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Independent University, Bangladesh: A Private University

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Independent University, Bangladesh: A Private University

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Chapter 1

Introduction

1.1 Introduction

Among the developing countries of the world, Bangladesh is perhaps a pioneer in the expansion of higher education in the private sector. In 1981 the idea of expanding opportunities for higher education in the private sector was first mooted. About a decade later in 1992 the Private University Act came into being. It was an epoch-making step. The need for private universities is now beyond question. Ever since 1992 the private universities have been playing an important role in developing various academic disciplines. At present more than 35 thousand student are studying in 51 (see Appendix 1) or so private universities.

The Private Universities have a mushroom growth of the number of private universities, and their number is increasing day by day like parasite in Dhaka city. Most of the private universities in Bangladesh have not yet emerged as full-blown universities. The major disciplines of the private universities of the country are not similar to those of the public universities.

The Independent University, Bangladesh is one of the best private universities in Bangladesh. The continuous changes in educational environment in Bangladesh motivate the organization to make some changes inside the organization in order to become more competitive.

1.2 Background of the Study

The Independent University, Bangladesh was established in 1993. The university has started its journey with 4 faculties and 12 students (see Appendix 2) with a view to produce graduates of international standards within the local environment, with knowledge and relevant skills to provide leadership in enterprise, public service and welfare; encourage and support useful research; create knowledge; and provide further learning opportunities for adults.

The number students increased 2133 within these 10 years of journey. The organization has established an out reach campus in Chittagong.

Even though the numbers of private universities have increased, the number of student is increasing day by day. In order to be more successful in the future the organization is committed to be more competitive and innovative.

Central to the analysis of this study has been based on consideration of the long term view of private education industry and major the strategic alternatives for university to meet the desired goal.

1.3 Aim and objectives of the study

The aim of the study was to investigate the present situation of the private universities in Bangladesh. Objectives help to clarify the vision and to prepare a pathway for projects. Thus the main objectives of writing this report were:

☞ To examine the current condition and performance of Independent University, Bangladesh in terms of human resource;

☞ To undertake environmental analysis, PEST analysis and SWOT analysis of the organization and indicate how this can be used in guiding the strategic direction for the development of Independent University, Bangladesh; and

☞ To recommend the future direction for Independent University, Bangladesh based on the above strategic analysis.

1.4 Scope of the study

Scope of the study defines the area on which the report concentrates. The scope is defined in order to put a definite boundary on the study. Thus, the present report covers the following aspects:

⇨ Identification of the strengths and weaknesses of Independent University, Bangladesh;

⇨ Exploration of opportunities using strengths of Independent University, Bangladesh;

⇨ Use of the opportunities to overcome the internal weaknesses of Independent University, Bangladesh; and

⇨ Ascertaining of the feasibility of Independent University, Bangladesh in existing education industry.

1.5 Limitations of the study

The report has certain limitations, which are shown as below:

- There is a limitation on the availability of latest statistical data from the relevant government department.
- There are no in-depth studies on related industry and competition.
- There are some organization's confidential policy related to the release of data, the organization's internal analysis is somewhat limited.
- There were reluctance in management people to answer the questionnaire.
- The private universities in Bangladesh are still now growth stage so there are lack of systematic data and relevant information.

1.6 Benefits of the study

The results from the study were expected to provide the following benefits:

- An analysis will be available to the organization, highlighting its internal strengths and the areas where Independent University, Bangladesh needs to concentrate to eliminate the weaknesses.
- Identify the gap between Independent University, Bangladesh's present strategy and the student demand and try to develop strategies to reduce the gap.

1.7 Justification of the study

It is not absolutely by certain that Independent University, Bangladesh will be able to steadily grow in the future. There are some issues, which are very critical and complex.

Even though the number of student in Independent University, Bangladesh is increasing, but the increasing number of new private universities may place Independent University, Bangladesh in a difficult situation.

Independent University, Bangladesh is also facing competition against medium-small sized universities, which are providing low cost education comparing it. It has now become a critical issue as to whether Independent University, Bangladesh can maintain its existing market share.

Based on the above issues, the need for strategic analysis in terms of general performance and cost efficiency is highly recognized in Independent University, Bangladesh and the organization would benefit from adopting strategic management. These constitute cogent reasons for the study.

1.8 Research methodology

The major objective of this research is to develop strategies for IUB, by particularly focus on human resource. The platform of research methodology is problem identification by conducing a non-probability research method. In order to make the study more logical researcher had gather the primary data by using a structured form of data collection method. Major argument behind this method is that the target population is well experienced.

1.8.1 Research design

This study is exploratory in nature. The major objective of selecting exploratory research is to identify the problem through a questionnaire survey. In order to make the study more logical the following sampling design had considered:

1.8.1.1 Element

Target population of this study is the employees of Independent University, Bangladesh. Elements of the population are:

- Minimum educational qualification is graduate.
- Minimum age of 30.
- Working experience should not be below five years.

1.8.1.2 Sampling unit

In order to qualify the target population better the sampling unit of this study has considered as the employees who has minimum educational qualification of postgraduate degree.

1.8.1.3 Extent

Only the employees who are in Dhaka campus have been considered for this study and Chittagong campus is purposively been omitted due to time factor.

1.8.1.4 Sampling frame

Since the sampling technique is exploratory, researcher has selected the target population from IUB employee handbook.

1.8.1.5 Sampling technique

Due to mentioned limitation of the study researcher has decided to conduct convenience-sampling method.

It is quite an impossible task for researcher to conduct a probability sampling technique. Researcher made an appointment by a telephone call and fill up the questionnaire by face-to-face interview.

1.9 Questionnaire development

The questions are structured in nature. In order to make the findings more quantitative likert scale questions had been selected for this study. The questionnaire rates each and every question from 1 (Strongly agree) to 5 (Strongly disagree), unless otherwise specified.

1.10 Conceptual framework

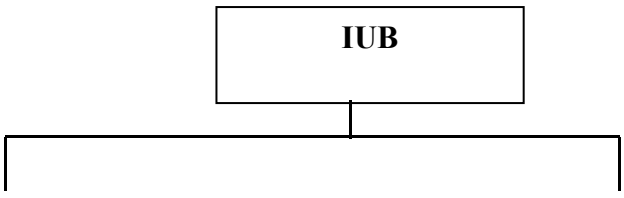
Strategy formulation includes developing a business mission, identifying an organization's external opportunities and threats, determining external strengths and weaknesses, establishing long-term objectives, and generating alternative strategies to pursue.

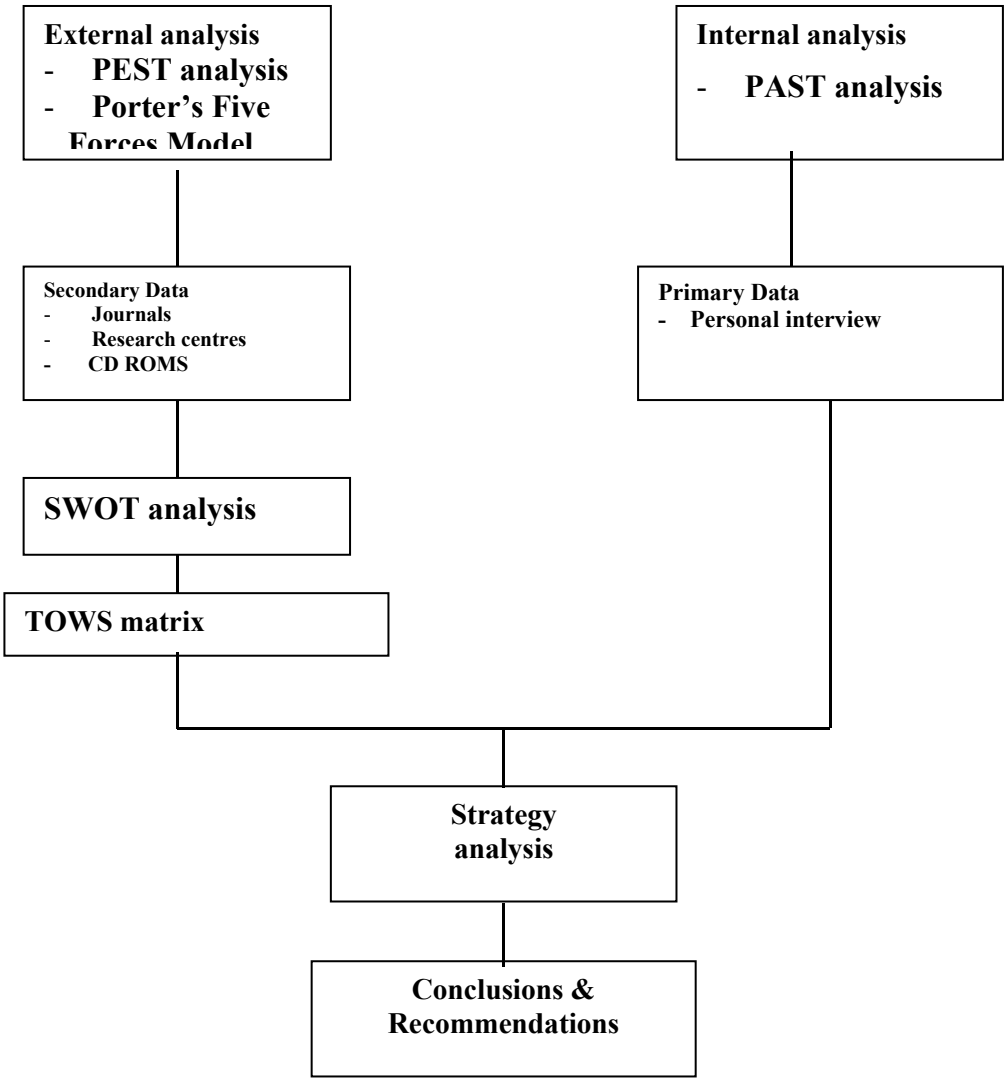
In order to get the maximum internal information about the Independent University, Bangladesh, it is necessary to identify the internal and external factors for the development of strategies. SWOT analysis was thus be used to guide the collection of the internal and external information about Independent University, Bangladesh by using the secondary data only.

PEST analysis helped to develop a clear picture about the external environment. External issues such as political, economic, socio-cultural, and technological were the focus of the PEST analysis.

Porter's Five Forces Model was conducted to evaluate Independent University, Bangladesh's past performance, as a model of environmental scanning and forecasting.

Figure 1.1 Conceptual framework





Changes to prepare strategies for the enhancement or the future performance of Independent University, Bangladesh.

After collecting all the secondary information, a questionnaire was developed to get more in-depth information about the organization. Interview with the management and the several employees revealed more details about the functional areas. This questionnaire was used to collect the primary data. Government journal, Internet, statistics journal and economic indicators etc. were also used to collect more secondary information about the external factors. Literature references from strategic management were also used.

1.11 Structure of the study

In undertaking this study, the focus has been to determine where Independent University, Bangladesh currently is, identify the current problems and try to find corresponding solutions.

The thesis is organized as follows:

Chapter 1

The chapter introduces the topic of the study. It presents the research methodology and gives a brief overview of the complete report.

Chapter 2

The chapter describes various strategies, models and theories proposed to be used in the report. It underpins the research or provides the analytical and integrative tools for the formulation of the study. It also describes the conceptual strategic model in detail.

Chapter 3

This chapter describes the emergence of private university in Bangladesh, growth, student, and employment market.

Chapter 4

This chapter deals with external environment of the university. It analyses the elements of the industry-barriers to entry, competition, customers, and substitutes for universities in private sector in future in Bangladesh. Later, in this chapter, opportunities and threats are identified with the help of research data in this chapter.

Chapter 5

This chapter deals with the internal environment of Independent University, Bangladesh. It briefly describes the structure of Independent University, Bangladesh, its key functional areas in various departments. It also evaluates the core strengths and weaknesses of the organization.

Chapter 6

This chapter is called “Strategy generation and selection”. This chapter looks at the various strategies and defines each one of them. The strategies are formulated in this chapter by using TOWS with the help of the TOWS matrix; the strength/weaknesses and opportunities/threats are matched to generate various strategies. Advantages and disadvantages of each of the strategies are identified and then the most profitable and suitable strategy is selected.

The previous chapter helped to decide on the strategy to be in the Bangladeshi private education sector. In the present chapter, an effort is made to ascertain the practical concerns of implementing that strategy. In particular, the focus is the analysis of the selected strategies.

Chapter 7

General research findings and conclusions are drawn. The report makes research findings to make necessary changes in the current strategies and identifies the areas of future improvement through research. It also states reasons for selecting the particular strategy and recommendations are made for making future success.

Chapter 2

Literature Review

2.1 What is strategy

There is no single, universally accepted definition of strategy. Different authors and managers have used the term differently. According to Mintzberg and Quinn (1991, p.5), "A strategy is a pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole"[1].

Given that this study is focused on creating corporate level business strategy, it is necessary to narrow down the generic definition of strategy. "Corporate strategy is the pattern of decision in a organization, that determines and reveals its objectives, purpose or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the organization is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers and communities." [2]

2.2 Five P's for strategy

Despite strategy being traditionally defined in only one manner, there are many applications of such. Mintzberg (1991) suggests that multiple definition can help people to understand strategy more clearly. As a result, Mintzberg (1991) creates five definitions of strategy, which are briefly discussed as below:

2.2.1 Strategy as plan

Generally, strategy is a plan that consists of a course of action and a guideline to deal with a situation. "By the definition, strategy has two essential characteristics: they are made in advance of the actions to which they apply, and they are developed consciously and purposely" [3]

2.2.2 Strategy can be ploy

Strategy can be used as a maneuver in order to out build an opponent or competitor. For example, a corporation may threaten to expand plant capacity so as to discourage a competitor from building a new plant.

2.2.3 Strategy as pattern

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[1] Mintzberg H., & Quinn B. J., *The Strategic Process: Concept, Context, Cases,* (New Jersey, 1991), P.45
[2] *Ibid,* P. 46
[3] *Ibid,* P. 47

Strategy is consistency in behavior, whether or not intended. Mintzberg (1991) suggested that strategy is a pattern in a stream of actions. "Gradually the successful approaches merge into a pattern of action that becomes our strategy. We certainly do not have an overall strategy on this."[4] It means that organization has strategy as a pattern, but not as plan.

2.2.4 Strategy as position

Strategy is a position from which to deal with the environment – specifically between the organization and external context. It can also be considered in the context of a number of competitors or simply with respect to the market or an environment.

2.2.5 Strategy as perspective

Strategy is a perspective, its content consisting not just of a chosen position, but also of an ingrained way of perceiving the world. For example, 'Mc Donalds' has become famous for its emphasis on cleanliness, service, and quality.

Each of these definitions does not indicate that one is better than other, but adds important elements to our understanding of strategy.

2.3 Definition of strategic management

Rue and Holland (1989, p.3) defined strategic management as "a process by which top management determines the long-run direction and performance of the organization by ensuring that careful formulation, proper implementation and continuous evaluation of the strategy takes place"[5].

David (1993, p.5) defined strategic management as "the art and science of formulation, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives"[6].

As this definition implies, strategic management focuses on integrating management, marketing, finance/accounting, production/operation, research and development, and information systems to achieve organizational success.

As a process of the organization, strategic management aligns the strengths and weaknesses of the organization with opportunities and threats in an organization's environment in pursuit

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[4] Quinn J.B. *Strategies for Change: Logical Incrementalism,* (Boston, 1980), P. 35

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[5] Rue W. L. & and Holland G. P, *Strategic Management: Concept and Experience* (McGraw Hill 1980), P.3

[6] David F., *Strategic Management* (New York, 1996), P.5

of the organizational goals. Strategic management provides guidelines to strategists to identify the gap between strengths and weaknesses, and formulate and implement strategies to survive in the long run.

2.4 Benefits of strategic management

Any business organization can benefit from strategic management, if it is understood and performed appropriately. Greenly (1989, p.23) suggested that strategic management offers the following benefits[7]:

- Forces management to examine the appropriateness and value of current strategies;
- Forces management to look for alternatives in developing their business so that optimum choices can be made;
- Requires an orientation into the future, which leads to greater consideration of the future ramifications of current decisions;
- Is likely to prevent the occurrence of problems, rather than devoting resources to the solution of an excess of problems;
- Allows for a more equitable and effective allocation of resources, as opposed to basing allocations on short-term spontaneous decisions;
- Ensures that both internal and external environments are taken into account, while providing the means to identify any major changes that are likely to occur;
- Leads to management, which is based on a systematic and logical process of thinking, while developing methodology to aid in decision making, which will contribute to more effective management;
- Can be used as vehicle to develop co-ordination, communication and control procedures throughout the organizational structure;
- Helps to estimate the motivation and enthusiasm of employees, through both participation in the process and through the formulation of organization direction; and
- Helps to reduce employee resistance to change, again through participation and formalization.

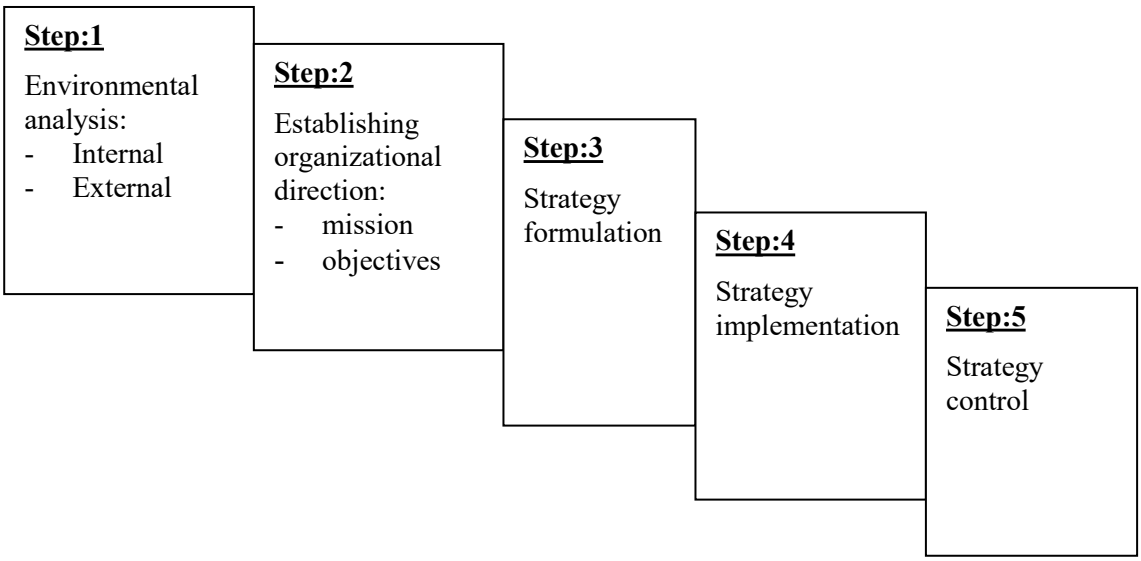
2.5 Strategic management process

Strategic management is a process containing a series of steps. Cetro and Peter (1991, p.13) suggested that there are five major steps in any basic strategic management process. These

[7] Greenly E. G., *Strategic Management* (New York. 1989), P.23

are an environmental analysis, the establishment of organizational direction, strategy formulation, strategy implementation, and strategy control[8]. Each of these steps will be briefly discussed. The basis of the strategic management process is shown in Figure 2.1.

Figure 2.1: Major steps of the strategic management process



Source: Cetro & Peter, Strategic management: concept & application, 1991, p. 14.

2.5.1 Environmental analysis

In order to secure future progress, organizations need to analyze all the factors relating to internal and external factors. Since strategy is concerned with the position a business takes in relation to its environment, both internal and external, their effect on a business is of critical importance to strategic analysis.

Many of the environmental variables will give rise to opportunity and many will exert upon the organization. An example of environmental variables that are commonly monitored during environmental analysis is presented in Figure 2.2

Figure 2.2: Example of environmental factors to be monitored for strategic management

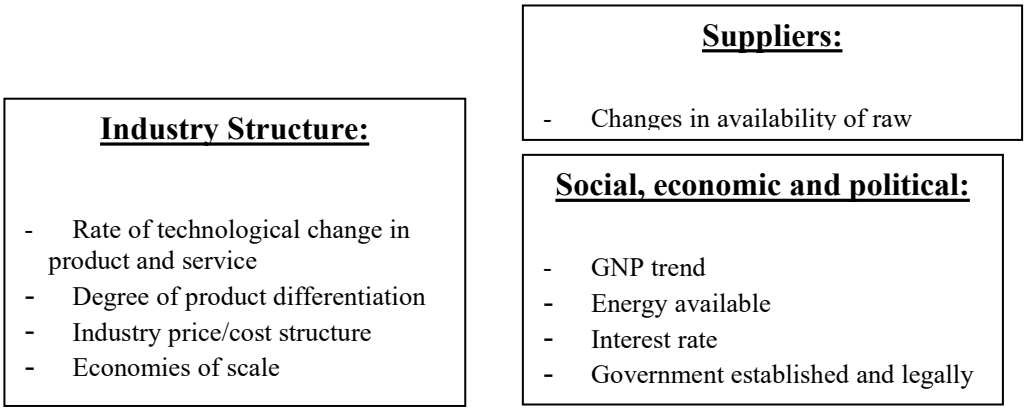
Organization characteristics:

- Market share
- Quality of product
- Discretionary cash flow/gross capital investment

Market and consumer behavior:

- Market segmentation
- Market size
- New market development
- Buyer loyalty

[8] Cetro & Peter, Strategic management: concept & application, 1991, p. 14.



Source: Cetro & Peter, Strategic Management: concept & application, 1991, p. 15.

2.5.2 Establishing organizational direction

There are two main indicators of the direction in which an organization is moving: organizational mission and objectives. "Organizational mission is for which, or reason why, an organization exists, and objectives are the target the organization has chosen." [9]

2.5.3 Strategy formulation

Mintzberg refers to strategy formulation as logical activities that include identifying opportunities and threats in the organization's environment and attaching some estimation of the risk to the discernible alternatives. Before a choice can be made the comparison between strengths and weaknesses and the resources available on hand need to be assessed[10].

In this stage, organizations should evaluate their capability. An optimal equilibrium between ability to do and power should be processed. An exercise of developing a market opportunity can be undertaken in this stage by estimating the relative capacity of the organization. There should be a sound relationship between corporate strategy, formulation of strategy, and implementation of strategy. Figure 2.3 taken from Mintzberg & Quinn (1991, p. 47) provides a good visual from representation which to create an understanding of this concept.

2.5.4 Implementing organizational structure

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[9] *Ibid*, P.17.

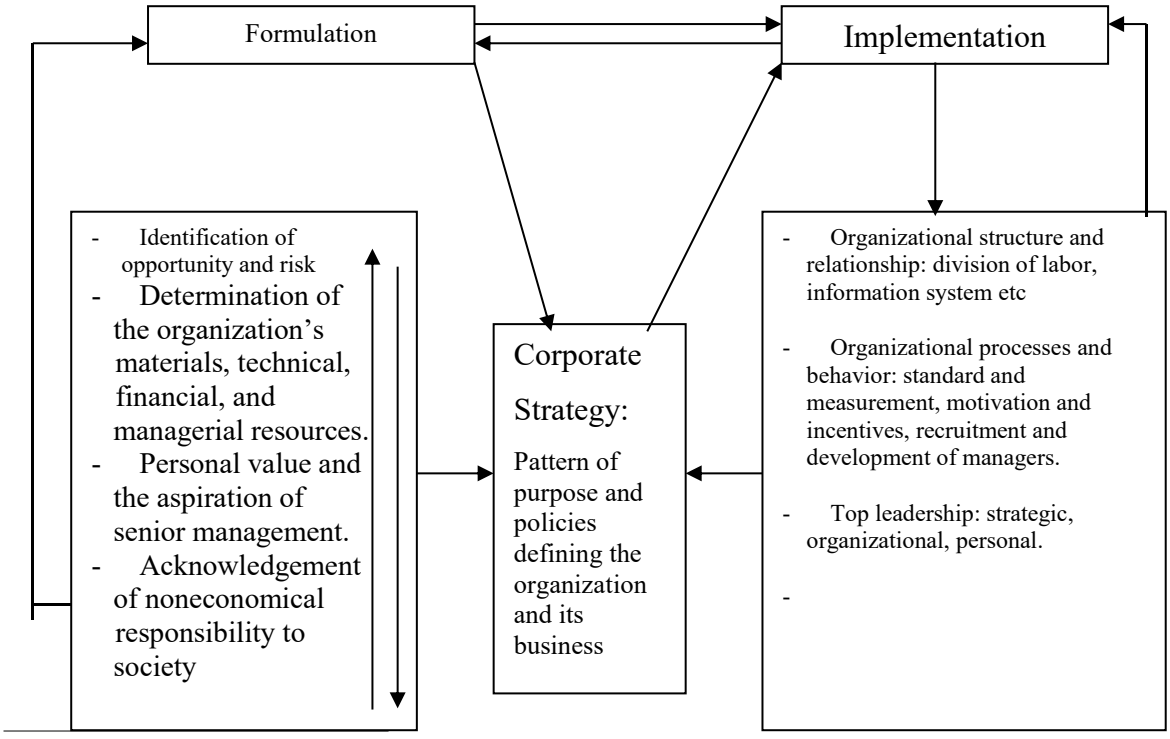
[10] Mintzberg H., & Quinn B. J., *The Strategic Process: Concept, Context, Cases,* (New Jersey, 1991), P.60

This step involves putting into action the logically developed strategies that emerged from the previous step of the strategic management process. MIntzberg & Quinn (1991, p. 25) suggested that during the implementation stage, resource allocation is very important. These resources include financial resources, physical resources, human resources, and technological resources. Figure 2.3 also indicates the important issues in the implementation stage.

2.5.5 Strategic control

Strategic control implies a focus on monitoring and evaluating the strategic management process in order to improve it, and ensure that it is functioning properly. In this stage, an understanding of Management Information Systems is critical in the control of the strategic process. Cetro and Peter (1991, p. 38) suggested that the strategic management process within any organization is as good as the information, which it is based[11]

Figure 2.3: Strategy



[11]Cetro C. S & Paul P. J., *Strategic Management: Concept and Application* (New York, 1991), P.38

Source: Mintzberg and Quinn, Strategic Management, 1991.

2.6 Conceptual framework

So far, we have analyzed the process of strategic management. This study will follow a specific framework, which will be focused mainly on strategy formulation. Due to time constraints, it is beyond the scope of this study to oversee the implementation of the strategy. In order to develop strategies some conceptual models will be used. PAST analysis, SWOT analysis, Porter's five forces model, PEST matrix and TOWS analysis are the tools used to develop this study. These tools are briefly discussed below:

2.6.1 SWOT analysis

The comparison of strengths, weaknesses, opportunities, and threats is normally referred to as a SWOT. The major components that exist in SWOT analysis can be seen in Figure 2.4 below:

Figure 2.4: Components of SWOT analysis

Potential Internal Strength:		**Potential Internal Weaknesses:**
- Many product lines? - Bound market coverage? - Manufacturing competence? - Good marketing skills? - R & D skill and leadership? - Information system competencies? - Human resource competencies? - Brand name reputation? - Portfolio management skills? - New venture management expertise? - Cost of differentiation advantage?		- Obsolete, narrow product line? - Raising manufacturing costs? - Decline in R&D innovation? - Poor marketing plan? - Poor material management system? - Loss of customer goodwill? - Inadequate information system - Inadequate human resources? - Loss of brand name capital? - Growth without direction? - Bad portfolio management?
Potential Environmental opportunities:		**Potential Environmental threats:**
- Expand core business (es)? - Exploit new market segment? - Widen product range? - Diversity into new growth business? - Expand into foreign market? - Apply R & D into new areas? - Enter new related business? - Vertically integrated forward? - Vertically integrated backward? - Enlarge corporate portfolio? - Overcome barrier to entry		- Attract on core business (es) - Increase in domestic competition? - Increase in foreign competition? - Change in consumer taste? - Fall in barrier to entry? - Rise in new or substitute products? - Increase in industry rivalry? - New forms of industry competition? - Potential of takeover? - Existence of corporate strategy? - Increase in regional competition?

- Make profitable new acquisition?		- Change in demographic factor?

Source: Hill and Jones, Strategic Management: an integrated approach, 1995.

The purpose of the strategic alternatives generated by a SWOT analysis should be to built on organization strengths in order to exploit opportunities and counter threats and to correct organization weaknesses. To choose among the alternatives generated by a SWOT analysis, the organization has to evaluate them against each other with respect to their ability to achieve major goals. This will ensure whether the functional sectors in the organization are working effectively according to the change, which have occurred in the business environment.

2.6.2 PEST analysis

The purpose of analyzing the external environment is to make an attempt to reveal the secrets of future potential opportunities and threats. These are those unknown aspects that have the power to influence the organization's activities. The need to analyze these factors is a must since these significantly affect the future of the organization. The external effects can be broadly classified into four categories that comprise the P.E. S.T Analysis.

The PEST analysis is used to scan the external or macro environment. PEST stands for Political – Legal, Economical, Social – Cultural – Demographic and Technological variables. PEST analysis is conducted for scanning the external or macro environment. It looks at the political, economical, social and technological conditions of a country. Table 2.1 shows elements of the macro external environment.

2.6.2.1 Political

The political environment has a direct and sensitive effect on many industries since all the businesses are governed in the open market and have to follow and stay within the stipulated set of rules and policies formulated by the political forces governing the country. The ruling party, the opposition, and all the players of the political scene have the power to influence the rules that the country is following. The political environment is also influenced by the behavior of the general public. The political climate of any country is always fluctuating hence it is essential to study and then analyze to the best of the ability the future political environment.

2.6.2.2 Economic

Economic factors have a direct impact on the potential attractiveness of various strategies. There are certain forces that affect the economy. The growth of any economy, its effect on the industries' businesses is to be analyzed by studying the past trends and a projection of the future plans. The factors that broadly constitute the economic indicators are the Gross Domestic Product, the currency fluctuations, the stock markets of the country, etc. Since the rules that are made by the governing body of the country are to achieve certain declared aims, it is essential to analyze the level of economy in the country of operation.

2.6.2.3 Social

Socio-Cultural trends are to be studied to analyze the way the people of any country live, work, produce and consume. New trends affect the consumers and consequently a need for different products, different services, and different strategies emerges. Cultural environment of any country also influences the social behavior of the society.

2.6.2.4 Technological

Technology is the key word that is responsible for all changes. Technological environment is becoming more important since products are based on new technologies. Technological factors represent major opportunities and threats that must be considered in formulating strategies. No organization can remain insulated against the emerging technological developments. Technology can reduce or eliminate cost barriers between businesses, create shorter production runs, create shortages in technical skills, and result in change in values and expectations of employees, managers and customers.

2.6.3 Poerter's five forces model

Michael E. Porter suggested that the nature of a organization, irrespective of national or international environment, can be based on five forces – namely, industry competitors, suppliers, buyers, new entrants, and substitutes. The model is shown in Figure 2.5.

According to Porter (1979, p. 3), "The strongest competitive force or forces determine the profitability of an industry and so are of greatest importance in strategy formulation"[12].

[12] Porter M. E. The competitive Advantage of a Nation,(Hong Kong, 1979) P. 3

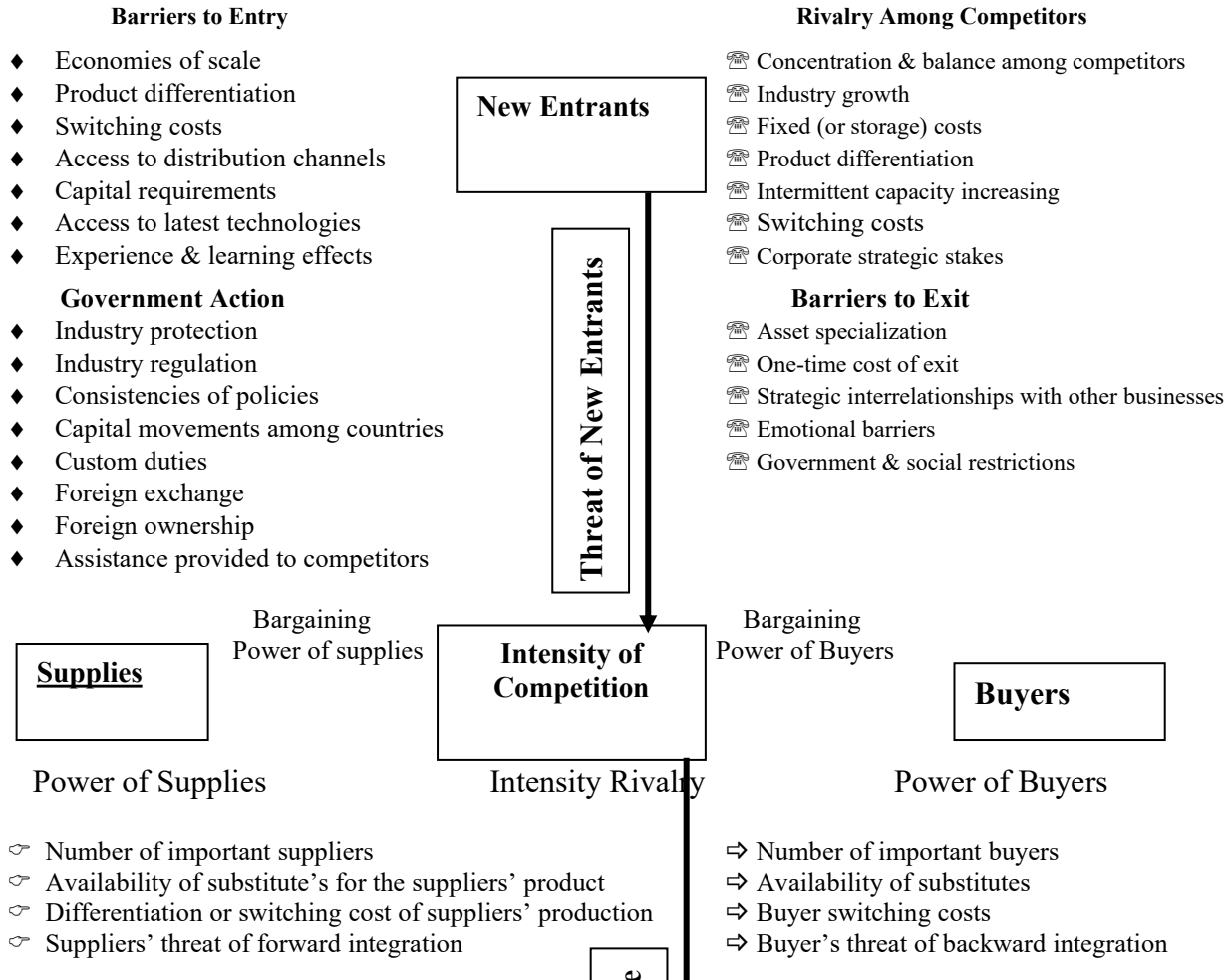
The components of five forces are new entrants, buyers, suppliers, substitutes, and industry competitors. The objectives of using this model is to find a position for Independent University, Bangladesh in the education industry, where the organization can defend itself against these forces or influence them in its favor.

It is necessary to identify who are the suppliers and prospective customers and identify their bargaining power. New entrants should be monitored.

Substitute product availability and relative price performance also need to be analyzed. Advertising expense, sales expense, and R&D are some of the weapons that can be used in the process of becoming more competitive.

"The strength of each of the five competitive forces is a function of industry structure, or the underlying economic and technical characteristics of an industry"[13].

Figure 2.5: Five competitive forces that determine industry competition



[13] Porter M. E. The competitive Advantage of a Natio Kong, 1990) P. 35

- ☞ Industry threat of backward integration
- ☞ Suppliers' to quality or service of industry products
- ☞ Total industry cost contributed by suppliers
- ☞ Importance of the industry to suppliers' profit

- ⇨ Industry threat of forward integration
- ⇨ Contribution to quality or services of buyers product
- ⇨ Total buyer's cost contributed by the industry
- ⇨ Buyer's profitability

Substitute

- ➔ Availability of close substitute
- → User's switching costs
- → Substitute producers
- → Profitability and aggressiveness
- → Substitute price value
- → Availability of substitutes products

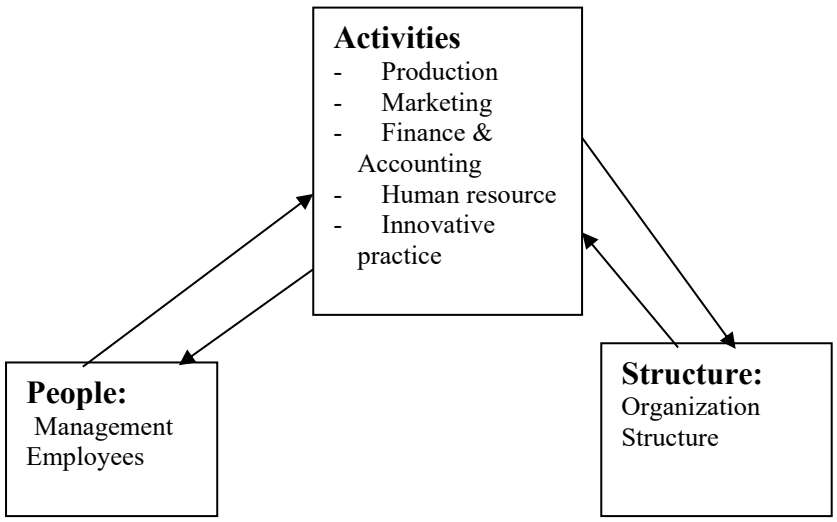
Source: Porter 1985.

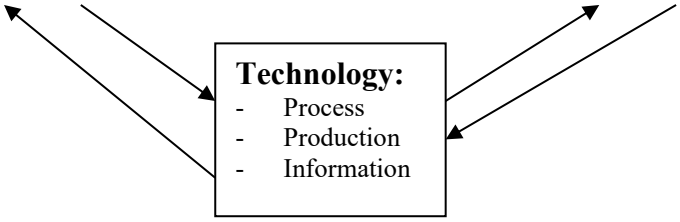
2.6.4 PAST analysis

The analysis of the PAST model helps us to focus on the critical areas within the Organization. It helps in determining the organization's key competence and resources, from which may be deduced the organization's strength, and weaknesses. For example, world best practice companies focus their attention on five key departments or functional areas.

The strategic manager also needs to have a keen understanding of the technology used, be it related to production, process or information. People's attitude, commitment, expectations, and aspirations also need to be assessed. Figure 2.6 demonstrates visually, the PAST analysis:

Figure 2.6: PAST analysis





Source: Harch Thandi, 1997.

The objective of using a PAST analysis is to identify the key performance areas inside the organization. This analysis will highlight the relationship between people, activities, organizational structure and technology. The balance between each component needs to be identified in order to develop effective strategy.

2.6.5 Threat-opportunities-weakness-strengths (TOWS) matrix

TOWS matrix is helpful in developing four types of strategies: SO strategies, WO strategies, ST strategies, and WT strategies.

SO strategy usually indicates a organization's internal strengths to take advantage of external opportunities. WO strategies help improve internal weaknesses by taking advantage of external opportunities. ST strategies are a organization's strengths in being able to avoid or reduce the impact of external threats. WT strategies are defensive tactics directed at reducing internal weaknesses and avoiding environmental threats. A typical TOWS matrix can be seen in Figure 2.7

Figure 2.7: TOWS matrix

	Strengths (S)	Weaknesses (W)
	List 5-10 internal Strengths	List 5-10 internal Weaknesses
Opportunities (O)	SO Strategies	WO Strategies
List 5-10 external Opportunities	Generate strategies here that use strengths to take advantage of opportunities	Generate strategies here that take advantage of opportunities by overcoming weaknesses
Threats (T)	ST Strategies	WT Strategies
List 5-10 external Threats	Generate strategies here that use strengths to avoid threats	Generate strategies here that minimize weaknesses and avoid threats

Source: Hunger & Wheelen, 1993.

TOWS matrix may help us to decide which strategies we should adopt and the inter-relation between both the internal and external factors.

The strategic process discussed earlier gives us a method of developing and executing strategies. Due to time constraints and the scope of the study, the study has been restricted to the concentration of the formulation stage.

2.7 Summary

In light of the limitations of such, the purpose of this study is to develop a strategy, which can be executed in the near future. All the tools such as PAST analysis SWOT, Porter's give forces mode, TOWS matrix will be used to give logical steps for analysis of the strategies for Independent University, Bangladesh.

Chapter 3

Emergence of Private Universities in Bangladesh

3.1 Introduction

In Bangladesh, the idea to allow different non-profit philanthropic organizations to establish fully-fledged universities were first mooted in the first half of 1981 by the highest-level Sate-functionaries. Due to socio-political upheavals in the 1980s, it took almost a decade to concretize the thoughts by the actors (both State-functionaries and potential entrepreneurs) in terms of a parliamentary act in 1992. Historically, the role of the non-State sector in the tertiary level education (mainly First degree i.e., B.A, B. Com, B. Sc.) of the country has been important. By one estimate in 1997-98[14], out of total student-population of about 2,143,000 roughly 58 percent was enrolled in the non-State degree-level colleges. Thus a higher proportionate role/share of the private (mainly philanthropic) sector was already there in the mediocre degree-awarding sphere. Every year the higher secondary education sub-system (consisting of grades XI and XII) churns out roughly 245,000 graduates by the HSC (public) exams[15]. Since the public universities, mainly general-type plus technical type [e.g., Bangladesh Agriculture University (BAU) and Bangladesh University of Engineering and Technology (BUET)] can enroll each year around 17,000 new entrants of these HSC-

[14] Bangladesh Bureau of Statistics, Dhaka 2001
[15] *Ibid*

graduates (only seven percent of the total passed) an overwhelming number of potentiality deserving students have to go without getting a place in the quality-education-serving institutions under public ownership and management. And these 17,000 students are only 17% of the total HSC-graduates. And other 83% have no choice. Thus, there was an appreciation on the part of different stake-holders e.g., the State-functionaries, the parents, the employers/philanthropic entrepreneurs, the donors to actively consider the option of founding universities under private (non-profit) management and ownership. At present more than 15 thousand student are studying in 51 or so private universities[16].

It is believed that students who fail to get admission to public universities or government medical colleges go to private universities and medical colleges. This is partly true since public universities offer very limited number of seats in some disciplines, which have a very high market demand. Many good students failing to get admission to public universities study those disciplines in private universities. In most cases their merits are comparable.

After the enactment of Private University Act (PRUA) of 1992, towards the end of the decade (in 1999), each year about 19 percent of the total campus-based university-enrollment (intake) was under private universities. Alternatively speaking, about 4000 intake-capacity was generated in private universities vis-à-vis the intake-capacity of roughly 17000 in the public universities[17].

3.2 Policy Shift Towards Private Higher Education

Bangladesh (the then East Pakistan after the partition of the South Asian Sub-content in 1947) inherited a rich heritage of public universities in 1971. As the time of Liberation (December 16, 1971) the country possessed six public universities namely Dhaka University (established by the British in 1921 and developed following the Oxbridge model), Rajshahi University (established in the early 1950s), Chittagong and Jahangir Nagar Universities respectively (established in the second half of 1960s) in the general category plus Bangladesh (the then East Pakistan) University of Engineering and Technology or BUET and Bangladesh (the then East Pakistan) Agricultural University or BAU, the two technical universities– were developed in the first half of 1960s. The conclusion of short-lived, bloody and intensive Liberation War generated two different types of situations (i) a rising expectation (demand) for education in general and higher education in particular (ii) chaotic socio-political

[16] The Independent, Dhaka Oct 29, 2003

[17] BANBEIS, National Educational Survey, 1999, Dhaka 2000

circumstances in the country / society, with their reflections in terms of violence, heightened student activism and instability (in teaching-learning process) in the campuses of public universities (mainly in the general universities). When contrasted with the Pakistani period (1974-71), the populist political regime in 1972 enacted more politically-oriented university rules / regulations; the Dhaka University Order 1973 gave abundant socio-political powers to the teachers, the students and also to other stake-holders (e.g., the graduates, university non-teaching staff members, parents, lay-public, politicians and so on) that different academic and administrative entities / committees / posts became functions of socio-political allegiance than of professional skill or performance. Accountability and quality assurance of higher education has been the ultimate casualty of the so-called democratic practices of electing 'Senate' (the highest policy-making body), 'Syndicate' (the Executive Body headed by the Vice-chancellor), the Vice-chancellor, Faculty-Deans and other committees such as Academic Council and Finance Committee. The Dhaka University Order 1973 was replicated for other general universities of Rajshahi, Chittagong and Jahangir Nagar.

The increased politicization of university administration has adverse and lasting impact on teacher selection and promotion. The extent of rank inflation among faculty members and grade inflation of graduates. The proportion of professors has been rising since the early eighties as a result of restructuring rules devised by universities to appoint teachers at higher ranks from internal candidates. By 1999 the proportion of professors exceeded 42 percent of all ranks and that of lecturers accounted for 20 percent only. Research and publications have been made not as part of scholastic activities in universities. This also affected quality of teaching in classrooms as junior teachers take most of the classes with limited knowledge on the subjects taught. Young teachers in general are also not exposed to modern pedagogies used in advanced countries.

3.3 Re-orientation of Economy and Society

Bangladesh started much earlier in the second half of 1970s to move away from the dominance of the State-sector when compared with other South Asian neighbors such as India, Pakistan, Sri Lanka and Nepal. In the 1980s privatization of State-owned Enterprises (SoEs) and lowering of import barriers increased competitive pressure on the local enterprises. Multinationals were increasingly getting interested to set up operations given the fiscal and commercial incentives offered by the State. Demand for market-oriented courses increased such as those in BBA, English, computer science and engineering and IT. To meet the newly

created demand for higher education the public system was neither ready nor that it has any motivation to do so. The State did not plan for setting up of new universities in the public sector with new orientation. On the other hand political pressure on existing places resulted in enrolment of students in subjects most of which might have lost their practical relevance.

The outward and market-oriented policy from the second-half of 1970s had its implications for out-migrations of both students and teachers. Due to session-jam (a three-year Honors degree course took extra two to three years to complete), higher opportunity costs and lower quality university education, students were leaving for Indian educational institutions or those who could manage financial assistance (due to merit) or private fund would leave for studying in the western capitalist countries e.g., U.S.A, Canada, U.K and Bangladesh. It is reported that on an average in a year about 50 to 60 thousands of Bangladeshi students study in different colleges, universities and institutes in India. Similarly, a significant number of the teachers of public universities (mainly belonging to disciplines of Engineering, Natural Sciences, Economics, Business) did not return to the country from the western countries after completing their study-leaves. These bright and promising teachers were demanding both better teaching-learning environment in the campus on the one hand and better material and non-material incentives; unfortunately the State/society could not ensure both these conditions. Hence, the brain-drain, of pupils and teachers belonging to the higher education sub-sector.

3.4 Actual Shift and Rules for private Universities

Due to the socio-political problem in the optimal functioning/performance of the public universities, the government in 1980 was contemplating to encourage social thinkers/potential organizers to found private (mainly non-profit) universities. The military coup in May 1981 stalled the dialogue between the government and the potential entrepreneurs of private universities in the beginning of the decade. Towards the later part of 1992 the Parliament passed the Private University Act of 1992 (PRUA) and the door was opened for a new system of higher education in Bangladesh. On November 5, 1992, the government approved the establishment of North South University and it was granted the Charter to offer degree level courses. Foundation for Promotion of Education and Research (FPER), the founder of North University (NSU) was later renamed as the North South University Foundation and Mr. Iftekherul Alam, a business leader was the founding chairman of the foundation. Within a year or two another four to five private new universities were set

up. The Private University Act (PRUA), 1992 stipulated five major conditions to set up a private university. They were:

i) Deposit of Tk. 10.0 million as security money in interest-bearing government bonds

ii) Start with minimum of two faculties.

iii) Having started in a rented premise the university must move to its own campus by the end of fifth year. It should own a land area of five acres.

iv) Programs and courses to be offered must be approved by the UGC before students get admitted.

v) Five percent of enrolled students are to be granted free studentship to allow poor but meritorious students.

According to the original act i.e., PRUA of 1992, 16 private universities were established; 13 in and around Dhaka city, two in Chittagong and one in Comilla. The Seventh Parliament (July 1996-July 2001) during the Awami League regime, amended the PRUA – 1992 in 1998. It raised the amount of deposit money to Tk. 50.0 million and teacher's salary scales and fees from students were to be made public. The earlier (1996-2001) government under the changed rule has approved six private new universities during the last year of its rule. Forty-three universities out of fifty-one have been established during this existing government's regime (2001-2003)[18]

3.5 Growth and Expansion of the Private Sector

There were 16 private universities in the country upto December 1999. The previous political government (July 1996-July2001) formed by the Awami League allowed another four private universities. Therefore by December, 2000 there were in all 20 private universities in Bangladesh. . Forty-three universities out of fifty-one have been established during this existing government's regime (2001-2003).

The agencies are clearly non-profit entities. Generally, in each a group of like-minded philanthropic relatively resourceful get together to organize a university. The intention is to satisfy the existing excess demand for some types of university courses / degrees in the country. The leadership in founding this breed of universities has originated mainly from the visionary elites e.g., highly placed (former) civil servants, industrialists, businessmen and professionals.

[18] Prothom Alo 16th November, 2003

The American type of academic system mostly inspires the founders. Thus, they are basically modern-mind and secular in their ideological approach to higher education.

Though the westernized (U.S.type) university approach dominates the private university scene in the country, there are a number of ideologically-oriented private universities. For example, Darul Ihsan (DIU), Ahsanullah Science and Technology (ASTU), Islamic University (IUC) and Asian University, Bangladesh (AUB) are founded by Islamic-minded people. DIU and IUC teach Islamic-oriented degree courses in addition to westernized, secular and market-oriented courses. ASTU and Asian University (AU) are offering market-oriented and secular courses. Another private university i.e., Gono Bishyabidyala (Mass University) is also an ideologically oriented one, tries to offer more appropriate type of course/degrees, suitable to the specific socio-economic circumstances of the country. It is founded by a left-leaning group of people.

Private universities have adopted basically two administrative systems. First come the sponsors or Board of Governors or the founders-they work out the plans and policy. Secondly, there are academic activities under the leadership of the Vice-chancellor. In most cases the sponsors and the Vice-Chancellors are not getting on well. One group is trying to control the other group. In a situation like this there must be coordination between the groups. So there should be a code of conduct to be formulated by the Government so that the sponsors are not deprived of their dignity and the Vice-Chancellor may not have to approach the Board of Governors for running the day-to-day academic affairs. Besides this, it is necessary to have a strong audit system to expedite the work.

3.6 Courses Offered, Enrollment and Teachers in Private Universities

Number of private Universities, Total Enrollments

Type of courses offered and Teachers 1997-2001

Year	Number of			Courses on offer
	Private Universities	Students	Teachers	Accounting, Administrative Science, Agricultural Science, Architecture, Bangla, BBA, MBA, Civil Engineering, Communication Science, Computer Science, Computer Science and Engineering, Computer Science and Informatics, Education, Economics, Electronics and Communication Engineering, Electrical and Electronics Engineering, Environmental Studies, Engineering and Technology, Environmental Science and Management, English Language and Literature, Government and Politics, Homeopathy, Islamic History and Culture, Islamic Studies, Nursing, Pharmacy, Political Science, Physical Science, Physiotherapy, Shariah, Social Science, Development Studies
1997	16	5,668	636	
1998	16	8,718	914	
1999	16	13,340	1,214	
2002	51	35,000	3000(app)	

Table: 3.1: Number of private Universities, Total Enrollments

Note : It should be mentioned that different universities offer similar courses but the name of these curses may differ due to the varying emphasis attached to particular aspects (aspect) of the courses taught/under implementation. For Example, ‘Environmental Studies’ and ‘Environmental Science and Management’ may not differ that much in terms of course-contents; similarly the courses named ‘Computer Science’ and ‘Computer Science and Informatics’. Courses are listed the way they are titled by the respective private universities

3.7 Employment Prospects

By and large, the graduates of these study universities do get employment. Because, the types of graduates the institutions are generating e.g., BBA Computer Science, and MBBS (Medical) graduates have great demand in the market. In fact, USTC has a large number of graduates coming from neighboring and other developing countries e.g., Nepal, Sri Lanka, Palestine and Saudi Arabia. The Bangladeshi students who enroll and graduate from these institutions are not the best of the lot (as we have mentioned earlier the best students mainly enroll in the public universities or go to the western universities), due to intensive course-work and more caring educational atmosphere, they are better trained and motivated. Our impressionistic view is that the modern-sector (formal) private employers (who are emerging as the most important job-creators in the economy) have some positive attitudes towards these private university-graduates. It is because of their training, skill and work-motivation, which contrast significantly with the similar set of graduates churn out by the public universities.

3.8 Public vis-à-vis Private Universities

Though the state (especially in the late 1980 to 1996 and now from 2001 onward) has taken a liberal attitude towards the founding of private universities in the country, the parents / potential students are not fully clear in their minds about the relative strengths/ efficiency of private university vis-à-vis public universities, in general. It is because of the non-transparent style and money-making motive of some private university managers / organizers. Of course, clearly-articulated policy-teller and efficiently implemented private university-organizers (e.g., NSU, Independent University, Bangladesh etc.) have developed goodwill both at home and abroad. These universities do not get any state-subsidy and on the contrary get rough time from the UGC and / or other regulatory bodies.

The low tuition-fee maintaining public universities (e.g. BUET, Dhaka University) still attract the best students in spite of student and teachers activism. It seems the reputation and teaching-learning process of the public universities is secularly on the decline, yet their world-wide reputation, especially of BUET and Dhaka University, is still much above the newly emerging good private universities. Also, the public universities are offering some courses for example, civil engineering, electrical engineering and electronics, mechanical engineering, agricultural science, irrigation engineering, physics, chemistry, microbiology, biochemistry, applied physics and so on, which are not offered by the private universities.

Excepting the courses on BBA, MBA (in Business Administration) Computer Science, and Medical Science, the public and the private universities are not that much in competition for potential students to enroll

CHAPTER 4

External Analysis

4.1 Porter's 5 Forces

According to Porter (1979, P.3), " The stronger competitive forces determine the profitability of an Industry and so are of greatest importance in strategy formulation." The components of five forces model are of new entrants, new entrants, buyers, suppliers, substitutes and industry competitors. The objective of using this model is find a position for Independent University, Bangladesh in the Private University Industry, where the organization can defend itself against this forces or influence them in its favor. This can be briefly an outline as below:

4.1.1 New Entrants:

4.1.1.1 Barriers to entry

- **Economic of Scale:** This Private University concept is new in Bangladesh. Most of the universities have not reach the economies of scale due low student enrollment
- **Product differentiation:** Most of the universities have still offering major on few subjects. There are offering major on 4 – 5 subjects on an average, which is very low comparing to the public universities.
- **Capital requirement:** In order to gather capital, in most cases, few rich donors joint together and establish Private University. The amount required is very low.
- **Switching cost:** Due to government regulation anyone cannot set Private University. It requires long-term commitment high amount of cash deposit.
- **Government protection:** There were 16 private universities in the country up to December 1999. The previous political government (July 1996-July2001) formed by the Awami League allowed another four private universities. Therefore, by December 2000 there were in all 20 private universities in Bangladesh. Forty-three universities out of these fifty-one have been established during this existing government's regime (2001-2003). Government has already given protection to the

private universities by taking decision to stop permitting to set up any more university.

4.1.1.2 Bargaining power of buyer (student):

Impact of quality: The Private University still failed to provide quality education due to many infrastructural lacking. Such as, none of the private universities have their own campus. President Prof. Iajuddin Ahmed criticized while addressing the 7th convocation ceremony of NSU, "Moreover, I wonder, not a single private university has been shifted to its own campus even after almost a decade. The quality education, which we always talk about, is subject to peaceful education atmosphere with a congenial campus and, above all, an education system based on research," who is also the chancellor of North South University (NSU)[19].

- No university has their own campus. They running the activities from rented places. Some of them are situated in such place that it is difficult reach there.
- Quality of education depends on quality teachers but most of the universities depend more on part-time faculty members than full time. One survey says that in many cases one teacher is involved with 7 – 10 universities[20]. So, the level of commitment is so low for this kind of teachers.
- In most cases there are lack of libraries, computers, playground.

Switching cost: Switching cost of buyer (student) is so low. Students can shift to any other private university due to similar curriculum, lack of major offered etc. The cost is almost similar for the most well reputed private universities. And as matter of fact the universities are always ready to transfer credits from other universities as most of them are interested to increase the number of students.

4.1.1.3 Threats of substitute products

- **Switching cost:** Often students, especially of computer information can switch to computer based training center due to lower cost.
- **Substitute has better buyer (student) value:** Training centers offer better credit transfer facilities and international job facilities.

4.1.1.4 Bargaining power of suppliers (student and donor)

[19] The Independent, Dhaka 7th December, 2003
[20] Prothom Alo, Dhaka Sunday 16th November

The nature of formation private universities is such that the role of a supplier (student and donor) is very limited. As mentioned before that only few donor donate yearly donation and rest comes from the students' tuition fees. Typically a student can be considered both as buyer and supplier. However, the board of trustees (donors), rules implied by government (University Grant Commission), Ministry of education, affiliated foreign universities can be considered as suppliers.

- **Switching cost:** Often donors also contribute to other private universities. If their amount of donation depends on the performance of the university that he is a member of board of trustees. Government reacts similar way if the performance of the individual university is not satisfactory. Often UGC do not allow the university to open more courses as major, if the current majors failed to provide value. In this case switching cost based on the university is performance.

Some private universities are affiliated with foreign universities. They often impose restriction to local partner (Bangladesh) to improve quality. Since quality is almost difficult, Private University has to listen to the foreign partner.

4.2 University Life Cycle

4.2.1 Embryonic/ Emerging

In Bangladesh point of view, the Private University Industry (service based) is growing very fast (51 universities in 10 years). However quality does not ensure quality

- In terms of technological advantage most of the university is still quite below standard. For example, at Independent University, Bangladesh there are only 100 – 120 computers for about 2200 students, which is quite better than most of the private universities.
- There are only few private universities who developed positive image and rests are still struggling to provide standard education. The market share is concentrated only by these three private universities.
- Since the industry is new power rules cannot be imposed. Still there are few loopholes. For example, there is clause in PRUA that one private university should have its own campus within five years of getting permission from UGC but nothing is mentioned in the PRUA if the universities fail to build the campus within this time. If any one fails to build own campus within the said period they can apply for extension.

4.2.2 Growth Industry (University)

As mentioned earlier, most of the private universities are not capable of offering more than 5 – 6 major courses due to lack of resources rather than capital product differentiation is very low. For example: most of the universities cannot get quality lectures even though the private universities ready offer higher salary. As a result, a good intention of quality improvement cannot be implemented.

- May affiliation with foreign universities often add value to the existing product line. For example, Independent University, Bangladesh and Maastricht School of Management, Netherlands, jointly offer MBA Programme which enhance the quality.
- Due to lack of the competition and unavailability of desired major most of the well off students is choosing the foreign education.
- It is quite logical to say that private university industry definitely failed to offer unique course.
- The research suggests that the private universities are still in embryonic/emerging position.

The logic behind the argument:

1. Private universities are not offering various courses that satisfy student demand.
2. Due to lack of major offering, new students are less interested.
3. Number of private university is high but overall enrollment is very low.
4. Government is developing or considering new rules since they are not experienced with the industry.
5. There are only few market leaders.
6. The market policy is still non-aggressive.

4.3 Competitor Analysis

Currently there are only few major private universities that hold the reputation and market share, which are:

Undergraduate Programs

Name of the University	Specialized	Number of major
North South University	1. **BBA** (Majors: Finance And Accounting, Human Resource Management, Business Policy And Strategy, Marketing, International Business, Management Information Systems) 2. Bachelor of Arts in English 3. Bachelor of Science in Computer Science 4. Bachelor of Science in Computer Engineering 5. Bachelor of Science in Economics 6. Bachelor of Arts in Environmental Studies 7. Bachelor of Science in Environmental Studies	14
Independent University, Bangladesh	1. BBA (Majors: Accounting, Economics, Finance, Marketing , General Management, Management Information System) 2. BSc (Majors: Computer Science, Computer Information System) 3. BSS (Major: Media & Dev. Communication) 4. Environmental Management 5. Population Environment 6. Water Resource and Management	12
EastWest University	1. **BBA** (Majors in Accounting, Marketing, Finance, Management, International Business, and MIS) 2. Bachelor of Science in Computer Science 3. Bachelor of Science in Computer Science and Engineering 4. Bachelor of Science in Information and Communications Engineering 5. Bachelor of Pharmacy 6. Bachelor of Arts in English 7. Bachelor of Social Science in Economics	12

Source: each Universities' catalog

Table: 4.1: Undergraduate Programs

Graduate Programs

Name of the University	Specialized	Number of major
North South University	1. Master in Development Studies 2. Master of Science in	4

	Economics 3. Master of Science in Computer Science 4. Masters in Business Administration	
Independent University, Bangladesh	1. Master of Business Administration 2. Master of Development Studies 3. Master of Science in Computer Science	3
East West University	1. Master of Business Administration 2. Executive MBA 3. MA in English 4. Master of Computer Applications (MCA)	4

Source: each Universities' catalog

Table: 4.2: Undergraduate Programs

Resources

	Full-time faculty Members	Part-time faculty Members	Own campus	Land bought to develop campus	Number of students
North South University	60	72	X	√	4028[21]
Independent University, Bangladesh	98	46	X	√	2133[22]
EastWest University	86	22	X	√	2256[23]

Table: 4.3: Resource

The above information is quite relative in terms of competitor analysis. Most of the private university has less number of own faculties, less major, rented campus, which are the indication of improving quality

In terms of future strategy, only North South University & Independent University, Bangladesh have their own land for constructing their own campus. Independent

[21] Annual Report 2001, NSU
[22] Annual Report 2001, IUB
[23] Undergraduate Catalog, EWU

University, Bangladesh has started its construction and will be finished by the year of 2004 –2005.

4.4 PEST Analysis

4.4.1 Technological Environment

As the teaching standard of Public universities is going down people are becoming more and interested to get into the Private Universities. The medium of the education in public university is Bengali so students are more interested to get admission in to the Private University so that they could get better opportunity in the field job. As the private university concept is new for the country it is very difficult get qualified and trained instructors. The medium of teaching in private university is English but it is very difficult to get instructors who can deliver lectures in English perfectly.

4.4.2 Economic Environment

To set up a private university a big amount of money should be deposited to the government fund. And private universities are fully dependent the donor's donation and the money from the student enrollment. They do not get any assistance from the government.

Tuition fees are in private universities extremely higher. In a public university one can complete the bachelor degree only for Tk. 3000.00 while private universities require Tk.4,00000.00 to have a bachelor degree, which is beyond the reach of most of the Bangladeshi people.

4.4.3 Political and Legal Environment

Political leaders for their own benefit sometime exploit the students. Public universities' students are the target group of political leaders. Those universities are so much politicalized that for example, exams cannot occur in time. The student cannot pass their exam in time. In this aspect private universities are in much better truly they don't have any external political influence. This one of main reasons that the students are becoming interested for private university day by day.

4.4.4 Social Environment

In Bangladesh most students are interested to going abroad so that they can get better opportunity from every respect. Studying in a private university they can transfer their credits easily to the foreign universities as the private universities are designing their courses by

following the syllabus from the renowned international universities. As the public universities are extremely politicalized the students cannot obtain their degree on time which causes crisis for their employment as per the rule of the Bangladesh government nobody can apply for the government service after the age of thirty and it causes unemployment.

4.5 Primary Research

A questionnaire was implemented to gather external information based on the organization's employee's perception. Most of the employees thought that there is less domination by government political changes.

4.6 Opportunity and Threats

External environment analysis helps to draw together the opportunity and threats for a specific university. The opportunity and threats IUB is facing is given below:

4.6.1 Opportunity

i. Due to political instability private university has better image than public university.
ii. Public universities cannot fulfill the demand of higher education
iii. In order to get social recognition, top most business entrepreneurs becoming interested to be the members of the Board of Trustees. As a result donors' donation can be utilized in quality improvement of various sectors.
iv. Most of the private universities are located in commercial area.
v. Most of the private universities have less number of full time faculties.
vi. Education standard of private universities is increasing. Projects and assignment assigned to the students are more practical and realistic.
vii. Course Curriculum of private universities is now comparable to the western world.
viii. The qualification of faculty members of private universities is almost similar of foreign instructors. Since most of the local faculty members are graduated from the reputed overseas universities.
ix. Private university management allocate substantial amount for research grant, which is utilized by the universities.

4.6.2 External Threats

i. Tuition fees of public universities are 10 times lower than the private universities' tuition fees.

ii. Public universities have their own plating grounds and other recreation facilities.
iii. Government imposes rules against introducing new departments in private universities.
iv. Investments by the donors are no longer tax-free. It may reduce the amount of donation.
v. Still private universities have reputation of profit making entity rather than non-profitable image.
vi. The target student of the private universities is still very small.
vii. Not a single private university has its own campus.
viii. Any group of entrepreneur could jointly open a private university
ix. Government does not provide any financial grant to a private university.

Chapter 5

Internal Environmental Analysis

5.1 Introduction

Independent University, Bangladesh's mission is to achieve the goals of higher education and of sustainable economic growth in the country through a two-way relationship between community and university.

Independent University, Bangladesh's goals are to produce graduates of international standards within the local environment, with knowledge and relevant skills to provide leadership in enterprise, public service and welfare; encourage and support useful research; create knowledge; and provide further learning opportunities for adults.

In order to make the goals and mission more realistic, several strategic decision have to be taken by management. Example, of such may be to improve quality of education, improve technology, development of an effective information system, decentralize departments and develop effective employee participation.

The PAST analysis was used be thoroughly followed so as to obtain internal information. In order to get internal information, both primary and secondary data was gathered. A series of questionnaires was established to collect information from employees.

5.2 Management

Independent University, Bangladesh is a non-profit organization. No one owns. Independent University, Bangladesh Vice-Chancellor hold the top position but all the decisions are scrutinized by the Governing council, The Board of Trustees and the Academic Council. They hold authority due to yearly financial grant. Vice Chancellor is also the member of Board of Trustees.

Tuition fees of students are the highest revenue earning source. They should also be called shareholders even though they don't participate in decision-making.

Since the establishment of Independent University, Bangladesh, the size of the university is getting bigger. This can be discussed as below:

Number of campuses	14
Number of administrative staff	120
Number of Full-time faculty	98
Number of students	2133

Table: 5.1: Size
Source: Annual Report, 2001

5.2.1 Participation in Decision-making

Independent University, Bangladesh's Decision-making process is absolutely bureaucratic. There are three regulating bodies in the university, the Board of Trustees, the Governing Council and the Academic Council, which include VC, treasurer, trustees, director of the schools and other few high officials is the most important decision maker. These bodies

formulated, reviewed on all prgrammes, i.e. administrative, academic, development, financial of the university. Board of Trustees is the most important factor in this case.

5.2.2 Decentralization

Decentralization is absent in this organization. Though there are several departments for several purposes nobody can make any individual decision. The Directors of the schools also depend on VC's permission for simple purpose.

5.2.3 Motivation

Motivation cannot be affected if the needs of employees cannot be identified. According to the organization, the wages of employees are quite standard.

Aside from the wages employees also receive annual incentive and an annual increment, which is not performance, related at all. There is provision for extra reward based on performance.

There is provision for providing increments on salary for achieving any academic degree. This motivates the employees.

5.2.4 Informal Communication

Informal Communication is important for a better team but there is a few opportunity at Independent University, Bangladesh for this kind of communication.

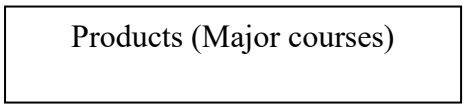
5.2.5 Control

In order to control the employee performance, there are no such measurement techniques and there is no performance standard.

5.3 Marketing

5.3.1 Products/Services (Major courses):

Independent University, Bangladesh has three major departments/schools. Following figure will be helpful in this regard:"



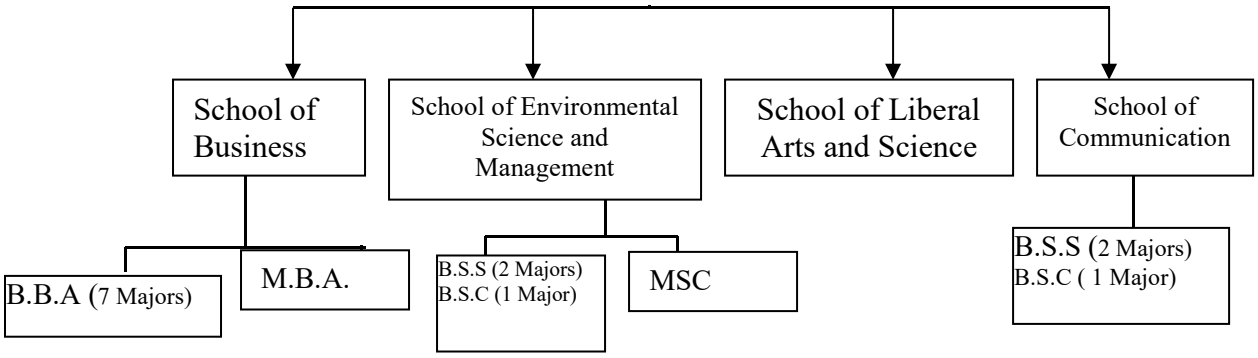


Figure: 5.1: Product

At this location of the university in high class living area as result the strategic location is suitable for the target market.

Independent University, Bangladesh has four departments/schools. Total number of nine majors offered and School of Liberal Arts and Science is not offering any major.

The target market of Independent University, Bangladesh high end earning segment. In developing country like Bangladesh the tuition fees is quite high and can be affordable by a niche market.

5.3.2 Price

Cost of each credit for undergraduate course is Tk.3300. and the students have to pay Tk 10,000 as admission. The total cost for BBA, BSC and BSS varies Tk. 3,50000 to 4,00000.

5.3.3 Advertising/ Public Relation

The organization adopts few print advertising in popular newspapers and magazines. But there should be more advertisement to inform the students about the resources of the organization. For example, in a report in a reputed newspaper was reported that Independent University, Bangladesh does not have proper computer lab. But the fact is Independent University, Bangladesh has most modern lab, which has sufficient computers, Internet system. This is a instance of lack of advertising and public relations

5.3.4 Education Fair

Representative of the management, faculty members and the students attend the education fairs.

5.4 Humana Resource

5.4.1 Selecting People

There are several committees to select people. But the VC's decision is supreme in this case.

5.4.2 Apprising people

Performance of employees is measured by formal appraisal system. There is prescribed form for every employee to rate the employees based on the particular contribution.

5.4.3 Rewarding People

Following appraisal management considers annual increment and promotion. But problem all employees get their annual increment depending their rank there is no arrangement for special increment for extra contribution. And promotion processes especially for the management employees are very limited. There is a provision for receiving extra increments for academic achievements.

5.4.4 Developing People

In order to absorb the change, it is necessary to provide training and educational opportunities to help employees develop new skills and gain new knowledge. Independent University, Bangladesh encourages employees for any kind of education at Independent University, Bangladesh by giving financial assistance

5.5 Organizational structure of Independent University, Bangladesh

Independent University, Bangladesh does not have any specific organizational structure.

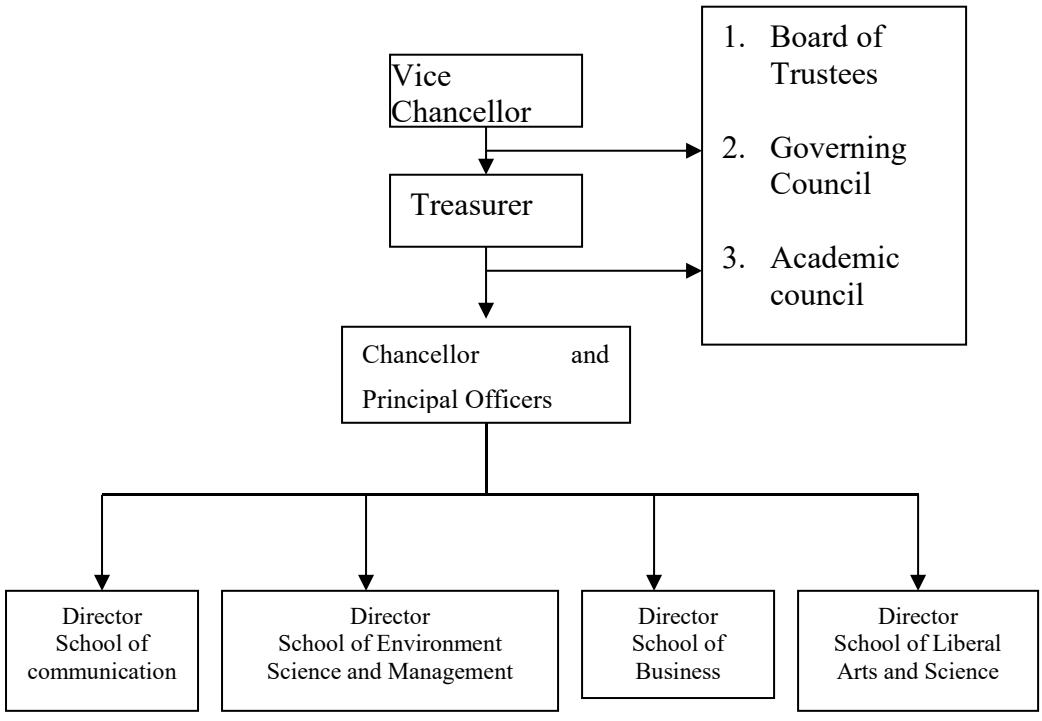


Figure: 5.2: Organizational structure

Source: Researcher Development on the basis of Annual Report, 1998.

Independent University, Bangladesh does not have any concrete organogram drawn anywhere. However, the above organogram based on the information given in the annual report. It is relevant to highlight that Board of Trustees has direct influence and sole decision on any major decision. All relevant departments provide sufficient information regarding proceedings of the university operations.

Chancellor and principal officers (CPO) are in the administrative position and the governing council monitors the performance of the CPO.

Day-to-day operations and internal decision made by Directors of respective schools. Usually, Directors provide sufficient information to the upper level if there is any suggestion and the decision made by the top level.

5.5.1 Chain of Command

At Independent University, Bangladesh each of the employee reports to the head of his/her department. The head of the department reports to the Vice Chancellor.

5.5.2 Authority, responsibility and delegation

Authority at Independent University, Bangladesh flows top down through organization's Hierarchy.

5.5.3 Coordinating and integrating activities

At any organization it is necessary to coordinate and integrate activities. The existence and vertical and horizontal activities inside the organization is important in the coordination of activities.

As the departments are situated in different buildings sometimes coordination among the departments become impossible and time consuming.

5.6 Job Package

The job package can be described according to the role each department, which is briefly outlined below.

5.6.1 Vice Chancellor's Office

Vice Chancellor's Office is the main administrative wing of the university. Employees here work under direct supervision of the Vice Chancellor.

5.6.2 Schools

There are four schools at IUB. A Director heads each school. There are faculty members and one administrative officer working each school under the supervision of director. The directors of the schools do not have any individual decision-making role. The schools do not have any kind of autonomy. The directors have to depend on VC, Board of Trustees, Academic Council and Governing Council.

5.6.3 Registrar's Office

Regitrar's office works under the supervision of Deputy Registrar. IUB does not have any registrar.

5.6.4 Student Counseling Section

For any university student counseling department is an important department. IUB has an Assistant Student Counselor for about 2200 students.

5.6.5 Computer Centre

IUB's computer center is pioneer in many aspects. There are approximately 640 computers available for the students. It may be mention that no other university in the private sector has fibre-based campus-wide network to date.

5.6.6 Library

IUB has rich library headed by an Associate Librarian. The Library contains over 18,000 volumes and subscribes to over 100 journals and periodicals. There are 1336 audiovisual cassettes and CD ROMs.

5.6.7 Extension and Continuing Education Centre

Extension and Continuing Education Centre arranges different training programmes and offers a number of relevant and up-to-date management and language courses for a wide range of professionals under the Executive Development Programme. The centre has a direct of its own.

5.6.8 Centre for Social Science and Public Policy Research

Vice President of the University heads the centre. It arranges seminars and workshops in different field. The department should be more active to develop an effective research and development cell.

5.6.9 Finance and Accounts

IUB maintains computer based accounts system under the overall of an Honorary Treasurer.

5.7 Questionnaire Analysis

A questionnaire was developed in order to gather internal information about IUB. Limited timing and scattered location of the employees restricted the gathering of a wide response from employees. The details questionnaire analysis has shown in the appendix 3.

The level of agreement in the questionnaire is spread out in five degrees, which are, (1) Strongly agree, (2) Agree, (3) Neutral, (4) Disagree, and (5) Strongly disagree. The questionnaire is divided into sections. Each section is briefly analyzed below.

5.7.1 General Information

According to the questionnaire 75% of the respondents are male and 15% female. Among them only 2% are graduate and 98% have their Masters degree in different areas. Most of the employees have higher qualification, as in most cases entry-level requirement for any management employee is at least one Masters degree.

Among respondents 5% are in top management, 80% are from middle management and 15% are from lower management. There are no respondents from the staffs/employees.

IUB is an 11 years old organization. Most of the employees that mean 85% are at 35-45 years of age, 10% of the employees are under 30 years of age and 5% of the employees are above 30 years of age. Relating to work experience 10% have less than 5 years, 80% have

experience between 5-10 years and 10% have more than 10 years of experience that mean they are working for IUB from the birth of the organization.

5.7.2 Human Resources

Questionnaire responses relating to human resources are quite similar and even. Respondents have their own views about many questions. Human resource practice regarding skills and quality are quite efficient. However, in terms of morale, employees do not possess positive attitude towards it.

The organization never provides any formal training to the employees at the same time formal performance evaluation system has taken place. Employees also think that the organization do not always monitor and anticipate the needs of employees. Moreover, most of them believe that the there is a written job description.

5.7.3 Physical and other management resources

Most of the employees that the organization sufficient student with adequate faculty members. As a result IUB has sufficient faculty members to satisfy the student as well as the market demand. Critical finding is that employees are not satisfied with the recreation facilities for employees.

5.7.4 Other management resources

The organization has documented or formal written mission statement or goal/objective. Employees are quite satisfied with the budgeting and financial controlling system. Employees are quite satisfied with the participative management style. Employees also feel that new strategies will improve the performance of the organization. Important finding is that the management is flexible enough to change management if necessary.

5.7.5 Political environment

The government has less control over the organization. Political changes do not create any problem to the organization. Most of the employees think that the organization is not prompt enough to political change.

5.7.6 Social environment

Employees feel that the increase population of Bangladesh will ensure the increasing need for private universities. It was also revealed that organization undertakes supplementary activities, which increases the concern of higher education in Bangladeshi society.

5.7.7 Technological environment

There are usages of computers in every department of the organization. There are communications among the employees of different departments through internal networking system. University provides sufficient technological facilities to ensure quality education. Findings also suggest that more improvement is required to improve quality education.

5.8 Competencies

Every organization should identify the area in which they have expertise or competencies in terms of resources. Independent University, Bangladesh producing anything rather offers services to the student. Providing education should not be treated as a business. It does not only provide education but also prepare an individual such a way so that one can settle in life. However resources are limited. As a education institute of developing country where the resources are extremely limited, it is very wise to identify the organization's resources. As an employee of Independent University, Bangladesh, it is believed that the most important resources are:

i. Faculties (HRM)
ii. Campus (Physical)
iii. Revenue (Financial)

We can find how these resources are adding value from the table given below:

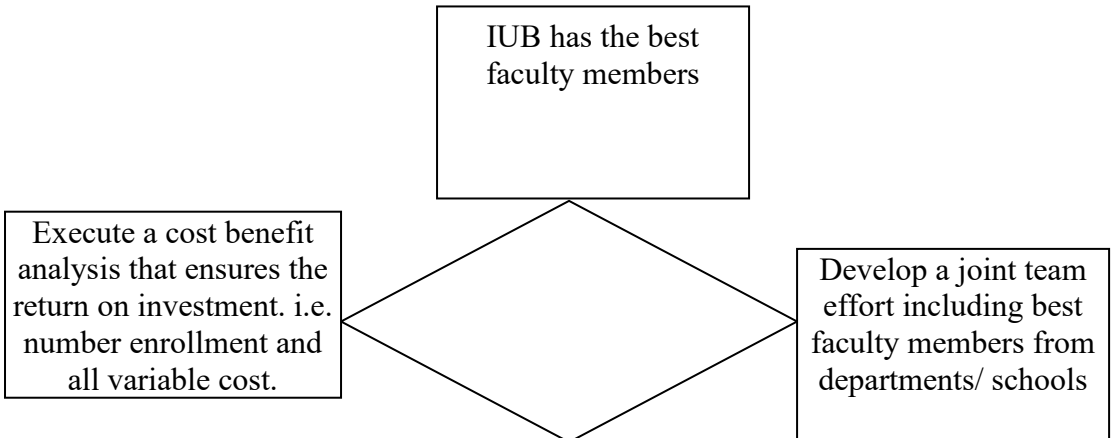
Resources	Value
Faculty Members	← Independent University, Bangladesh believes in appointing full time faculty members. ← Faculties are teaching contemporary issues and all of them have experience of teaching. ← Foreign faculty members provide standardize education that can be shared by the

	local faculty members. ← Faculty members must provide 15 hours tutorial per week so beside lectures student can consult with different contemporary issues. ← Faculty members' contribution to the society is also outstanding. Most of them have their own research work based on societal improvement, which are highly appreciated by the different parties of the society.
Campus	← The location of the Independent University, Bangladesh campus is quite and has positive atmosphere for study. ← It is outside the business and commercial area, which ensures car parking. ← Independent University, Bangladesh is the first private university who has started construction of their own campus.
Revenue	← According to the yearly report Independent University, Bangladesh's revenue is increasing year by year. ← The number of student enrollment is beyond the forecasted number. If it continues in future there is no doubt that Independent University, Bangladesh will expand. ← Strong Board of Trustees also donates substantial amount of financial donation that also secure the stable financial growth.

Table: 5.2: Competencies

These are the three major resources that Independent University, Bangladesh is efficiently adding value. We can say that these are the three major competitive advantages of Independent University, Bangladesh. Still I would like to add that the resources are not being properly utilized. For example, there are rivalry among the different departments/schools. There is less teamwork among the schools. For example, the richest school in terms of quantity quality has only few students.

Critical and complicated task would be to combine these resources. The following diagram can be considered to utilize the resources:



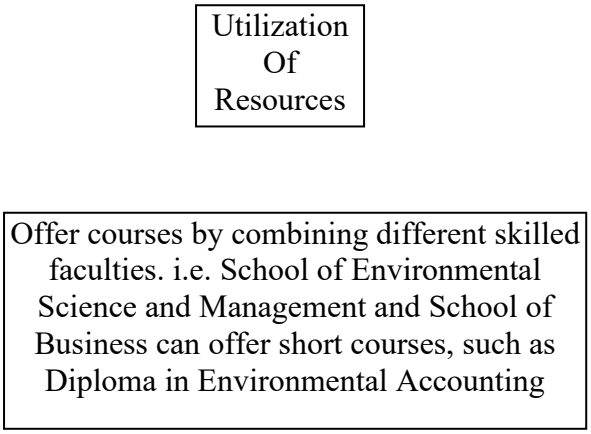


Figure: 5.3: Combining Resources

It must be added that, without combining resources an organization cannot achieve economics of scale. An idle resource create cost does not matter quantity of output is increasing.

5.9 Porter's Value Chain:

From the previous discussion use can say that, still Independent University, Bangladesh has to go long away to add value. It is visible that number of student is increasing as well as revenue. However, Independent University, Bangladesh failed to offer new courses. A market-focused organization must need to come up with new and altered Product or services.

Figure: 5.4: Porter's value chain

1 Infrastructure

- Management training programme
- Develop public relationship with government and other business society.
- Develop communication between different departments.

2 Human Resource Management

- Faculty training programme.
- Faculty promotion
- Joint program

Technological development

- Alter the course materials
- Installation of CD ROM search ASAP.
- Automation
- Online library, online grade and results (exam)/tuition.

3 Procurement

- All the inbound products & services should create value
- Enrolled students' conceptual understandings and knowledge.

6 Inbound Logistics	5 Operations	4 Outbound logistics	7 Marketing and Sales	8 Service
- Student enrollment - Text for the Library - Vehicle for transportation - New faculty members	- Scheduling Examination. - Scheduling semester - Scheduling courses - Scheduling administration	- all activities of university regarding job placement of students in an organization. i.e. CV writing.	- Organize annual job fair and invite all the reputed business organization. - Highly publicized Convocation Programme. - Online job facilities for the students.	- Strong Alumni S - All kinds of info activities such as computer/ debat business Club, Where current and graduated students can interact.

Source: Porter 1985

Chapter 6

Strategy Selection and generation

6.1 SWOT Analysis

SWOT analysis of Independent University, Bangladesh is given below:

Strengths

i. Own faculties: Independent University, Bangladesh has large number of faculties, which ensure student consulting hours.

ii. Highest number of campus: At this stage Independent University, Bangladesh has 14 buildings within 35 km radius scale. It provides convenience to the students.

iii. Strong board of trustees: Members of board of trustees are financially strong which secures investment in different sectors.

iv. Organization culture: Independent University, Bangladesh has a working culture of family, which is not existing in other university. Information can be shared all levels of administration and faculties.

v. Library: The collection of text, journal, and periodicals is healthy and helpful.

vi. Location: Independent University, Bangladesh now is in residential area, which secures good atmosphere of study.

vii. Student Enrollment: The number of participant in entrance exam is always high. Enrollment is increasing every year. (Appendix 4)

viii. Car parking: Independent University, Bangladesh has sufficient space for car parking.

ix. Existence of informal group: In Independent University, Bangladesh there are many clubs, student union, association etc., which creates positive relationship among students, administration and facilities.

x. Satellite Campus: Independent University, Bangladesh is the only university in Bangladesh (public/private) who has their proper satellite campus in other district.

xi. High growth in revenue.

xii. Computer Lab Facility: There are approximately 640 computers available for the students in Dhaka and Chittagong.

Weakness

i. Poor computer facility: There are approximately 640 computers available for the students in Dhaka and Chittagong. There are only 640 computers for almost 2133 students.

ii. Few recreation facilities, such as it does not have any play ground.

iii. Part time teachers are damaging image as well as quality.

iv. Less number of major offered.

v. No off campus education.

vi. Less number of scholarships. So, scholar students from poor families cannot get enrollment.

vii. Less investment in Research and Development.

Opportunity

x. Due to political instability private university has better image than public university.

xi. Public universities cannot fulfill the demand of higher education

xii. In order to get social recognition, top most business entrepreneurs becoming interested to be the members of the Board of Trustees. As a result donors' donation can be utilized in quality improvement of various sectors.

xiii. Most of the private universities are located in commercial area.

xiv. Most of the private universities have less number of full time faculties.

xv. Education standard of private universities is increasing. Projects and assignment assigned to the students are more practical and realistic.

xvi. Course Curriculum of private universities is now comparable to the western world.

xvii. The qualification of faculty members of private universities is almost similar of foreign instructors. Since most of the local faculty members are graduated from the reputed overseas universities.

xviii. Private university management allocate substantial amount for research grant, which is utilized by the universities.

Threats

i. Tuition fees of public universities are 10 times lower than the private universities' tuition fees.

ii. Part time teachers are damaging image as well as quality.

iii. Public universities have their own plating grounds and other recreation facilities.

iv. Government imposes rules against introducing new departments in private universities.

v. Investments by the donors are no longer tax-free. It may reduce the amount of donation.

vi. Still private universities have reputation of profit making entity rather than non-profitable image.

vii. The target student of the private universities is still very small.

viii. Not a single private university has its own campus.

ix. Any group of entrepreneur could jointly open a private university

x. Government does not provide any financial grant to a private university.

6.2 TOWS Matrix

6.2.1 SO

1. **Sviii, Sxii, Oii:** Increase of the enrollment will ensure the larger revenue. As a result, donors will be motivated to be the member of board of trustees.
2. **Si, Oix:** Since faculty give their full time in University, their extra time can be properly utilized by research, which will be financially supported by university. As a result, R & D will be stronger of IUB.
3. **Si, Svii, Sxi and Oiv:** IUB. will be opening their own campus in outside the city including high member of our faculties may increase the number of enrollment. Students usually don't like to study in commercial area, where there is no recreation facility.
4. **Siii, Sxii, Ovii:** Increasing revenue and standard curriculum will motivate foreign university to offer joint courses in IUB. It will ensure the quality education.
5. **Sii, Ovii:** Faculty exchange program, which may enhance the quality image of IUB. So, Bangladeshi students may not only pursue for foreign universities.

6.2.2 WO

1. **Wi, Oii:** Attract donor to donate money in IUB. and improve the computer facilities.
2. **Wiv, Oii:** IUB. must increase the number of major to get the students from Public University.

3. **Wiii, Oii:** IUB. can rent nearby playing ground with the funding of trustees. It may attract other universities student as well as new students.
4. **Wv, Ovii, Oviii:** University can adopt off-campus courser i.e. Long distant course. Since it is quite difficult to offer more majors

6.2.3 ST

1. **Svii, Sxii, Ti:** Reduce the tuition fees since the number of enrollment is high as well as revenue.
2. **Si, Svii, Sxii, Tiv:** Take foreign universities as strategic lenience and push the government to remove the rules against over new department i.e. Department of Rural Development Study.
3. **Svii, Sxii, Siii, Tii:** Wave tuition fees for meritorious / scholar students in order to get quality students. Which will ultimately improve the overall quality image of IUB.?
4. **Sxi, Sxii, Tvii:** Open more satellite campus and expand the market size.

6.2.4 WT

1. **Wii, Wiii, Tiii:** Private universities can make an agreement with the public university to share each other resources. Such as exchange of recreation facilities, library book etc.
2. **Wv, Ti:** In order to reduce tuition fees, private university can offer off-campus courses which will be competitive factor. Private university can compete better against public university.

6.3 Adjustment to present strategy

Gaining more student and increasing revenue do not indicate the future growth since the competitive environment is ever changing. As a employee of Independent University, Bangladesh I believe that current strategy of Independent University, Bangladesh need to be changed. Through out the discussion I tried to identified the major problem of Independent University, Bangladesh. In my eyes the major problems exist in the three major areas, which are:

The proposed strategies are briefly described as below:

6.3.1 Ansoff's Growth Option

Since student enrollment and revenue is more than satisfactory, Independent University, Bangladesh should penetrate the market in order to increase the number of majors. In order to do that following strategies are suggested:

- **Product development**

Independent University, Bangladesh must offer new majors in order to become more competitive, since it has the largest number of full-time faculties. At this there are no major offered by Scholl of Liberal Arts and science but than more than 15 full-time faculties. They can offer few majors such as social science, Anthropology, Development study etc.

This strategy will not only increase the number student rather can have contribution in the society. Developing country like Bangladesh, sociology and development based study is essential.

- **Market development**

Independent University, Bangladesh should open a new campus in Sylhet (the most resourceful state in Bangladesh). Currently, Independent University, Bangladesh has their satellite campus in another state called Chittagong. The highest number of Bangladeshi is working in United Kingdom who are from Sylhet. Most of the household income is higher than any other state in Bangladesh. There are many students from Sylhet. Moreover, the price of land is cheaper in Sylhet, as a result Independent University, Bangladesh can have their own area for recreation center.

This strategy will ensure the large market share by keeping the same majors that Independent University, Bangladesh is currently offering.

6.3.2 Acquisition

Since Independent University, Bangladesh's revenue is growing but no sector is creating for proper investment of resources. Independent University, Bangladesh can purchase small size diploma based institution who are in a phase of diversification. This strategy may be helpful by the following manner:

- A playing ground can be acquired

- One department can be transferred to the purchased area.

This can reduce many weaknesses that Independent University, Bangladesh is currently facing. Same strategy can be adopted in order to establish satellite campus in Sylhet instead of spending time in construction.

6.3.3 Mergers

There are few universities who has strong R&D department but struggling to survive. Independent University, Bangladesh can merge with that University. This strategy will give benefit to Independent University, Bangladesh by the following ways:

- Share knowledge between two organization
- Gaining competitive advantage
- Better team work and resulting more innovation

6.3.4 Joint venture

Due to lack of technological development Bangladesh is very much behind the standard. It is unfortunate to say that Bangladesh is financially not strong enough to minimize this gap. Moreover, there are many foreign-based university coming to Bangladesh such as: Victoria University of Bangladesh, University of Western Bangladesh etc.

In order to remove the problem of major offering Independent University, Bangladesh can select joint venture strategy. This will provide the following benefits:

- Sharing the technology
- Sharing the knowledge
- Sharing infrastructure
- Develop new courses that Independent University, Bangladesh is not capable of offering such as: many major regarding information technology.

6.3.5 Mile's and Snow strategy

The Private University industry will be in maturity stage at any time. It can be foreseeable that in order to being competitive specialization approach of each university is eminent. It is essential to identify whether Independent University, Bangladesh is following prospector, defender, analyzer or reactor strategy.

Since Independent University, Bangladesh is in the top four best private university list. It must be creative and create positive image in the market. It must make sure that competitors

failed to take way the market share. I strongly believe that Independent University, Bangladesh should follow the prospector strategy in order to remain in the best university list. Coping other's strategy may gain market share but cannot create image in the market place. For example: Sony has better brand image in electronic market due to act as an innovator rather than copying other strategy. If Independent University, Bangladesh follows prospector strategy the following benefits can be enjoyed in the future:

- Establish image in the market.
- Independent University, Bangladesh will be more innovative in offering new courses.
- Faculties will be more creative and dynamic.
- Better team effort, without it innovation is impossible. As a result a organization culture of team will be established.

6.3.6 Creating a virtual organization

The current practice of most of the university in the world is offering off-campus courses. Student don't need to come to the university and all the coursework will be done through on-line. Why this strategy? It helps organization to expand the market share without investing huge amount in fixed investment and mounting workload of management. For example: Deakin University Bangladesh offers on-line course throughout Bangladesh. This approach can be offered by Independent University, Bangladesh in Bangladesh. By this approach Independent University, Bangladesh will avoid the reputation of providing education only to the rich segment. The tuition cost will fall substantially and many middle-class students will be able to get degree.

Again, a joint-venture strategy required due to incapacity of offering this kind of technology. Independent University, Bangladesh should search for foreign partner who could offer this technology to Independent University, Bangladesh

6.4 Implementation of plan

Implementation is the most difficult task is the organization run in a very bureaucratic style, where management shows apathy towards new changes. As a private university the practice of bureaucracy is minimal but not totally absent. As an employee of Independent University, Bangladesh it is believed that the management of Independent University, Bangladesh is quite dynamic but extremely slow. It takes long time to implement a plan. For example: Independent University, Bangladesh suppose to install optic fiber but yet not implemented. School of Liberal Arts and Science has proposed to introduce new major called Development

Studies but yet not implemented. It is believe that the following two plans are necessary to implement all the possible strategies that has mentioned in the previous chapter.

6.4.1 Reengineering

As mentioned earlier that the strategies need to implemented very fast. The organization structure makes the decision process since every decisions are scrutinized by all the managerial level of the organization. One important thing to mention that all the member of Board of Trustees are from business entities rather than educational institutional background ho are more aware of current changes in the society and offer the new major accordingly.

It is quite important to involve all the faculties and different schools and discuss about the changes in the society and approach for changing the existing course curriculum/course syllabus or even offering new majors. Every dynamic organization secure the access of information and distribute it throughout the different parts of the organization and individuals. Without the help of technology such as: on-line communication, can link employees from different parts of the organization. The following diagram will help us to identify how reengineering can be effective to implement the mentioned strategies in the previous discussion:

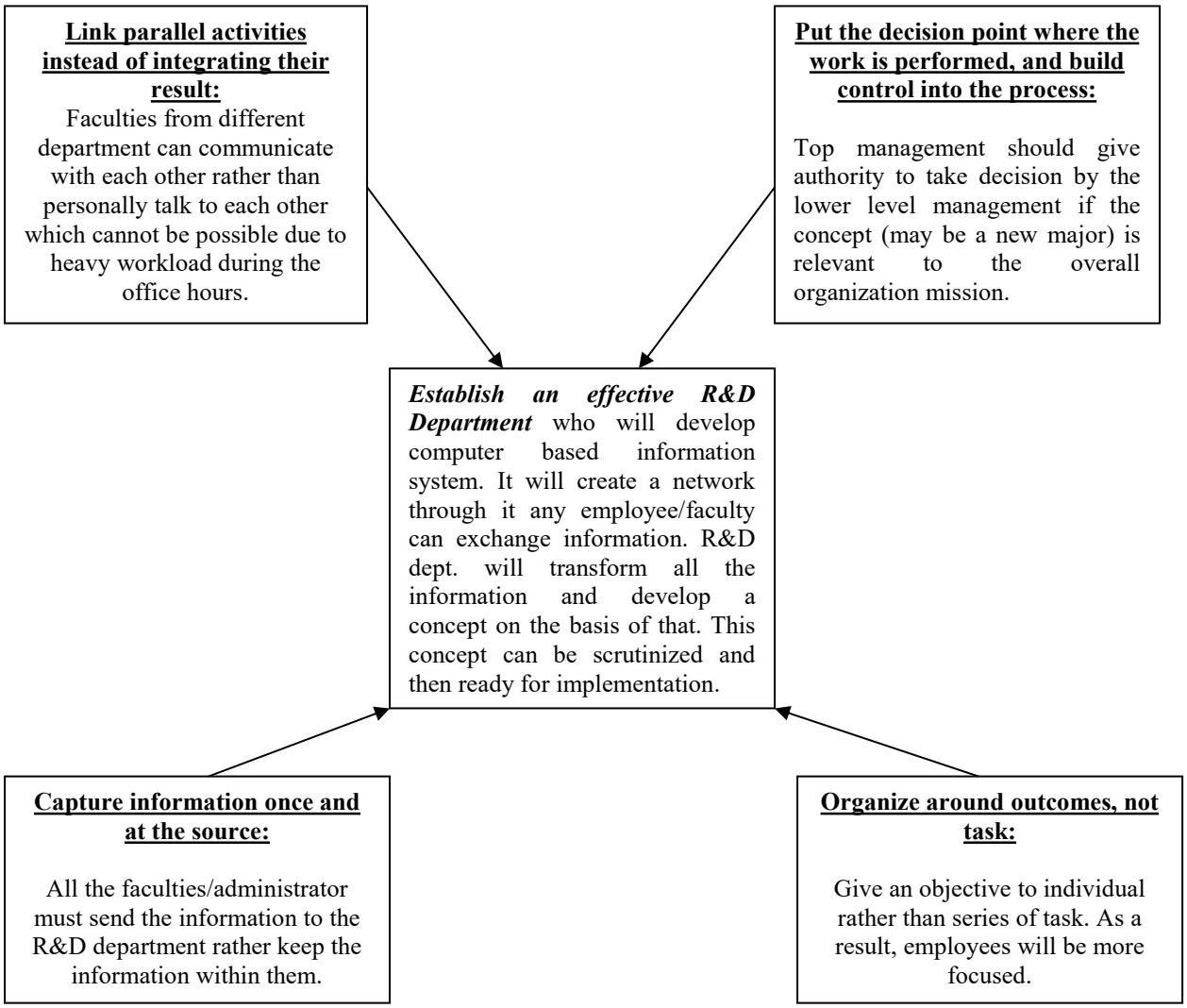


Figure: 6.1: Reengineering

Source: Organized by researchers by taking the help of Michael Hammer.

By the implementation planning many strategies can be implemented by the above process. As I mentioned earlier, the importance of establishing R&D department is vital for any dynamic organization. Moreover, the communication gap between different employees will be smooth and all of their opinion will be measured and controlled. Finally, it will also break the culture of bureaucracy and ensure the distribution of authority. Adapting a computer network and online information system is necessary here.

6.4.2 Designing job:

In order to implement many strategies changing the current culture of ***moving slow and let's think*** syndrome can be eliminated by redesigning the job description. Faculties are the only part of Independent University, Bangladesh who have continuous interaction with the student

and external environment. Their major job at this moment is to com to the class-teach-go home, which actually crates barrier to grow. Besides, it also make the faculties less motivated. The following approaches should be considered in designing job:

- Job rotation: Rotate faculties to different department and start developing communication with the others. By sharing knowledge and ideas with faculties from different specialization may make faculties more creative and ultimately be more motivated.
- Job enrichment: Give faculties more autonomy and control over their logical suggestion. If their suggestion is sent to the R&D department and proved the suggestion valuable faculty should give the autonomy and authority to take the decision immediately. For example: If he has valid logic behind adding new course in the major he should be given the authority to design the syllabus and ready to teach the new course.

6.4.3 Developing a decentralized organizational structure

Decentralized organizational structure can be established if a bottom-up management system can be introduced. There should be an individual head each major and the head of the major can manage all the faculties under each major. This extended division will relive the huge burden of directors of each school. As result, the bottom level management will generate more suggestions. It will also help the top level to get the exact information. Each major can work in group and working horizontally. This action may develop an effective communication channel among the organization.

6.4.4 Assessing strategy-culture compatibility

It is important to identify the relevance between proposed strategy and current organizational culture. It is believed that believe that the above-mentioned strategic choices and suggestions will definitely effect the current organizational culture. What I am saying is that without taking a major step Independent University, Bangladesh will grow but very slowly. At this stage of implementation the following question can be raised:

- Is the planned strategy compatible with the organization's current culture?
- Can the current culture easily modified to make it more compatible with the new strategy?

- Is management willing and able to make major organizational changes and accept probable delays and a likely increase in cost?
- Is management still committed to implementing the strategy?

As a employee of Independent University, Bangladesh I strongly believe that the answer of the above question is difficult to answer, otherwise difficult to implement. It is also true that change is necessary to be more competitive. In business breakthrough model, we also know that in order to reach the destination organization needs to consider current reality and market objective. By these considerations I believe that breakthrough can be done which is breaking the sluggish culture and make the organization more competitive and dynamic by implementing the proposed strategies.

Chapter 7

Research Findings and Conclusion

7.1 Research Findings

- Develop a new culture in the organization consists of: decentralization of authority, develop team effort, decision-making and tendency of making change at any time if necessary.
- Establish an effective R&D department job of which would be developing a communication network within the organization. By taking suggestion from different employees from any part of the organization a cumulative decision can be made. It also makes direct communication with the external environment to track down the changes in the society. Specially, the change regarding education system and perception of people to the education. It will help to identify the current changes in the society.
- Some decision should need not to be taken by the top management rather give the authority to the bottom level management to take decisions as long as it does not contradict with the existing mission.
- Undertake a pragmatic investment policy of acquisition and merging rather than waiting for long to finish. This strategy will help Independent University, Bangladesh to get the job done faster. As I always emphasizing to grow faster.
- Expand the market by offering long distance courses by adapting on-line information technology. It will help Independent University, Bangladesh to extend their operation with minimum cost.
- Change the current organizational structure. It makes the organization slow. As mentioned before, more breakdown is required in the bottom level to build-up more teamwork. The involvement of Board of Trustees can be more dynamic if more responsibilities is given to different managerial level.
- Develop a market based corporate culture. IUB has to be more market focused by identifying the changes from the society rather than from the organization's point of

view. This way organization can be more aggressive and quick responsive towards changes.

7.2 Conclusion

The study mainly focuses on the strategic analysis. Throughout this study, the competitive situation of Independent University, Bangladesh has analyzed by considering internal and external environment. Industry analysis and part of SWOT analysis highlighted the external issues and other areas deals with the internal environmental issues. In order to add more value to the current system study of value chain has taken place, which is a difficult task for service based organization. Study of core competencies also considered to identify the capabilities of Independent University, Bangladesh or help them to identify in which area Independent University, Bangladesh is good at.

Effort had been made to develop strategies that give the future direction to Independent University, Bangladesh to grow faster. Suggested strategies are based on the expansion of the operations of Independent University, Bangladesh. Strategies that make Independent University, Bangladesh to take more time to consider are ignored. Change cannot be done without developing a team effort. It can be effectively done by taking the help of information technology.

7.3 Summary

Increasing growth rate of the university shows its reputation in education sector in Bangladesh. Thus IUB should provide quality education with quality service and a view towards long presence in the education sector in Bangladesh and at the same time develop strategies to enter the global education sector. The above-mentioned findings and recommendations of this study could assist Independent University, Bangladesh to achieve such aim.

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