

PRESIDENT'S ADVISORY COUNCIL

07 December 2005

(week 48)

Present: Said Irandoust (*Chair*)
Peter Haddawy
Nusrat Sharmin Huq
Worsak Kanok-Nukulchai
Sivanappan Kumar
I M Pandey

Jonathan Shaw
Vilas Wuwongse

Secretaries: Karma Rana
Renedith Calabdan

By invitation: Ann Lopez-Fontanilla
Namita Sravat

Apologies:

Dennes T Bergado
Chainarong Na Lamphun
Ng Eng Wan
Sudip K Rakshit
M Shrinivas Rao

PAC 05.12.01 Welcome

The President welcomed all present to the special PAC meeting primarily convened to discuss recommendations from the working groups that could be brought to the first Decision Meeting scheduled for 13 December 2005. The issues to be considered at the meeting will be announced to the community with a special link to provided through the AIT website.

Apologies were received.

PAC 05.12.02 Review of the Minutes of the PAC Meeting of 17 November 2005

The minutes of the 17 November 2005 PAC meeting were confirmed.

POLICY AND STRATEGY MATTERS

PAC 05.12.03 WG 1 - Review of Cost Structure and Revenue Sources/Growth

The President informed the meeting that a possible across the board cut in salary may need to be implemented contingent upon the financial results of the first 6 months of 2006. The salary cut (linear scale) will be a temporary measure towards efforts to offset the current financial deficit. Emanating from the hearings, it is perceived that there is a general acceptance by the community, which accounts for the sense of solidarity, on the idea of a possible salary-cut as a last course of action that may need to be taken.

Subsequently, a comprehensive review of the salary structure, based on surveys of different categories, recent developments and peaks, will be initiated at the earliest to enhance AIT's competitiveness with comparator institutions in Thailand, the region and abroad. This may lead to changes in salary levels, and salary readjustments on a permanent basis particularly on unjustified peaks that will be identified.

It was pointed out that efforts will be exerted to focus on the bifurcation of revenue generation, for instance more opportunities exist in increasing revenue from training, etc., to complement other cost-cutting measures being applied.

WG 1 Recommendations

Presented by WG 1 Chair, Prof Worsak Kanok-Nukulchai

link to WG 1 recommendations: http://www.ait.ac.th/interimpage/AIT_user/wg/wg1.asp

1. Immediate Actions on Cost Reductions (comments)

- *Rationalization of Central Administration Personnel.* The President informed the meeting that actions in this regard have already been initiated and is in progress.
- *Salary Structure Review.* The HR Head was requested to report results on this matter from the TF, chaired by VP (Ed) reviewing the terms of employment, compensation system and development of standard career path for staff.
- *Self-sustainability of Non-core units.* Non-school units/centers that do not contribute to the academic component of AIT, supported by the central administration at their initial phase should either become school-based if they are of benefit to particular schools, or should be closed down if not viable. The VP-ER is currently reviewing GMSARN to explore possibility of pursuing a consortium sort of arrangement among the members (similarly that with ADB Networking), as it is still seen as a useful concept for AIT. Likewise there should be a single window for outside contacts to ensure provision of appropriate and standard information/service.
- *Recovery of Faculty Time-* endorsed in principle by PAC, with specific parameters for further deliberation. The VP (Research) is following-up on this matter.

2. Immediate Actions on Revenue Enhancement

- *Weakness in Promotions.*
- *Action Plan for Marketing.*

Task Forces formed by the administration, comprising of faculty members from different schools which started discussions towards a more comprehensive approach of marketing/promotion to some target countries, may need to be formalized. There should be a close collaboration on promotion strategies and initiatives between schools and the central administration through the External Relations and Communications Office (ERCO). The Promotions Committee proposed to be set up urgently, which is to be chaired by VP (ER) to do some studies on promotions and to particularly address target student intake of August 2006 could fall under WG 1 recommendation to create TF III - *Task Force to Promote AIT-Industry Partnership.* The idea of having faculty members undergo professional training on promotions was also raised with the view of further enhancing the effectiveness of faculty members on promotion activities. Faculty and student interactions also need to be improved.

- *Promotion of Sponsored Projects.*
- *Proper Crediting of Sponsored Projects.*

Whether a consultancy engaged upon by the faculty be either institutional or personal, the school and the Institute as a whole should be able to benefit on account of its brand equity. Clear regulations on the latter model need to be established in AIT. It was suggested that the ceiling of 33% be removed to encourage bringing in of projects.

- Support from Industries.

Long-Term Measures

- *Improvements in Financial Reporting.*
- *Review of Semester System.* A proposed change-over back to trimester system which is closely linked to the proposal of increasing tuition fee and optimization of the use of infrastructure, were deliberated at length. It was suggested that a careful examination of other implications be tackled by the TF IV (***Task Force to Review the Semester System to Maximize Resources***). There should be a strong rationale if this proposal is to be brought for approval by the Executive Committee.
- *Establishment of an Advisory Committee on Finance.*
- *Functional Review of the Roles of CFO and CIA.* The external professional consultant will be looking into this aspect.
- *Aim to Achieve Good Governance.*
- *Operational Decentralization.* To refer to results of WG 2.

In concluding the report, WG1 recommends the creation of five Task Forces (TF) to pursue its analysis and to carry on the implementation of the following actions within the time period proposed:

TF I – Task Force to Rationalize Payroll Costs. This will be led by the VP (Education) and will be comprised of representatives from the faculty, students and staff.

TF II - Task Force to Rationalize Sponsored Projects. This will be led by the VP (Research) and will be comprised of representatives from the faculty, students and staff.

TF III - Task Force to Promote AIT-Industry Partnership. This will be led by the VP (External Relations) and will be comprised of representatives from the faculty, students and staff.

TF IV - Task Force to Review the Semester System to Maximize Resources. This will be led by Dr. Sundar Venkatesh (WG1 member) in collaboration with the VP (Education) and will be comprised of representatives from the faculty, students and staff.

TF V - Task Force to Improve Financial Management and Accountability. This will be led by Prof. I.M. Pandey with the support of the external consultant, KPMG (Sweden). Mr. Maris Samaram, member of the Executive Committee of the Board of Trustees and Chairman of the Audit Committee will be invited to serve as a resource person to the Task Force.

PAC 05.12.04 WG 2 - Review of Administrative Structure/Processes and Budget Procedures/Processes (*NOTE: Prof. Haddawy chaired the meeting from this juncture.*)

1. CoLA 2006

The HR Head reported that the Labour Union has agreed on option 2 of the proposed CoLA adjustment for 2006 whereby a flat rate of 360 baht will be received by employees receiving a salary of less than 50,000 baht. A 4.07% or 10 baht/day CoLA adjustment was proposed for daily hire workers. The PAC endorsed the proposal which will be presented to the Executive Committee. (This was subsequently approved by the Executive Committee at its 9 December 2005 meeting.)

2. HR Signing and Approving Authority

The PAC endorsed the proposed signing/approving authorities for HR processes. *Please see Annex 1.*

3. Proposed Revision on Education Subsidy

PAC decided that the proposal to revise the policy on education subsidy from the HR Head be brought to the decision meeting to provide opportunity to the community to give its feedback. According to the current policy and procedure on employment of staff and faculty there is no limitation on the subsidy vis-à-vis the number of children. The proposal put forward is to limit the subsidy to a maximum of two children.

4. Retirement Policy

The HR Head presented the proposed revision on retirement policy noting the possibility of extended engagement by AIT beyond the age of 60. The PAC agreed in principle to the proposal provided that the initiation comes from the Institute, not from the individual, is conducted in a transparent and open manner based on merit and a track record of exceptional performance. This will necessitate establishment of clear guidelines and well defined criteria.

5. Decentralization of Performance Evaluation

It was also pointed out that a framework and general guidelines for decentralization of performance evaluation be developed to ensure consistency across administrative offices with a delegation to central administrative office heads to make appropriate decisions based on established guidelines.

6. Procedure on Establishing P & Ps

The PAC identified the need to develop a clear policy and procedure on establishing P&Ps. This will be further deliberated at the next meeting.

7. WG 2 - Review of Administrative Structure/Processes and Budget Procedures/Processes

Presented by WG 2 Chair, Prof Peter Haddawy

link to WG 2 recommendations: http://www.ait.ac.th/interimpage/AIT_user/wg/wg2.asp

Comments made by PAC members on the recommendations from the WG 2 presented by its Chair, Prof. P Haddawy will be incorporated after which would be brought to the Decision Meeting. Recommendations of WG 2 focused on the following issues and processes: 1] Admissions, Scholarships & Fellowships; 2] Student Research and Financial Procedure; 3] Sponsored Projects; 4] Travel; 5] Purchasing; 6] ERP/MIS; 7] Staff Appointment and Development.

PAC 02.12.05 WG 3 – AIT Long-Term Strategies

Presented by WG 3 Chair, Prof Stephen Ogunlana

link to WG 3 recommendations: http://www.ait.ac.th/interimpage/AIT_user/wg/wg3.asp

Comments made by PAC members on the recommendations from WG 3 on the following themes were noted and will be incorporated in the final report: 1] Governance and Accountability; 2] Internationality and Identity; 3] Culture and Competitiveness.

PAC 05.12.06 Next Meeting

A next PAC meeting is scheduled for Wednesday, *11 January 2006*, at 13:30 hours, in the Board Room, Administration Building.

