

## Chapter 9

# Intrapreneurship at University: A Sustainable Strategy to Handle Resource Crunch

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### **ABSTRACT**

*Admission of students in academic degree programs in a university fluctuates over time due to economic and global trends impacting and shifting the job opportunities from one field to another. In the absence of any government funding, revenues of private sector universities are more sensitive to these shifts. Designing and launching of new programs needs to be undertaken much before the intake dries up because there is a time-lapse of several years before the impact on admission numbers becomes visible. This chapter presents a sustainable readiness strategy for implementing intrapreneurship in a university that rewards faculty innovation and creativity in designing and launching new programs before the intake starts declining precipitously. The process of the discovery of this strategy with its implementation challenges and rewards is described through the use of autoethnographic methodology. The results show that the proposed strategy induces many benefits, such as faculty ownership, responsiveness, and motivation.*

### **INTRODUCTION**

Universities play a pivotal role in the development of a nation. Private sector's role in the education sector is huge across the globe especially in higher education because private sector universities bring innovations, opportunities and freedom as compared to public sector universities. It is impossible for the public sector to accommodate all applicants; hence the role of private sector universities becomes imperative. Same is the case with the Pakistan's higher education arena where we see private sector universities bringing in better opportunities for the knowledge seekers. There isn't everything positive about private sector universities and the most talked about issues are high tuition fee and unavailability

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of private sector universities in the rural areas of the country (Nazi & Mace, 2006). On the other hand, private sector claims that they do not have government funding and the only source of revenue is students' fee; hence the high tuition fee is justified. Further, the urban areas of the country can afford the private sector tuition fee as compared to rural areas and that's why Private sector universities are often found in the cities rather than villages.

The admission of new students is an important factor for the financial viability of the university especially in private sector. Universities offer various programs and the overall admissions of the university is actually the sum of the intake of all the programs offered by the university. Various factors influence the numbers of admissions in university programs that include social pressures, job market, political situation etc. University's job is to keep the overall intake at a respectable place to remain financially viable. Decreasing admission numbers can bring the university to a situation of financial crunch. In such situation, organizations tend to go into safe mode in which they try to cut corners and reduce cost which result into low or zero investment into new product / program development. Private sector universities are no exceptions so they behave the same. Rather than investing into new programs to balance out the decreasing admission numbers, universities tend to reduce cost and go into a downward spiral.

The chapter presents an intrapreneurial strategy in which the university's faculty members are given ownership to launch specialized degree programs on a revenue sharing model in critical circumstances. It was the time when the university could not afford to experiment the launch of a new program due to the decline in the students' intake and that has resulted in a financial hardship. The chapter explains the complete methodology to implement intrapreneurial strategy. It also highlights the associated benefits for the university and faculty members. By following the research direction of Autoethnography (Lisa, 2010), the chapter discusses the actual situation and real solutions implemented by the authors.

## **Funding of Universities**

Internationally, universities get funding from various sources (BoK, 2009) that include but not limited to:

1. **Government Subsidy:** Public sector universities get funding from the government.
2. **Tuition Fees:** This is the fee students pay for their education. Both public and private sector universities charge fees from students however; public sector charges much less. Tuition fee is not typically more than 30% of the university's budget. However, there are many universities in the world that do not charge tuition fee.
3. **Endowment Fund:** Alumni often give money to the university they attended. This fund is usually used for scholarships (so talented but poor students can attend the university).
4. **Consultancy Fees:** Faculty across the globe are encouraged to solve industry problems through consultancy assignments to supplement their incomes. University salary is often considered to be a baseline on which they need to build their consultancy earnings which benefit the universities in providing relevance to their teaching and prestige.
5. **Executive Training Fees:** Executive development centers are established to train executives on new paradigms. This is the way of selling the faculty members to the outside world which also results in finding outside consultancies. Universities benefit through this interaction in terms of gaining prestige, contacts, and ensuring placements.
6. **Research Projects Funding:** Faculty members at universities can write proposals and apply for grants from public and private foundations to fund research or educational improvements.

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