

15th South Asian Management Forum

Theme: Challenges of Inclusive Growth and Sustainability: The South Asian Context

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Speech Title: Dr. Hasan Sohaib Murad Memorial Lecture

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Syed Qaim Ali Shah sb, Prof, Nisar Ahmed Siddiqui, distinguished guests particularly foreign delegates, it is always a great pleasure to be here in Sukkur and Sukkur IBA and I have followed the great interest the transformation of Sukkur IBA from scratch to what it is today. And I want to congratulate Professor Nisar Siddiqui and his team for the wonderful work they have done, and I hope that they would continue to make a difference in the lives of the students of the rural areas of Sindh who have been not a beneficiary of the best education in this part of the world. So, My Congratulations.

I am also very sad that one of the major pioneers of Business Education in this country left us at the very young age; **Dr. Hasan Sohaib Murad** not only like Nisar created one of the finest universities in private sector by dint of hard work and his focused attention on building a very fine institution; UMT owns everything to one single individual which is Hasan Sohaib Murad. But he was not only concerned with the one particular university. He was very much interested in doing things for business education as a whole. So, he was one of the founders of the Association of Management Development Institutions in Pakistan, and he and I exchanged a lot of notes as to how we can revive the AMDIP as a forum for intellectual contributions of our researchers and also benefit our students in the latest trends in the management education. And, he also persuaded the Higher Education Commission to create the National Business Education Accreditation Council which under his leadership was trying to evaluate the standards of business education in this country. He was the first president of that, and I am very glad that my friend Farrukh Iqbal has taken over from him. And I am sure this council will continue to make its best efforts to create the environment for the growth and improvement of business education in this country.

What I want to tell the younger people who are sitting in this room and, I am so glad that this room is full of younger people, that Hasan Sohaib Murad was a person who never had any cynical or negative ideas because he believed that if you have a negativity, a cynicism, you will never be able to accomplish anything in life. He was the doer, he was a believer, he was a visionary. He had set goals, and worked very hard in order to achieve those goals. So, my very humble request

to the younger people is that those of you who really want to succeed in life, you have to be very positive in your outlook. If you suffer from cynicism if you endure negativity which unfortunately has pervaded this country you would never be able to move forward. You would neither have the energy nor motivation to do anything as you have already given up. From 8 o'clock to 11 o'clock, all you get is the overdose of negativity and cynicism in this country. Please avoid that dose, because that will completely destroy your future. And Hasan Sohaib Murad is an example of a person who despite all the difficulties, and I am the first one to confess that we are ridden with great difficulties, got his way through and got things done which lesser people or the people with the negative outlook and attitudes would never be able to do that.

We have Nisar Siddiqui who has really gone through lot of difficulties but look what kind of legacy he is leaving behind -- a very fine institution which has produced finest young men and women in this area of Sindh. You can also look at the IoBM which was mission of one individual; Talib's father, Shah Jahan Karim who was a civil servant and despite all the difficulties, you know he carried his mission forward, and look at where IoBM is today. So, my request to you is to look at the success stories in Pakistan and say I can do it, I believe in what I am doing, I would persevere in face of adversity and I can tell you that you are going to be successful. I can predict that among those sitting in this room and elsewhere, those who have ingrained habit of getting things done rather than saying my only aim is to get good grades and a degree, but I am here to assimilate knowledge which is been given to me, I will absorb that knowledge and I will apply this knowledge for the betterment of the community in which I am living, not only for myself or for my family, but for the larger community in which I am living, you would have a very successful life ahead of you. I want majority of the young men and women of Pakistan to take that path, not the other path so that is my advice to all of you and I wish you the best of luck.

Now coming back to the challenges of South Asia, I being the student of the South Asian economy for the last 30 years and despite all the progress it has made, there are very serious problems still ahead of us. Because the world is changing, it doesn't remain static. We still have the largest number of poor in the world in this region. We have growing income inequalities, rural-urban disparities, gender inequities and that is worrisome, The task for us to ponder is: How can we as a nation go about meeting these challenges, and How Business and Management education can play a role in mitigating these challenges.

What have we learned so far from the success stories of other developing countries who have transformed themselves alleviated poverty, reduced inequalities and have shared benefits of growth widely? It is not the government alone; it is neither the private sector alone nor it is the civil society alone which will be able to get the poverty and inequity redressed. It is only when you have joint and collective efforts of cooperation, collaboration and nurture synergies between the three; the government, the private sector, and the civil society, things would improve, and things will be better. But if we are always in the blame game that government blames the private sector and the private sector always complains about the government and

the civil society blames both the private sector and the government sector we are not going anywhere. Things will get worse.

So, besides this whole attitude of blame game, we have to put out heads together. What can each one of these three sectors do better? Each one of them has a comparative advantage; the government should set the right policies, develop a credible macroeconomic framework and an enabling business environment. It should provide regulations for safety, for occupational hazards, for protecting health, consumer interests but it should not be running businesses. There is overwhelming empirical evidence that Government functionaries, and I include myself in this category, do not know how to run businesses, they only subtract value, rather than adding value. And look at the public sector enterprises in Pakistan, they are bleeding more than a trillion rupees every year, and contrast it with the banks which were also bleeding the exchequer under public sector management but since they have been privatized, they are contributing more than hundred billion rupees to the Government as taxes, dividends, and the profits. We do not need to be ideologically driven but evidence driven.

What's the private sector ought to be doing? The private sector has to run the businesses in a competitive environment, not through connections, not through tax exemptions concessions, not through patronage of who knows who, but in a competitive environment where the most efficient producer of goods and services is able to sell it to the consumers at the lowest possible cost. That is what the beauty of the competition is. And, these producers and traders have to pay taxes because government has to take care of the poor population, and they cannot take care of the poor population unless they are able to mobilize taxes; not only from the salaried class, not only from the multinational corporations, not only from the few listed companies, but from everyone who earns income from any source above the threshold of income tax exemption. That is key requirement for a thriving private-sector; make money in a competitive market structure as much as you can but pay your taxes honestly and diligently, for the poor of this country.

What is the role of the civil society? Civil society has three major responsibilities; one is that you have to be a watchdog and keep a vigilant eye on the affairs of both; the government and the private sector to keep them straight in maximizing larger interests of the majority of the population. Second, you have to be an ardent advocate of the burning but neglected issues such as Population control, Environmental protection, gender equality etc; Third, the civil society has to participate in the development of the backward areas and serve the neglected population which is not getting services from the government and the private sector is also ignoring them. You have that responsibility to serve with compassion those marginalized communities and disadvantaged populations in areas such as education, health, microfinance etc. There are some very successful stories of Pakistani NGOs who are doing excellent job in both education and health sector. I urge for much larger participation of Civil society in providing these services.

When we have this kind of division of labor between the government, the private sector and the civil society we will be able to grow in an inclusive manner, we would be able to have sustained

growth—no booms and busts as we have consistently experienced in the past.. But this way we also will be able to reduce income inequalities , gender and regional disparities.

Having outlined the respective roles and responsibilities of the state, private sector and the civil society, how do the business schools come into the picture? B schools teach and analyze, study at organization whether it is in government, or private sector, or it is an NGO organization. We teach them Organizational Behavior, Organizational Development , Strategy, Financial Management , Human Resource Management. But it is like a specialist in medicine looking at each organ of the body in isolation while the overall health is not being examined, or being assessed in a holistic manner .

Similarly, business schools have become specialized in these fields but there is nobody looking at the overall health of the organization, bringing in all these insights, bringing in all the knowledge derived and distilled from these disciplines to diagnose what are the ailments the organization is suffering from ? What are the remedies that can be administered to overcome those ailments, and what are the prescriptions, and the dosage which should be given in order to overcome those ailments ? That is missing in business schools today. We have become so engrossed in our own areas of specialty that we do not know whether the mission or the mandate which was given to this particular organization when it was established in 1960 is valid today or not.

Today, I am involved in the restructuring of four hundred and forty-one organizations under the Federal government; some of them were established 50 years ago. Some of them have completely outlived their utility, but they are drawing salaries, perks, cars, rental accommodations, and everything. Now similarly, you have to look at the private organizations and you have to look at the civil society organizations whether they are serving the purpose for which they were established, or they have to redesign themselves and reengineer themselves to meet the demands and the needs of today. That can only become possible when you look at the vital signs of those organizations. And, the vital signs of these organizations are; what is the contribution to the society whether it is a positive contribution, or it is a negative contribution, is it generating employment and jobs which is a requirement in South Asia whether it is helping in alleviating poverty or not, whether it is exacerbating inequalities, or it is reducing inequalities.

These are the vital signs through which each organization has to be assessed, diagnosed and prescribed. And, this is my message to the business schools that they have to take charge like you have a General Practitioner (GP) in medicine who looks at the reports of all the specialists and say “ look I do not want you to take this particular medicine because it will have adverse reaction on your liver” . That's the only person who can relate and link the various components of the chain. So, the GP of the business organizations or the government organizations, or the civil society organizations can also advise after looking at all the reports from the Finance, HR, Operations, Marketing and Sales ; don't throw out your experienced employees today because the economy is in slump, as the cost of replacement, training, and searching or finding these people in the future is going to be much higher than the savings you will make in dismissing them in the short run. Or you need a different kind of leader at this juncture of the organizational life

cycle because you are transitioning from a developmental stage to maturity stage. The skills set and the competencies required are quite different from what you had in the past. That is what a GP of the business school has to do, and we are missing that. In most of the schools, I had the privilege of visiting the IIMs, Bangladesh Business Schools, Karachi, Lahore, Islamabad, Peshawar, Quetta but I don't find that we have developed this capacity to diagnose , to find the remedial measures and to prescribe what are the doses for the organizations to regain their vital signs and continue to live a healthy life . Just like a human being who needs exercise, good nutrition, taking care of yourself the organizations also need reexamination of their mission and mandate reinvigoration of their human resources , reengineering of their business processes, readaptation of technological tools and review of their finances to remain healthy. Thank you very much.