unit will be a distinct entity assigned clearly defined responsibilities and held accountable for results. Each Unit Chief will be placed under one of the support departments and report to him or her for administrative, supervisory and guidance purposes. The performance appraisal of these Units will be conducted and salary increases awarded on the basis of the quality of service rendered, volume of output and goals and targets achieved. Customer satisfaction and feedback will be one of the key performance indicators. The Service Units will have few full time regular or contractual employees supplemented by part-time assistants selected from among the students. In many instances one of the faculty members could be assigned the job of heading one of these Service Units in addition to their teaching work load. For example, the Testing Services, Student Affairs, Boys' Hostel, Girls' Hostel, Staff Colony, City Campus Coordinator could fall under this category.

FINANCIAL IMPLICATIONS

51. The annual budget approved for the year 2008-09 consists of Rs. 400 million as operational expenditure and Rs.600 million as capital expenditure. The financing structure of IBA prior to 2008 was as follows:

Income from fees and other sources	56%
Government grants	21%
Profit from Investment	22%

The operating expenditure in 2007-08 were entirely funded from operating revenues and the capital expenditure and scholarships were financed out of Government grants. HEC Capital Grants are available but were not utilized for renovation, remodeling, addition and expansion of the buildings, structures, computers, appliances, etc. Thus a huge backlog has accumulated which needs to be cleared in the next three years.

52. Starting 2008-09 the Capital expenditures would amount to Rs.600 million annually and the budget would have projected deficits of Rs.400-500 million in each of the next three years.

As IBA is a public sector institution and mainly caters to the students from middle class, lower middle class and low income groups it cannot increase its fees to the level where these deficits could be financed. The fee increase will therefore be modest and cover only a fraction of the costs. Therefore reliance will have to be placed on other sources of financing. The main sources through which this deficit can be met are:

- (a) Reimbursement of revised cost estimates of HEC funded project.
- (b) Draw down on the reserve fund.
- (c) Additional income from the Centre for Executive Education, Testing Services, Skill Development, Centre for Access to Finance, Centre for Entrepreneurial Development
- (d) Endowed Chairs, donations, scholarships from alumni and other private sector bodies, foundations, trusts, etc.
- (e) Foreign assistance in form of grants as well as outsourcing of services to IBA such as for design of foreign aided projects, analytical studies, monitoring and evaluation, etc.
- (f) Research grants and awards; consultancy fees; income from intellectual property rights.
- (g) Approaching corporate sector to pay tuition for their employees accepted and enrolled at IBA for non degree courses.

53. The current budgetary classification does not bring out the cost centres or profit centres clearly. Attribution of overhead costs and indirect costs to these cost centres remains partial or incomplete. The future budgetary system will overcome these deficiencies and present, in addition to the existing statements, the breakdown by Cost Centre and Profit Centres for various programs and activities. Tapping new revenue sources for these Cost Centres will then become possible. Internal and external auditing will also be strengthened to ensure that internal controls are entrenched in the system, functioning well and compliance with the rules and procedures meets acceptable standards.

54. So far the IBA has not made any effort to solicit donations, contributions and funds from either the alumni or other well-to-do segments of the society who are interested in supporting the cause of higher education. A separate unit for Alumni Affairs has been set up which will work with the alumni all over the world help reactivate the Alumni Association and their Chapters, organize events and reunions. A more aggressive stance will be taken for involving the alumni as a key stakeholder in IBA's strategic plans.

55. As explained earlier, the Centre for Executive Education can generate substantial income by designing and delivering the courses that can respond to the managerial training, needs of the corporate, public and non-profit sectors. Both generic and customized courses will be offered.

56. The financial requirements will significantly decline after the proposed construction and renovation programme is completed. The next three to four years will therefore be critical for mobilizing resources from non-traditional sources. The net addition of 53 faculty members will however entail an additional expenditure initially of Rs.65-70 million annually. This amount will rise with the passage of time.

57. After the Board approves the strategy for IBA a five year medium term budgetary framework will be prepared to reflect the strategic thrusts, the priorities and sequencing. The Annual budgetary and planning exercise will be carried out from FY 2009 – 2010 within this framework. Financial projection of inflows and outflows will underpin this exercise. Donors, alumni and other alternate sources will be contacted and firmed up in the intervening period while the marketing responses to the planned programs to be offered by CED, CEE and CAF will be known by then.

CHALLENGES AND DOWNSIDE RISKS:

58. The biggest challenge facing the IBA in the next five years is that while it is embarking upon an ambitious program of expansion in infrastructure, faculty development, quality enhancement, extending its linkages to the community and industry the HEC's financial strength and capability to support us is fast eroding. The current difficult financial conditions of the Government do not augur well for any significant increase either in recurrent or development budget of HEC. Although the IBA is not a large beneficiary of recurrent grants but in terms of overseas scholarships, tenure track faculty hiring, faculty development, scholarships for the needy students, technology upgradation and connectivity, development grants for physical infrastructure, the contribution of HEC is highly significant. The success of the above laid out strategy is critically dependent on the continued support from HEC in all these areas.

59. In the event that HEC is unable to provide continuing support of the magnitude and level recorded in the last five years, the board and the management will have to consider the following options:

- (a) to scale down the plans of expansion or
- (b) to identify and pin down alternate sources of financing that not only replace HEC's quantum of assistance but also finance the expansion plan.

60. The availability of alternate sources of funding is also a function of buoyancy and growth in the overall economy. The alumni, Corporates and foundations to whom we will turn for support will not be in a position to help very much if their own fortunes are in a state of flux and stress. It is difficult to assess at this stage how quickly the economy will come out of its current precarious situation. The downside risks to the above strategy remain quite strong but periodic reviews will be undertaken by the Board and the management to assess the situation and modify the strategy in the light of the objective conditions. The mitigating feature is that the IBA has accumulated some reserves and along with fees adjustment and some Corporate donations these reserves should take care of not all but major expenditures planned for the first three years.

NEXT STEPS

61. After the Strategy Paper is considered and approved by the Board of Governors a detailed implementation plan laying out the responsibilities, milestones, time lines, resource availability would be developed and monitored regularly by the Executive Committee of the Management. The EXCO will act as the Steering Committee for Strategic Plan Implementation and take actions to resolve the issues faced during the process. One of the major instruments of the implementation plan will be the medium term budgetary framework which will guide the annual budgets and planning cycles. The Director will submit a half yearly report on the progress to the Board of Governors.

IBA in 2013 – 14	
<u>Academic Programs</u>	<u>Centres</u>
MBA (Morning)	Centre for Executive Education
MBA (Evening)	EMBA for Public Sector Executives
MBA (Financial Services)	EMBA for Mid Career Managers
MBA (MIS) Morning	Centre for Entrepreneurial Development
MBA (MIS) Evening	Centre for Access to Finance
BBA	Centre for Business and Economic Research
BBA (MIS)	
BS (CS)	
M.S. Finance	
M.S. Economics	
Ph.d (MIS, CS, ICT)	
M.S. Computer Sciences	

ANNEX I

MENU OF OPTIONS FOR CONTRIBUTIONS TO IBA

I. PHYSICAL INFRASTRUCTURE DEVELOPMENT FUND

New Buildings and Structures that can be named after Donors

Total Estimated Cost Rs.2.3 billion

	<u>Duration</u>	<u>Estimated Cost</u> (Rs.)
1. Centre for Entrepreneurship Development (Main Campus)	2010-12	240 million (Aman Foundation)
2. Student Centre (Main Campus)	2010-12	165 million
3. New Academic Block (Main Campus)	2010-12	163 million (Tabba Foundation)
4. New Boys Hostel (Main Campus)	2008-10	120 million
5. Visiting Faculty Residences (Main Campus)	2010-12	100 million
6. Renovation of Academic Block (Main Campus)	2010	107 million
7. Renovation of Academic Block (City Campus)	2010-11	85 million
8. Multistoried Building (City Campus)	2010-12	660 million (Aman Foundation)
9. Renovation of Boys Hostel (Main Campus)	2008-09	78 million (completed)
10 Girls Hostel (Main Campus)	2010-12	80 million
11 Renovation of Auditorium (Main Campus)	2010	65 million
12 Auditorium (City Campus)	2010-11	100 million (JS Foundation)
13 Admin Building (Main Campus)	2010-12	230 million
14 Admin Building (City Campus)	2010-11	125 million
15 Library (Main Campus)	2010-11	88 million
16 Multipurpose Building (Main Campus)	2009	9 million
17 Renovation of Girls Hostel (Main Campus)	2010	6 million

II. FACULTY DEVELOPMENT FUND

- i. Endowed Chairs for Senior Professors Rs.500-600 million

Ten Chairs to be named after the benefactors.

Each Chair to be set up under a fully funded endowment of Rs.50-60 million that generates annual income of Rs.5-6 million to pay the salaries of eminent scholars attracted to join the IBA faculty.

- ii. Foreign scholarships to train faculty members at leading universities abroad.

- (a) Three scholarships for four years Rs.120-140 million

Each scholarship for a four year Ph.d program in UK, Canada, Australia, State Universities of U.S. will on average cost US \$ 125,000 – 150,000..

- iii. Hiring Foreign Faculty to teach at IBA Rs.120 million

Each foreign faculty member will cost on average \$ 150,000/- a year. Donors can also arrange visits to IBA for only one semester and in other cases several weeks only. This could cut down the cost substantially. The growing faculty resource base at the joint venture Universities in GCC countries can also be tapped for bringing faculty members teaching at these Universities to IBA on a regular basis.

III. GENERAL ENDOWMENT FUND Rs.500 million

In the General Endowment Fund surplus funds would be placed and donations and contributions solicited. The income generated from this Fund will be utilized to supplement the salaries of the faculty members to make the compensation packages competitive as well as provide research grants to them. Other uses of this income would include academic program enhancement, curriculum and case study development, external accreditation, professional development, participation in international seminars, conferences, workshops, and organization of such conferences at IBA.

IV SCHOLARSHIP FUND :

To provide financial aid to the students on the basis of their needs determined according to pre specified criteria.

- i. Scholarships, Student loans and Qarz-e-Hasna for meritorious-cum-needy students Rs.50 million

Full stipend covering tuition and other fees in 2009-10 will involve the following amount per student:

- | | |
|--|---------|
| - Scholarship for Four Year B.B.A. program | 800,000 |
| - Scholarship for Two Year M.B.A. program | 400,000 |

- ii. National Talent Hunt Program Rs 40 million

Selecting students from the backward districts of Pakistan, coaching them at IBA for entry examinations and fully funding the selected candidates for four year B.B.A. program.

The cost of four year program for 20 students selected for orientation and 8 students provided full funding for four years is Rs.10 million.

V. ALUMNI FUND

Rs 100 million annually

IBA alumni in Pakistan and outside Pakistan will be requested to provide both lump sum donations as well as monthly contributions to this Fund. On line donation facility has been established and it will enable them to authorize the amount, frequency and the use of their donation automatically.