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SPECIAL COVERAGE

CFO CONFERENCE 2016

MAY 31, 2016 KARACHI JUNE 02, 2016 LAHORE

COVER STORY

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SPECIAL COVERAGE

CFO CONFERENCE 2016

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Editor's Letter

“**L**eadership is the capacity to translate vision into reality,” states Warren Bennis, an American scholar. If your sights are set on climbing to the top of your field, you will already be doing what you can to grow and hone the skills you’ll need to become a business leader of tomorrow. We are living in an increasingly volatile, uncertain, complex and ambiguous world – one which makes it difficult to predict the future with any precision.

Leadership – an issue that is absolutely central to our ability to thrive in a world of increasing complexity and accelerating change. Leaders with a perspective far beyond their personal knowledge and experience will be of key importance to any future business. As such, becoming a leader capable of working with, and harnessing the talent of a diverse group of people with their own skills and thoughts, is to become the most valuable leader of all.

For some, the three key shifts – diversity of markets, knowledge and talent – present a myriad of problems, but for the leaders of tomorrow who are willing and able to adapt quickly, these shifts present enormous opportunity.

Leaders think and behave differently. The core elements of their leadership are timeless, such as the ability to set direction and create followership, but for future leaders, organisational success will lie in understanding what it truly means to be an inclusive leader.

Our expertise as accountants will help us navigate the rough terrain of global shifts, as it has in the past. Our profession is facing winds of challenge as we design global strategies for business and for the accounting profession. I am certain we will come through together stronger than ever. Being a member of the accounting profession is more than a job – it is a commitment and a calling to public service.

Peter Bakker, president of the World Business Council for Sustainable Development (WBCSD), recently argued at a United Nations Conference that it is “the accountants who are going to save the world. To get all businesses involved in solving the world’s toughest problems, we must change the accounting rules.” This is not a matter of incremental change, but a radical transformation. And it’s the accountants who will lead the way.

Our roar should be listened across the border of times, beyond the borders of our own experience and judgments.

Yacoob Suttar



President's Page

Effective leadership is a never ending process of evolution and progress through self-study, education, training and experience. To inspire, one must: **be, know** and **do**. These traits don't come naturally alone, but are acquired through continuous and rigorous efforts. Good leaders continuously strive to improve on their leadership skills.

Change is 'endemic' to all organisations and the ability to lead change is increasingly vital for chartered accountants to build a successful career as well as the sustainability of organisations they belong to. Finance professionals hold a wide array of roles across the organisations typically in conjunction with the central remit that the finance function takes as a core driver of performance and management.

Currently, we are seeing global shifts in regulation and business practices. Being the business leaders of tomorrow, chartered accountants are taking the lead and successfully delivering their responsibilities to their organisations towards governance, strategy, performance and prospects over the short, medium and long term. They are the intellectual and technical experts and resource who will own the business process and lead the way.

ICAP has put much dedication and efforts into promoting appropriate regulations and the CA Pakistan brand. The Institute's commitment to the ongoing positive reputation and influence of chartered accountants is evident in the work it undertakes to ensure that our profession continues to be aware of its role and obligations in an evolving and changing local and global environment, including consideration of how the chartered accountants can assist in the necessary move to a sustainable economy.

As leaders of the accountancy profession, ICAP has undertaken a responsibility to embed in its members, the core values i.e. integrity, reliability, independence, and accountability which must lie at the heart of any successful and sustainable business; ensuring that such values remain an intrinsic element of their members' work, never becoming viewed as optional extras, secondary to profit and acquisition. This noble profession is a responsibility, which our members seek to discharge with commitment, dedication, competence and honour.

I am very positive about the future for chartered accountants – for those with the right skills and urge to continuously evolve, the future presents great opportunities. In order to lead, you should believe in the inspiration, commitment and hard work and be exemplary to your team mates and the peers. This profession is the only profession that wants everybody to be a somebody – a doer and a role model. That's the spirit we have to recapture again and again.

"If you want to lead, you just have to believe in You."

Hafiz Mohammad Yousaf



LEADERSHIP

by Ali Raza

What is the DNA of a great leader? Although everyone has a personal list, there is at least some consensus on the common qualities of a great leader.

A leader is one who knows the way, goes the way and shows the way.

According to the dictionary, leadership means the position or function of a leader, a person who guides or directs a group, ability to lead or act or instance of leading, guidance or direction.

The need for a leader is not new or nothing which has evolved with the development of civilised society. Leaders were needed in the early stages of human history as well, although the qualities required to become a leader of the group were quite different then. It is said that “man is a social animal” and man realised very early that living and hunting for food alone is not a good idea to safeguard against the predators and other dangers. Early humans realised that if they live in groups, it would be easier to hunt for food and they can depend on each other in times of need. Need of leaders was realised with the formation of the groups as someone is required to coordinate the efforts of the group to achieve the goal, be it hunting for food or accomplishing any other task. Leader of the group was typically the best hunter among the group who was best at finding

and capturing the food to sustain the group.

As the human society progressed, human activities progressed as well but the need of groups to achieve a particular task and the need for a leader persisted. With the specialisation of the groups and diversified objectives, qualities required in a leader also became very specific with each group. By definition, a leader is ‘a person who influences a group of people towards the achievement of a goal.’ According to this definition, there are three basic requirements, person (who is the leader), purpose and group of people.

Person

Whether a person becomes a leader because he/she holds a position of authority or he/she holds that position because of his/her qualities. A position of leadership is no guarantee of leadership and we all know many such examples where certain people are in the leadership positions but are not capable of leading the group or organisation.

To be considered a leader, a person should have a vision to achieve the objective of the group and should be capable of leading the group towards the objective. According to American author, speaker and pastor John C. Maxwell, “A leader is one who knows the way, goes the way and shows the way.” A leader should not lead from behind but from the front and should be able to lead by example.

Strategic retreat is as important in a war as a charge.

Purpose

An essential requirement for leadership is personal vision – the ability to visualise the goal as an accomplished fact; a thing already achieved.

“The very essence of leadership is that you have to have vision. You can’t blow an uncertain trumpet.”
– Theodore M. Hesburgh.

A leader does not stumble to the goal of the group, neither does he find it by trial and error; he/she is a visionary who knows the path leading to the objective. Depending on the situation, the purpose or objective may be to produce a timely report or leading a country but until and unless the leader has a vision of how to achieve the objective, he/she will lead the group to failure.

Group of People

To be a leader, one must have followers. To have followers, one must have their trust. Sometimes a leader commands authority by position, in which case the followers have no choice but to follow the orders. But a true leader is the one who commands respect and trust among his/her followers and they follow not because of authority but because of the leader’s qualities.

Such trust is won by the leader through his/her vision, ability to lead the group and personal qualities such as honesty, truthfulness and objectiveness.

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Modern World

In terms of modern business world, leadership has become very important to achieve the objectives of the business or organisation. Visionaries such as American I.T entrepreneur Steve Jobs have led the companies to the forefront of innovation and success and created business empires from scratch. But leadership is not required only at the topmost level but at every level of the organisation to run any business successfully. That is why a lot of emphasis is given to develop leadership in the business managers in order to lead the company to success.

Whether the leadership is innate or can be developed is also a question asked repetitively. Whether one is a born leader or one can be groomed and trained as a leader is a debatable topic. Nevertheless, most people are convinced that leadership at the grass root level and especially in the business world can be learned and improved upon. You can find a lot of gurus out there whose sole vocation is to train and develop leadership in business. There are resources available to develop leadership qualities.

If you ask my opinion, I am a bit on both sides. Although there are many skills which can be learned over time and anyone can become a leader, but one needs to have a spark which can be developed into fire. In other words, people can become a leader but great leaders are those who have innate qualities which they groom to become great

leaders. One should strive on every level of his/her career to develop the traits of leadership.

Great Leaders

What is the DNA of a great leader? What makes a leader great? Although everyone has a personal list, there is at least some consensus on the common qualities of a great leader. According to an article in **Forbes**, the essential qualities of a leader are as follows:

- **Honesty**

Whatever your personal beliefs, but when it comes to a leader, one can only earn respect of the team when one is honest. People want to work for a team or company whose leader they can trust and trust can only be created with honesty and values.

As it is said, the culture of an organisation comes from the top; if the leader is honest, the team quickly picks up. A leader needs to define the core values of the group and live those values to become the role model for the team.

- **Communication**

Communication plays a vital role in leading a group and this process of communication should always be two-way. After defining the values, vision and mission, a leader should communicate these to the members of the team. The team would be motivated to work for the defined goals when they know the objectives clearly and their way of working would be governed by the defined values.

On the other side of the communication, the team should also feel free to give feedback to the leader. The leader should know whether the defined targets are achievable and the defined processes are working to achieve the objectives. Feedback is an important mechanism to ensure that the effort is progressing in the right direction and there are no forces working to distract the efforts. In such cases, the leader should change the course accordingly to get to the desired objectives.

- **Confidence**

A leader should be confident of his/her objective as well as his/her own capabilities to achieve the objective. It is an integral quality of a leader which is required all along the way. Winds can change and efforts can go waste and in such times, the team always looks towards its leader.

The leader should be confident to know that in spite of the headwinds, the team is on the right course and sustained effort would bear the desired fruit. If the leader cannot show the desired level of confidence, the team cannot be motivated to put in their full effort.

- **Inspiration**

The leader should be inspired and invested in the objectives to inspire others. Vision of Larry Page and Sergey Brin, the founders of Google, inspired millions of others. A team can only work whole hearted if the leaders can inspire them. Inspiration

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can only be created with confidence in goals and efforts.

Inspiration is focused towards the future but is also important for the present; it gives a reason to work, to succeed and to change the world.

• **Positivity**

Positivity is the power to constructively analyse the situation when the efforts have not produced the desired results and giving a positive feedback which is helpful in the future progression. Positivity in a leader is of utmost importance and helps to develop the moral of the team. Any small failure along the way can work as spanner in the wheel, if it is not dealt with positivity.

Strategic retreat is as important in a war as a charge. Minor failures are the time for the leader to show positivity and encourage the team to move forward.

• **Delegation**

One can define the objective and develop the strategy but in today's complex world, it is beyond the capacity of any human being to achieve the objectives single handedly. Your team should be made up of people with the qualities which complement one another. Once you build up such a team, a leader would delegate to the team as per their competence.

Knowing your team and their competencies is a key quality of a



leader; keeping a bowler in place of a batsman is not going to do any good to the team. Similarly, the leader delegates the work in the most appropriate manner to get the desired results.

• **Accountability**

Creating the vision and leading the team makes the leaders accountable of the results as well. A leader should take full responsibility of not only his work but that of the team as well. Taking credit for successes and putting the responsibility of failures on someone else is not what makes a great leader.

A good leader needs to keep a continuous check on his work as well as a check on team members. If things are going well, the team should be praised and due credit should be given to everyone. When things are not so great, a leader should be able to work with others to steer the ship out of murky waters.

• **Intuition**

Sometimes we are presented with situations which are not in the textbooks and for which we are not prepared. In such times, taking a decision is not always easy. One has to draw upon their instinct, past experiences and mentors for help in such situations.





Be the Leader Who Moves the Business!

by Asad Mirza

“Leadership is not about a title or a designation. It's about impact, influence and inspiration. Impact involves getting results, influence is about spreading the passion you have for your work, and you have to inspire teammates and customers.”

– Robin S. Sharma

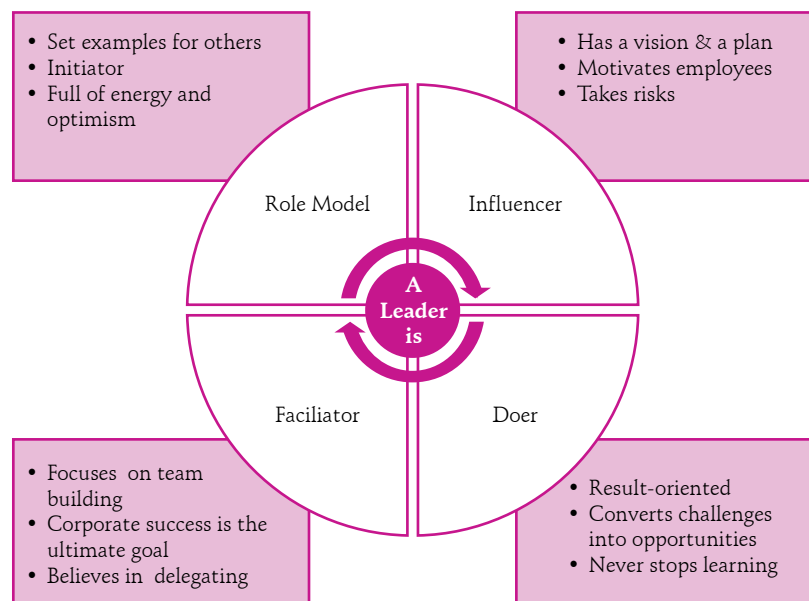
Hefty investments, recruiting highly qualified resources and perfect plans **do not** work unless there is an inspirational leader with a competitive mindset endeavouring for a paradigm shift. These gems are known as leaders who have moved the world. The history is full of such stories where businesses have seen miraculous successes despite being in rugged situations just because there was a determined **doer** with an **I can do it** attitude.

In a modern organisation, a leader basically performs four key roles. He acts as a role model by setting examples, influence employees with his inspiring vision, promotes team's growth instead of an individual's and is result-oriented. Leaders like this have a mindset of mastery and know exactly about the effective

utilisation of available resources (which are limited) to get maximum output, they ignite the passion and inspire their team members by setting new benchmarks. Hence, strong leadership is an amalgamation of implementing scientific information and art of managing people.

Unleash the Hidden Leader in YOU

Leading people in the right direction is not an easy job. Though each one of us can become a leader, only few will be able to leave an indelible impact on the minds of their followers. Leaders, who successfully fulfill the responsibilities they are looked up to for, end up making history and those who fail to do so, end up committing personal and professional suicide that eventually



Major roles of a charismatic leader

Strong leadership is an amalgamation of implementing scientific information and art of managing people.

affects the corporate culture. Hence, it is crucial to select the right leader if you want to reach the destination.

Great leaders are those who realise that they possess certain leadership skills and hone them with the passage of time. In order to become an effective leader, one must start off by identifying the most significant traits that act as the founding pillars of an efficient leadership.

These attributes are common in the most influential leaders of all times and are deemed to be effective in guiding others.

1. They Act Like Humans

What makes great leaders outshine is their down to earth, understanding and simple nature. This makes them approachable, easy to work with and goal oriented. They realise that they can make mistakes too, therefore, they try to attain perfection with patience and consistency. Their plans are diligently crafted to accomplish strategic excellence in which they work hand-in-hand with their team.

Contrary to this, a leader sans the human factor will be an authoritative and demanding machine with whom no one would like to work with. So, be humble and use humour to build stronger bond with employees as it contributes in promoting a comfortable working environment with shareholders, stakeholders and subordinates. Warren Buffett was once quoted saying, "I buy expensive suits. They

just look cheap on me." This clearly shows the realistic approach of the legend who considers himself a common man too.

2. They are Born to Lead

One attribute that distinguishes a potential leader from a self-proclaimed one is that a leader does not need to be told that he is a leader and he has to act like one. They emerge as a role model in hour of need, unfold their talent, present sustainable solutions and save the businesses with their intellectual and timely decisions.

3. They are Decision Makers

Game changing leaders are those who can take the right decision at the right time. They are passionate about their work and based on their proactive nature, knowledge and confidence they take important decisions that contribute towards individual and organisational success.

4. They Take Ownership

Whether good or bad, good leaders always accept the responsibility of the undertaking they have done. They also acknowledge the efforts of their team members and are ready to face the music when the desired results are not achieved. This makes them dependable and reliable for the stakeholders.

5. They Embrace Fears

Great leaders are never afraid of embracing their weaknesses. They turn them around and try to convert their fears into their strengths. It reflects their out of

In a modern organisation, a leader basically performs four key roles. He acts as a role model by setting examples, influence employees with his inspiring vision, promotes team's growth instead of an individual's and is result-oriented.

Game changing leaders are those who can take the right decision at the right time.

Great leaders are never afraid of embracing their weaknesses.

Leaders who are driven by positivity perform better than their counterparts.

the box imaginative thinking and a promise to achieve excellence.

6. They are Honest

Visionary leaders are honest with their work, colleagues and goals. They build relationships with their teams on the basis of trust and sincerity and motivate them to attain a common objective. Not only this trait depicts their impactful leadership skills, it also makes them look friendly enough for their subordinates to comfortably interact with them, leading to a healthy working environment.

7. They are Receptive

How a person behaves and responds to a certain situation matters a lot when it comes to managing a group of people from different backgrounds. It is seen that employees' productivity optimises when their ideas are welcomed and their opinions are heard. It makes them feel valued and encourages them to strive harder.

8. They Spread Positivity Around

"We can never eliminate obstacle but we can always overcome them."
– Dean Graziosi

Leaders who are driven by positivity perform better than their counterparts. They are solution-oriented rather than problem-oriented and carry an aura of positive vibes along with them. Their forward thinking strategies keep them ahead of the game where they are ready to face any challenge that comes in their way.

9. They Boast Good Communication Skills

Effective communication plays a major role in attainment of any goal. A leader's job is to communicate clear objectives to the employees so that they can all collectively work towards achieving the same goal – i.e. an economic gain. Comprehensive feedback, answering queries and training employees are also part of effective communication.

10. They are Risk Takers

Last but not the least, efficient leaders are well aware of the fact that they have to step into the sea to experience its depth. They say, success starts beyond one's comfort zone. It is the time when nothing seems easy and you have to cope with challenges. With every challenge, you grow and get closer to your objective. Influential leaders are courageous enough to take risks even when the chances of success are not much for they believe in themselves and their intuitive capabilities.

"People fear leaving their safe harbor of the known and venturing off into the unknown. Human beings crave certainty – even when it limits them." – Robin S. Sharma

In a nutshell, in today's world of cut-throat competition where you have to prove yourself each day, it is vital that you move away from the crowd and set a new direction for your business by taking the lead as an exceptional leader which will eventually translate into corporate gains.

This one word carries in itself enormous responsibility. We have plenty of quotes on leadership from prominent personalities and in this article, we shall analyse some of them to get to know this phenomenon better.

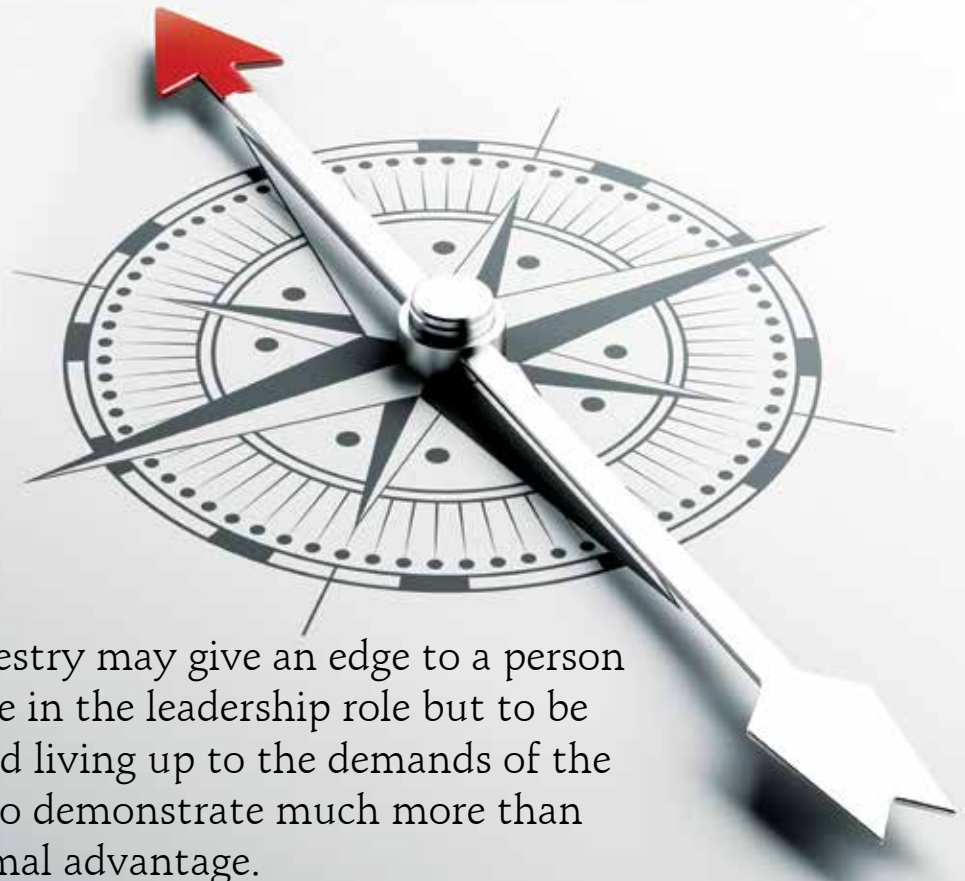
“Leaders are born not made.”

It is not precisely known who said it but time and again we hear the old adage, “Leaders are born not made”. However, would it not be stifling to stereotype leadership with just birth or hereditary characteristics? Genes do play some part in the behaviour of people but

it is more the situational aspects and circumstances that really motivate the prodigious quality of true and great leadership. Lineage and ancestry may give an edge to a person or even place one in the leadership role but to be a great leader and living up to the demands of the role, one needs to demonstrate much more than mere chromosomal advantage. Greatness has been very aptly distributed by William Shakespeare in **Twelfth Night** (Act II, Scene V) where Malvalio reads aloud from a forged letter: “... Be not afraid of greatness: some are born great, some achieve greatness and some have greatness thrust upon them.”

LEADERSHIP

by Moneeza Usman Butt



Lineage and ancestry may give an edge to a person or even place one in the leadership role but to be a great leader and living up to the demands of the role, one needs to demonstrate much more than mere chromosomal advantage.

The difference between a boss and a leader is that a boss says “Go!” while a leader says “Let’s go!”

“The greatest leader is not necessarily the one who does the greatest things. He is the one that gets the people to do the greatest things.”

These words of Ronald Reagan, the ex-president of U.S.A have deep connotations. People usually view good leadership with personal attributes or the achievements of the leader. Yes, these are important aspects of leadership too. However, when someone is able to champion a cause successfully, what really requires attention is the person who inspired the crusader to accomplish triumph despite trials and tribulations. As in the words of the famous writer J. Sakiya Sandifer, “True leaders don’t create followers... they create more leaders.”

“I suppose leadership at one time meant muscles; but today it means getting along with people.”

For Mahatma Ghandi to say these words, being a prolific political personality of his time, shows that something more than weapons is required to win wars. It requires winning the hearts of people. When people are convinced about a motive or cause they become a force to reckon with. The difference between a boss and a leader is that a boss says “Go!” while a leader says “Let’s go!” Using physical strength on people can only result in momentary gains not at all sustainable in the long run. So what Ghandi said decades ago would in all probability hold true till eternity!

“Leadership and learning are indispensable to each other.”

John F Kennedy, the 35th American president so aptly said these words,

meaning that a leader should not assume that if he is put in a specific role, he is the know all and be all. Such misconception would surely lead to downfall sooner than later. Good leaders believe in consultation and discussion which is one of the means of learning and enlightenment. To be able to make guided decisions, it is essential that views of others are taken into account rather than to simply dictate the course of action. Consultation leads to becoming aware of many matters and repercussions which would not have crossed the leaders mind as after all, leaders are also human. Consequently, with good leadership comes the trait of being good learners.

“As we look ahead into the next century, leaders will be those who empower others.”

Bill Gates in the quote above is identifying the essential characteristic required to be displayed by good leaders to prepare for the challenges of tomorrow. John Maxwell, a famous American author agrees with him and says, “Leaders become great, not because of their power, but because of their ability to empower others.” It is paramount for good leadership to avoid concentration of resources and power amidst a few rather enable others and provide them the grounds to realise their potential. With such attribute in leadership, the leader as well as the followers and the relevant cause overall would flourish and prosper.

About the author: **Moneeza Usman Butt** is a partner at KPMG Taseer Hadi & Co.

Good leaders believe in consultation and discussion which is one of the means of learning and enlightenment.

With good leadership comes the trait of being good learners.

LEADERSHIP: A Necessity for Tomorrow's Business Development?

by Hamza Bilal

"Leadership is the capacity to translate vision into reality."

– Warren G. Bennis

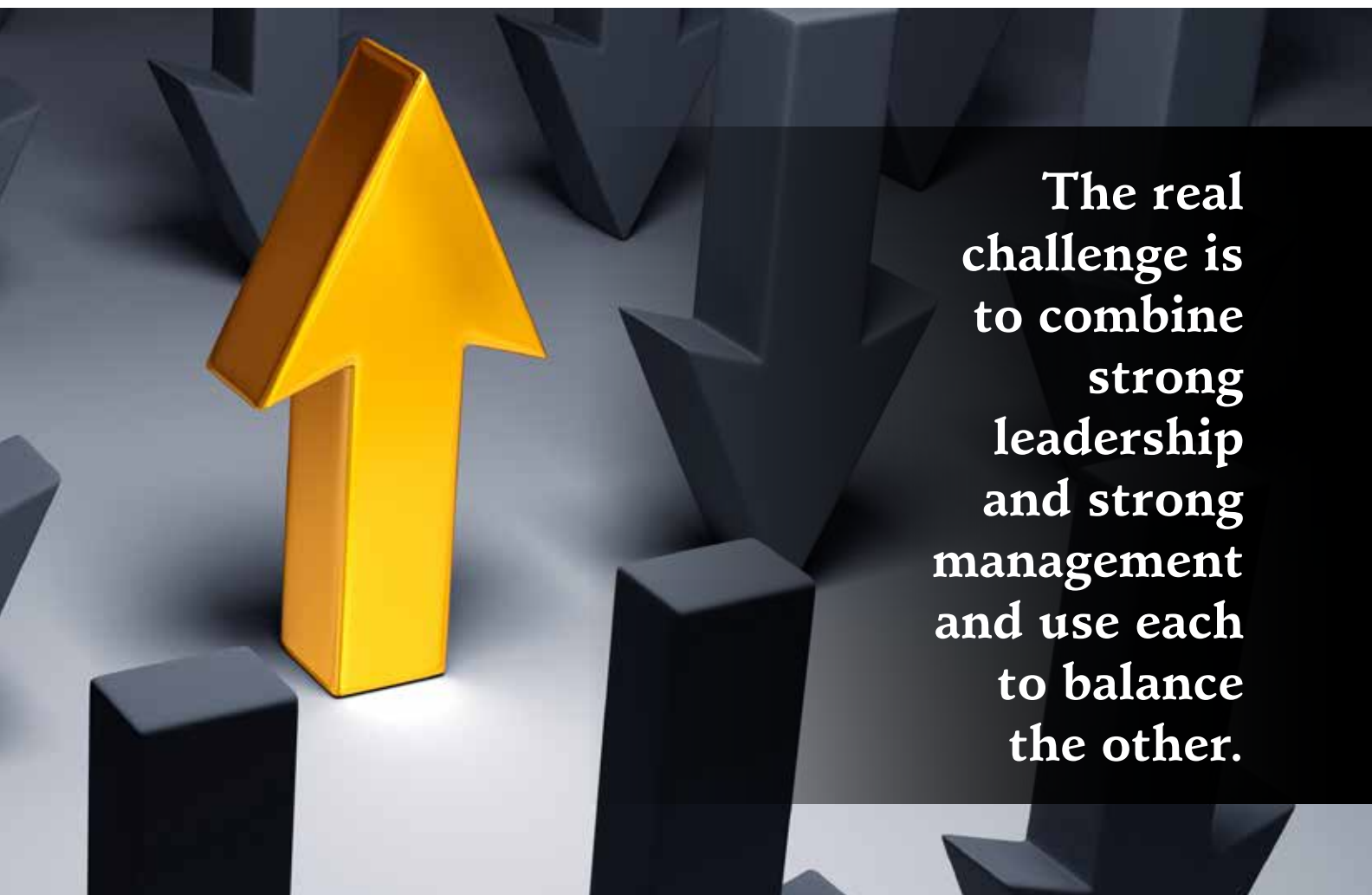
The word 'leadership' can bring to mind a variety of images like a political leader, an executive in a company, a person of faith or as simple as a family elder. The main perception of a leader is a person that helps himself/herself and others to do the right things, to set direction, build an inspiring vision and create something new. According to Peter

Drucker, "Leadership is the lifting of man's vision to higher sights, the rising of man's performance to higher standard, the building of man's personality beyond its normal limitation." Leader is a part of management and one of the most significant elements of direction. A leader may or may not be a manager but a manager must be a leader. A manager as a leader must lead his subordinates and also inspire them to achieve organisational goals. Thus, leadership is the driving force which gets things done by others.

Leader vs. Manager

John Kotter (2001) says that managers are people to whom this management task is assigned, and it is generally thought that they achieve the desired goals through the key functions of planning and budgeting, organising and staffing, problem solving and controlling. Leaders, on the other hand, set a direction, align people, motivate and inspire. Leadership and management are two distinctive and complementary systems of

A leader may or may not be a manager but a manager must be a leader.



The real challenge is to combine strong leadership and strong management and use each to balance the other.

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LEADERSHIP

action. Each has its own function and characteristic activities. Both are necessary for success in an increasingly complex and volatile business environment. Strong leadership with weak management is not good, and is sometimes actually worse, than the reverse. The real challenge is to combine strong leadership and strong management and use each to balance the other. When this balance is achieved by an organisation, it definitely provides opportunity for progress.

Five Different Types of Leadership Styles

1. Laissez-Faire

A laissez-faire leader lacks direct supervision of employees and fails to provide regular feedback to those under his supervision. This style of leadership is only effective in an environment where all employees are highly experienced and trained, requiring little supervision.

Leadership is the driving force which get things done by others.

2. Autocratic

The autocratic leadership style allows leaders to make decisions alone without the input of others. Leaders possess total authority and impose their will on employees.

3. Participative

Often called the democratic leadership style, participative leadership values the input of team members and peers, but the responsibility of making the final decision rests with the participative leader.

4. Transactional

The transactional leadership style receives certain tasks to perform and provides rewards or punishments to team members based on performance results.

5. Transformational

The transformational leadership style depends on high levels of communication from management to meet goals. Leaders motivate employees and enhance productivity and efficiency through communication and high visibility. This style of leadership requires the involvement of management to meet goals. Leaders focus on the big picture within an organisation and delegate smaller tasks to the team to accomplish goals.

Characteristics of Effective Leadership

The true task of leadership involves the ability to make change happen. Effective leadership begins with the fundamental ability to believe in oneself. It incorporates a maturity, conviction, and expertise that translate into purpose and direction. It is this clarity of vision that gives great leaders the confidence to adopt the role of instilling motivation, self-esteem, and teamwork. As

visionaries, they are disciplined thinkers and confidently trust their intuition. Leaders understand fully their environment and can transform situations to attain an established vision. However, there are some characteristics which are related to effective leadership. These characteristics are:

- **Dominance:** Successful leaders want to be managers and to take charge. However, they are not overly bossy and do not use a bullying style. If a person does not want to become a leader, chances are they will not be an effective manager. Thus, the dominance trait affects all the other traits related to effective leaders.

- **High Energy:** Leaders have the drive and work hard to achieve goals. They can tolerate stress well. Leaders have enthusiasm and do not give up. They deal with but do not accept setbacks. They are not viewed as pushy and obnoxious. They have a high tolerance for frustration as they strive to overcome obstacles through preparation. They take initiatives to bring about improvements rather than ask permission. They do not have to be told what to do.

- **Self-Confidence:** Leaders display self-assurance about their abilities and foster confidence among followers. Self-confidence influences individual goals, efforts and task persistence. Without strong self-confidence, leaders are less likely to attempt to influence followers to take on difficult tasks and to set challenging objectives for themselves and followers.

- **Stability:** Stability is associated with managerial effectiveness and advancement. Stable leaders are emotionally in control of themselves, secure and positive. Effective leaders

have a good understanding of their own strengths and weaknesses. They are oriented towards self-improvement rather than being defensive. This relates to effective leaders knowing when to lead and when to follow. They compensate for weaknesses by letting others with the strength lead in those areas.

- **Integrity:** Integrity refers to behaviour that is honest and ethical, making a person trustworthy. Trustworthiness is an important part of business success. The ability to influence others is based on integrity. Followers must trust the leader. Unless one is perceived to be trustworthy, it would be difficult to retain the loyalty of followers or to obtain cooperation and support from peers and superiors.

- **Intelligence:** Leaders generally have above average intelligence. Intelligence refers to cognitive ability to think critically, to solve problems and make decisions. Organisations are investing heavily on developing their intellectual capital to think critically and creatively. However, intuition, also called hidden intelligence, is important to leadership success.

- **Flexibility:** Flexibility refers to the ability to adjust to different situations. Leaders need to stay ahead of the immense changes in the world and the pace of change. Without flexibility, leaders would be successful only in limited situations that fit their style of leadership. Effective leaders are flexible and adapt to the situation.

- **Sensitivity to Others:** Sensitivity to others refers to understanding group members as individuals, what their position on issues is and how

Leadership effectiveness include the ability to get along with people. This interpersonal skill includes persuasiveness, tact and diplomacy.

best to communicate with and influence them. To be sensitive to others requires empathy and the ability to place oneself in another person's position, to see things from others' point of view.

■ **Abilities:** Effective leaders share certain abilities and skills that enable them to do their job, although the exact importance of a particular ability cannot be known with certainty. Some of the more important abilities associated with leadership effectiveness include the ability to get along with people. This interpersonal skill includes persuasiveness, tact and diplomacy. The effective leader must display more than passing technical knowledge relevant to the task undertaken by the followers.

■ **Motivation:** Leaders seem to exhibit a relatively high need for power, but they act on that need in socially acceptable ways. Effective leaders work within the system to accomplish socially desirable outcomes. Another motivation that sets leaders apart is a relatively high need for achievement.

Why Leadership is Important in Today's Business?

As the speed of business increases, it's easy to focus only on the immediate need and pay less attention to the systemic issues that ultimately drive long-term success. One of those significant areas is leadership development. Leadership development refers to any activity that enhances the quality of leadership within an individual or organisation. Today, effective leadership is commonly viewed as central to organisational success,

and more importance is placed on leadership development than ever before. Developing more and better individual leaders is no longer the sole focus of leadership development, although it remains a critical aspect. Increasingly, leadership is defined not as what the leader does but rather as a process that engenders and is the result of relationships—relationships that focus on the interactions of both leaders and collaborators instead of focusing on only the competencies of the leaders.

Proliferation of Leadership Development Methods

1. Classroom-Type Leadership Training

The primary formal development mode is now complemented (or even supplanted) by activities as diverse as high ropes courses or reflective journaling. Classroom training should not be the only part of a leadership development initiative, and may be the least critical.

2. Developmental Relationships

They primarily take two forms: Coaching and mentoring.

■ **Coaching** involves practical, goal-focused forms of one-on-one learning and, ideally, behavioural change (Hall, et al., 1999). It can be a short-term intervention intended to develop specific leadership skills or a more extensive process involving a series of meetings over time. The most effective coaching allows for collaboration to assess and understand the developmental task to challenge current constraints while exploring new possibilities, and to ensure accountability and support for reaching goals and sustaining development (Ting & Hart, 2004).

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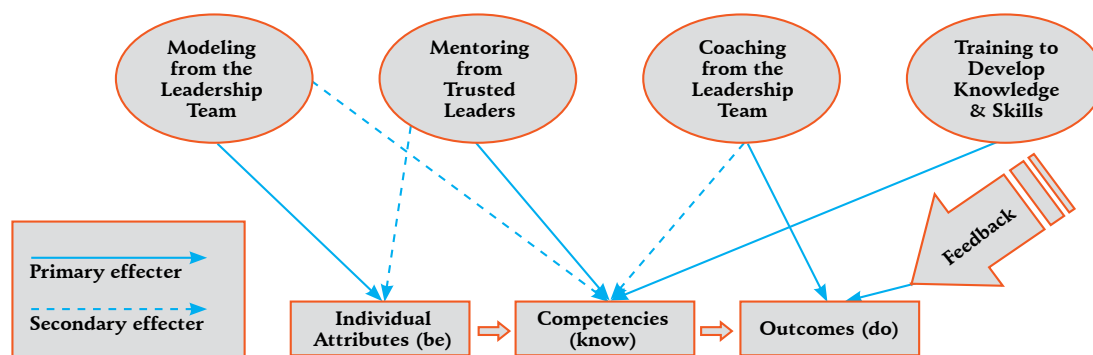
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Leadership Development Model



■ **Mentoring** is typically defined as a committed, long-term relationship in which a senior person supports the personal and professional development of a junior person. It may be a formal program or a much more informal process. Recognising the value of mentoring, organisations are increasingly looking at ways to formalise these types of relationships as part of their leadership development efforts.

3. Action Learning

It is a set of organisation development practices in which important real-time organisational problems are tackled. Three kinds of objectives are sought by Palus and Horth in 2003:

- Delivering measurable organisational results.
- Communicating learning specific to a particular context.
- Developing more general leadership skills and capabilities.

4. Effective Action Learning

This may range from tacit, unfacilitated learning at work to focused and high impact learning projects to transformations of people and organisations (Marsick, 2002).

5. Challenging Job Assignments

These are a potent form of leadership development and provide many of the developmental opportunities in organisations today. The level

Building Better Leaders

The goal of leadership development ultimately involves action, not knowledge. Therefore, development today means providing people opportunities to learn from their work rather than taking them away from their work to learn. Furthermore, best practice organisations recognise leadership as a key component of jobs at all levels and are committed to creating leaders throughout their organisations. Increasingly, organisations have CEOs who model leadership development through a strong commitment to teach leaders internally because successful organisations need leaders at all levels.

of organisational involvement in making job assignments part of their leadership development process runs the gamut from simply providing people with information about developmental opportunities in their current job to a systematic program of job rotation. Using job assignments for developmental purposes provides benefits that go beyond getting the job done and may even result in competitive advantages for the organisation (Ohlott, 2004).

6. 360-Degree Feedback

One developmental method has been so pervasive that it deserves somewhat greater attention here: the

use of 360-degree feedback to assess leader competencies. Chappelow (2004) recently noted that perhaps the most remarkable trend in the field of leader development over the past 20 years has been the popularity and growth of 360-degree feedback. Others called it one of the most notable management innovations of the past decade (Atwater & Waldman, 1998; London & Beatty, 1993).

7. Teams

Another kind of leadership development method gaining popularity during the past 20 years has involved teams (Ginnett, 1990). The prevalence and importance of teams in organisations today, and the unique challenges of leading teams, make it easy to forget that teams were not always so pervasive a part of our organisational lives.

Conclusion

Leadership development initiatives today typically offer performance support and real world application of skills through such methods as training programs, coaching and mentoring, action learning, and developmental assignments. Combining instruction with a real business setting helps people gain crucial skills and allows the organisations to attack relevant, crucial, real-time issues.

LEADING A SUCCESSFUL TEAM

Each of the four stages of a team operates differently. Are you leading the highest-performing team?

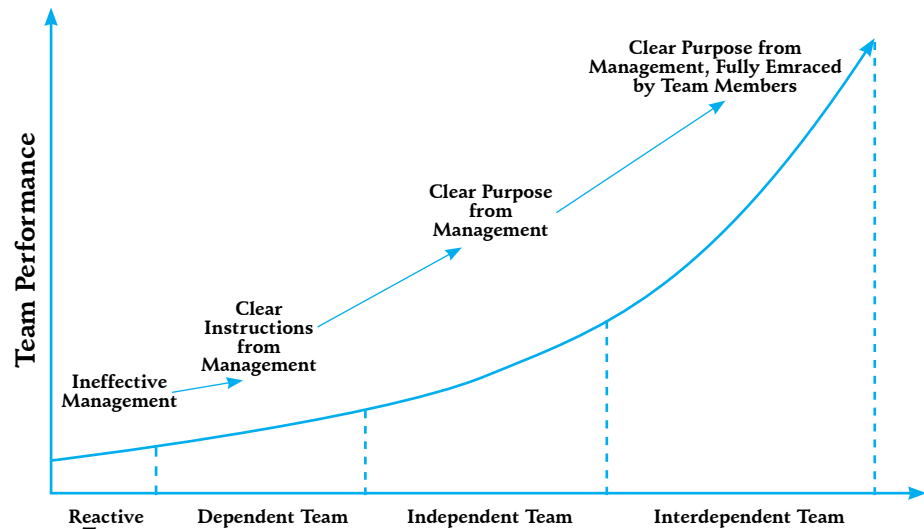
Two of a manager's most important responsibilities are to motivate and to provide direction for his or her team. Without these two qualities, the manager or the team won't be very successful.

The concept of providing direction is easy to grasp. A manager's responsibility is to ensure that his or her team works toward achieving the company's objectives, goals, mission statement, and so on. Motivating a team is more difficult. While on a fundamental level individuals can motivate themselves from within, management is responsible for building a work environment that keeps employees motivated and pushes them to excel. This can happen through incentives, formal or informal recognition, and management style.

One of the best expositions of motivation at work that I've seen recently comes from the best-selling author Daniel Pink's **Drive: The Surprising Truth About What Motivates Us**. Pink posits that once people have a sufficient income to live comfortably, they need three things to keep them motivated at work: autonomy, purpose, and the ability to gain mastery. Pink's theory is a modern exposition of American psychologist Abraham Maslow's hierarchy of needs—people want to develop, to be creative, to solve problems, and to grow (or in Maslow's terminology, to "self-actualise").



Once people have a sufficient income to live comfortably, they need three things to keep them motivated at work: autonomy, purpose, and the ability to gain mastery.



We can apply this thinking to understand how a manager can develop a high-performing team (i.e., a team that's motivated and achieves exceptional results). There are four stages (levels) that a team can go through, moving from a low-performing, reactive team and advancing toward a high-performing, interdependent team. Some teams could be formed at, say, level 3 and move upward or downward from there, while others may need to go step by step. (See graphic representation above of each stage of a team.)

Reactive Team

This is the lowest-performing team level. The team has ineffective management, lacks organisation and/or coordination, and doesn't work toward common goals (either of the team or of the overall organisation). It's likely transactional in its interactions with the organisation (i.e., the team is asked directly to do something and executes the request). Additionally, since the team has no common goals and little autonomy, team members aren't motivated to do

anything more than simply complete the task at hand. In this case, the team manager exists in name only. He or she does little to formally or informally influence the team, and, as a result, the team's performance is poor.

Dependent Team

This is a step in the right direction. In this case, the manager provides clear and prescriptive instructions to the team, and the team members carry them out. In specifying both the "what" and the "how," the manager ensures that there's no misunderstanding and that the tasks are carried out exactly as he or she wants. While this ensures the task is completed, this stage of "teamwork" misses opportunities for understanding and effectiveness because it doesn't leverage the knowledge and expertise of the individual team members. Instead, it assumes that the manager is the expert, and the team members play a purely executorial role. On the other hand, the manager finally takes on a directive role, closing the gap from a reactive team. Yet there's still very little autonomy

or purpose given to the team—they're simply told what to do and how to do it. This ultimately results in a poorly motivated team.

Independent Team

In an independent team, the manager provides purpose, and the team members develop what to do on their own in order to achieve the objectives. Said another way, management specifies the "what," and the team members independently develop the "how." This acknowledges the team members' important role to not only execute but also to improve processes and solve problems, better leveraging the expertise and experience of the full team rather than just the manager. In this team setting, functions are balanced, and the team trusts each individual's area of expertise and responsibility. This has been developed extensively in the Kaizen concept (practice of continuous improvement) in Lean production (assembly-line methodology developed originally for Toyota and the manufacturing of automobiles) but can equally be applied to services and support functions. Additionally, an independent team operates with higher levels of autonomy and purpose, which leads to a motivated team and creates a virtuous circle of performance and motivation.

Despite the strengths of an independent team, there are still challenges, namely that it's independent by nature. While the team members work toward a common purpose, they also work in silos and compete with each other for recognition and advancement. There's limited cross-fertilisation of ideas,

approaches, and methods, which holds back performance from its optimal level.

Interdependent Team

In this most successful stage, management sets a clear purpose, and it's fully embraced by the team members, who work toward it together. Said differently, management specifies the "what," and the team members take the initiative to interdependently develop the "how." Most important, the team recognises that working together creates more value for the organisation than working in silos, and collaborating with each other is better than challenging each other. The team has bonded, and individuals trust each other to deliver a high-quality product. They exhibit a positive attitude toward each other and approach challenges as opportunities. The feedback loop provided by team members who challenge one another can also be applied to the interaction between team members and management. In truly high-performing teams, team members can openly challenge management about the team's purpose and anything else. A healthy dissatisfaction with the status quo ensures that the team constantly works to bring the most value to the organisation.

By ensuring that your team has embraced a clear purpose and by encouraging team members to work together and to challenge each other (and management), you and your team can deliver organisational value more effectively.

Courtesy: IFAC Global Knowledge Gateway:
www.ifac.org/Gateway.

There are four stages (levels) that a team can go through, moving from a low-performing, reactive team and advancing toward a high-performing, interdependent team.



WHY EMPLOYEES

DON'T **TRUL**

**"Employees want to know
their CEOs as people."**



THEIR LEADERSHIP

Of 33,000 workers globally, one in three said they don't trust their employer. What gives?

One in three people don't trust their employer. That's according to the new Edelman **Trust Barometer**, a survey of 33,000 people in 28 countries about trust in the workplace.

Among the other notable findings, trust decreases down an organisation's hierarchy: 64% of executives, 51% of managers, and 48% of rank and file staff say they trust their organisations, and employees say they trust peers

more than CEOs when it comes to company information.

Right now, many workers have their choice of jobs that boast high earnings and a range of career opportunities. To stay competitive in the war for talent, most employers are offering a full complement of benefits and perks as well as beefing up their efforts to engage workers through inclusion initiatives. Indeed, many employees among the **Top 100 Great Places To Work**

reported being satisfied with their jobs, but also having a high level of trust for their companies.

That's obviously not the case everywhere, according to the Edelman Trust Barometer. The survey revealed gaps between factors that employees rate as important for building trust and how their leaders rated based on those attributes.

For example, while 50% of respondents said it was important

Integrity and Employee Engagement Key to Building Trust in Leadership

Importance vs. performance of 16 trust-building leadership attributes

▲ General Population

	% Importance	% Performance	Gap
Integrity			
Exhibits highly ethical behaviours	50	24	26
Takes responsible actions to address an issue or crisis	53	33	20
Behaves in a way that is transparent and open	50	24	26
Engagement			
Treats employees well	52	25	27
Listens to customer needs and feedback	50	25	25
Places customer ahead profits	47	23	24
Communicates frequently and honestly on the state of their company	46	23	23
Products			
Places a premium on offering high-quality products or services	48	34	14
Is focused on driving innovation and introducing new products/services/ideas	42	32	10
Purpose			
Is dedicated to protecting and improving the environment	41	22	19
Ensures that the company creates programs that positively impact the local community in which it operates	42	28	14
Ensures that the company addresses society's need in its everyday business	43	26	17
Ensures that the company partners with NGOs, government and third parties to address societal issues	33	24	9
Operations			
Attracts and retains a highly regarded and widely admired top leadership team	40	29	11
Is ranked on a global list of top CEOs, such as "The Best Performing CEOs in The World."	29	25	4
Manages the company in a way that delivers consistent financial returns	41	29	12

Source: 2016 Edelman Trust Barometer. 0462-478 How important is each of the following attributes to building your trust in CEOs? (Top 2 Box, Important) Q479-495 Please rate CEOs on how well you think they are performing on each of the following attributes. Use a nine-point scale where one means they are "performing extremely poorly" and nine means they are "performing extremely well." CEO questions use the same scales as the business questions. (Top 2 Box, Performance) General Population. 28-country global total.

Study shows employees think CEOs focus too much on short term business performance, and not enough on long term impact and job creation.

that their CEO exhibits highly ethical behaviors, only 24% believed the CEO was actually exhibiting such behavior. This is a major gap, but not a surprising one, given that many people view 'business ethics' as an oxymoron.

However, we've reported on how a lack of ethics could have far-reaching effects. One company's demanding executives who fostered a competitive culture that encouraged winning at any cost may have set the stage for employees to cheat. On the flip side, several studies have found that corporate reputation is synonymous with investor confidence and higher earnings.

Similar gaps existed between the importance of taking responsible action to address an issue or crisis, transparency, and listening to customer feedback. The widest gulf — 27 percentage points — was between the importance of treating employees well and the practice of it.

But it's not just about internal performance as the study authors note: "Employees want their organisations and the people who lead them to be motivated by more than just profit and business performance. In fact, employees said they are more likely to perform better, recommend the company's products and services, and stay with the organisation if the CEO is actively and visibly engaged in societal issues."

Why the Disparity Between Leadership Attributes and Actual Practice?

Christopher Hannegan, executive vice president and U.S. practice chair for employee engagement, an author of the study, tells **Fast Company** that CEOs are not connecting with their workers in the right way.

"Our study shows employees want to really understand who their CEOs are at a personal level, including the values that drive them, at levels higher than the general public want to understand CEOs," Hannegan explains. "Employees want to know their CEOs as people," he adds. Indeed, 80% percent of employees said they wanted to better understand a CEO's personal values, he says, while 73% wanted to know about obstacles the CEO has overcome, and 68% said they wanted to hear about a CEO's personal success story.

Could this need for personal information stem from the proliferation of social media updates? After all, executives are often encouraged to take to social channels to shape their image and the company's brand.

"Your hypothesis is possible, but our data doesn't support it," Hannegan argues, even though he thinks that


appropriate use of social media directed at employees would actually help them focus on the values based topics that employees are interested in hearing most about.

"More broadly, our study also shows employees think CEOs focus too much on short term business performance, and not enough on long term impact and job creation," Hannegan says.


The study concludes that the findings of the Trust Barometer are "deeply disturbing," in part because many leaders still believe that they speak and their employees follow. "That the hierarchical, non-democratic structures of the organisation result in obedient employees who toe the party line and automatically extol the virtues of their employer," they write, "in truth could not be more different."

What the **Trust Barometer** data indicates is that leaders have lost control over the provision of information about their organisation, they say. "There is now a disconnect between authority and influence." This is a problem because the study authors say that an employee is the most trusted spokesperson for a business. "And as long as employees don't trust their employers, employers cannot trust what their employees say."

Courtesy: IFAC Global Knowledge Gateway: www.ifac.org/Gateway.



Accountants are equipped with excellent decision making skills. Apart from their existing role of handling the entire finances and running the textile business, they should come forward and play their role in the policy making for the betterment and revival of textile industry. A vibrant textile industry is of vital importance for the country.



Ambitious Textile Policy 2014-19 and Challenging Energy Crisis

by Madiha Naz

Abstract

Once a growing and powerful industry, textile is now a victim of present energy crisis. The energy crisis has hit hard the textile industry. Many small units have shut down their operations and many are struggling for their survival. The government has announced the textile policy 2014-19 aiming at doubling the textiles exports from \$13 billion per annum to \$26 billion per annum in five years but it lacks the exact plans and willingness of the government to provide textile industry uninterrupted energy supply at competitive rates. This article comprises the major goal as envisaged under the textile policy 2014-19 and the reviews of stakeholders of textile industry.

Accountants are equipped with excellent decision making skills. Apart from their existing role of handling the entire finances and running the textile business, they should come forward and play their role in the policy making for the betterment and revival of textile industry. The government should implement the textile policy 2014-19 in its true spirit as a vibrant textile industry is of vital importance for the country.

Textile Industry Consume a Significant Amount of Energy

The textile industry has played an important role in the development of human civilisation over several millennia. Today, the textile industry is one of the most complicated manufacturing industries because it is a fragmented and heterogeneous sector dominated by Small and Medium Enterprises (SME). The textile industry is traditionally regarded as a labour intensive industry developed on the basis of an abundant labour supply. The textile industry, in general, is not considered an energy intensive industry. However, the textile industry comprises a large number of plants which all together consume a significant amount of energy.

Today, the textile industry is one of the most complicated manufacturing industries because it is a fragmented and heterogeneous sector dominated by Small and Medium Enterprises.



Pakistan Textile Industry: Potential and Opportunities

Pakistan has indeed come far in the last six decades as a dominant force in the global textile supply chain. Being the fourth largest producer of cotton in the world, the primary raw material provided the natural competitive advantage to the textile producers of Pakistan. However, the share of Pakistan in the global trade of textiles remains less than 3%.

The textile industry contributes about 55% to the country's total exports, provides employment to about 40% of industrial labour force, consumes more than 40% banking credit and accounts for more than 8% of the Gross Domestic Product (GDP).

Hindrances to Vigorous Textile Industry

Pakistan's textile industry is going through one of the toughest periods in decades. The global recession which has hit the textile industry really hard is not the only cause for concern. Serious internal issues such as the hike in electricity tariff, the increase in interest rate, energy crisis, devaluation of Pakistani rupee, double digit inflation, increasing cost of inputs, high cost of

financing, political instability and internal dispute also effected the industry very badly.

The basic concern is higher cost of energy and its non availability. The energy cost in India ranges between US cents 0.0875 and 0.1801 depending upon states, and in Bangladesh, it is US cents 0.027, Sri Lanka 0.0908 and Vietnam 0.0730. In Pakistan, it is US cents 0.1654 across the board.

All factors increase the cost of production which decreases the exports. Given the fact that this industry still provides the major share of exports and employment opportunities, there is more than a greater need for steps in right direction to revive it.

Textile Policy 2014-19 in a Glance

The highly anticipated Textile Policy 2014-19, approved by the Economic Coordination Committee (ECC), was announced by the textile minister, Abbas Khan Afridi on February 9, 2015. Finally we have a document that provides a comprehensive roadmap for the vitally important textile industry of Pakistan. It is good to note is that the entire value



Being the fourth largest producer of cotton in the world, the primary raw material provided the natural competitive advantage to the textile producers of Pakistan. However, the share of Pakistan in the global trade of textiles remains less than 3%.

chain has been addressed in this document in a befitting manner by focusing on all interdependent sectors starting from the fibre to apparel and made-ups.

The key goals as envisaged in the Textile Policy 2014-15 are:

- To double value addition from \$1 billion per million bales to \$2 billion per million bales in five years.
- To double textiles exports from \$13 billion per annum to \$26 billion per annum in five years.
- To facilitate additional investment of \$5 billion in machinery and technology.
- To systematically develop clusters and to strengthen the new ones.
- To improve fibres mix in favour of man made fibres and non cotton fibres from 14% to 30%.
- To improve the products mix in the garment sector from 28% to 45%.
- Creation of more than three million jobs.

The budgetary support measures to achieve these goals as announced include:

- Duty drawbacks of 4% for garments, 2% for made ups and 1% for processed fabric.
- The mark-up rate for Export Refinance Scheme (EFS) of State Bank of Pakistan

(SBP) is being reduced from 9.4% to 7.5% from July 1, 2014.

The measures to spur investments in the textile industry include:

- Long Term Financing Facility (LTFF) for upgradation of technology at 9% for 3-10 year duration as well as duty free imports of machinery for next two years.
- Foreign investors in textile industry will be encouraged to invest in new projects, or buy shares in the existing ones. Pakistan ensures repatriation of 100% investment and all profits and dividends to foreign investors.
- Fast track channel for Sales Tax refund claims within three months if not earlier is being created according to the policy document.

Measures to solve energy problem include:

- Ministries of Water and Power and Textiles will jointly work out fast track plans to ensure maximum availability of energy — both electricity and natural gas — for the textile industry which has suffered long outages of energy resulting in low production.

Sector specific measures include:

- Improving standardisation of cotton and ginning sector.

- Production of clean cotton would be possible with up gradation of the ginning machinery which has been included in LTFF scheme. The existing institutions such as Pakistan Central Cotton Committee and Pakistan Cotton Standards Institute would be restructured and strengthened.
- Hedge trading in cotton would be introduced after consultations with the stakeholders.
- In each subsector, investment in new technology is encouraged to produce better value added and diverse products.

Subsidies for boosting the textile sector:

- The finance division will provide Rs.40.6 bn over the five years for duty drawback, technology upgradation, brand development and drawback on deemed imports, etc., while another Rs.23.5 bn will be provided financed through Planning Commission and Textile Development Fund. For skill development, dedicated textile exhibitions, establishment of world textile centre, weaving city, incubators, apparel house, and mega textile awards.

Reviews of Stakeholders of Textile Sector

While the policy has been welcomed by a majority of the textile industry leaders,

there are some critical voices too. Its largest organisation, All Pakistan Textile Mills Association (APTMA) officially said it “appreciates the efforts of Abbas Khan Afridi, minister for Textiles for providing a growth-oriented Textile Policy 2015-19.”

APTMA estimated it will also facilitate in creation of three million more jobs through internship in the large textile units and provide vocational training to workers for higher productivity.

In a separate statement APTMA chairman S.M. Tanveer said the textile industry based in Punjab has “once again been exposed due to gas supply suspension for an indefinite period despite prime minister Nawaz Sharif directions.”

Ijaz Khokhar, chairman Pakistan Readymade Garments Manufacturers Exporters Association, said: “Small and Medium Enterprises which account for 97% of the entire textile industry have been totally ignored in the new policy. It would have been better if incentives were given across the board. But only large groups can benefit from the new policy.” He further said that the textile policy 2014-19 has come after a delay of over seven months and it has no aggressive marketing plans to

The textile industry contributes about 55% to the country's total exports, provides employment to about 40% of industrial labour force, consumes more than 40% banking credit and accounts for more than 8% of the Gross Domestic Product (GDP).



attract foreign buyers. In such a situation achieving \$26 billion export target in next five years is next to impossible.

Pakistan Apparel Forum chairman Javed Bilvan said there is no protection of raw material in the policy. The government must give more incentives with respect to subsidies and utilities tariff to make it more competitive in the region.

Accountants and Textile Industry go hand in hand – An Ideal Combination for Prosperity of the Industry

Accountants are making meaningful contribution to all sub-sectors of textile industry and their services are highly acknowledged. They are able to face diverse challenges. Their extraordinary accounting background, strong technical skills, effective decision making skills, expertise in Systems, Applications and Processes (SAP), acknowledgement of latest economic happenings, curiosity for learning, understanding of the entire textile process, vigilance of the advancement in textile sector have made them an unmatched asset for the textile industry. However it's the need of the hour that they should play their valuable role in policy making for advancement of

textile sector. They should do research in developing cost effective energy-efficiency opportunities in textile plants and assist the government in implementing these opportunities across the industry.

Conclusion

The export target of \$26 billion per annum is an entirely achievable target provided the policy is implemented as intended. The government should prioritise textile sector with respect to provision of utilities to make it more competitive in the region. The textile mills can work at their maximum capacity if the government makes sure the uninterrupted supply of utilities at low cost. Accountants are giving momentum to the textile industry.

Let us hope that the present Textile Policy 2014-19 is implemented as intended in the interest of the country and the economy.

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Pakistan's textile industry is going through one of the toughest periods in decades. Global recession is not the only cause for concern. Serious internal issues such as the hike in electricity tariff, the increase in interest rate, energy crisis, devaluation of Pakistani rupee, double digit inflation, increasing cost of inputs, high cost of financing, political instability and internal dispute also effected the industry very badly.



Small and Medium Enterprises which account for 97% of the entire textile industry have been totally ignored in the new policy.



The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

CFO CONFERENCE 2016

Tuesday May 31, 2016

Thursday June 02, 2016

KARACHI - PEARL CONTINENTAL HOTEL - LAHORE

Defining New Frontiers

It's a VUCA world



ICAP CFO Conference 2016

May 31 Karachi & June 02 Lahore

CFO Conference 2016
Coverage by
Samina Iqbal
with **Afshan Aleem**

The Professional Accountants in Business (PAIB) Committee of the Institute of Chartered Accountants of Pakistan (ICAP) held the CFO Conference on May 31, 2016 in Karachi and June 2 in Lahore.

CFO Conference is the biggest finance event of the country in which business leaders and finance professionals from different sectors of Pakistan come together to discuss and seek solutions of the emerging issues they face. The theme of this year's Conference: **Defining New Frontiers, It's a VUCA World: Adapt-Innovate-Excel** aimed to spread awareness about the challenges posed by the Volatile, Uncertain, Complex and Ambiguous environment as well as to discover new opportunities for innovation.

In a pre-conference press briefing **Yacooob Suttar**, ex-president ICAP said that

seven years ago, the PAIB Committee of ICAP took this initiative of organising CFO conferences to reach out to its members in industry and provide them with a platform to discuss, debate and seek pragmatic solutions of emerging business and finance issues. Till now, 12 CFO conferences have been held across the country with participation of over 6,000 business leaders and finance professionals.

Feroz Rizvi, ICAP COO/Secretary in the meet with the media stated that "Technological advancements will not render jobs redundant. People will still be needed to run businesses. However, the way things are done will change. Only those who adapt to newer challenges will succeed."

The CFO Conference 2016 started with the welcome address which was delivered

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by the president ICAP Hafiz Mohammad Yousaf, who highlighted the significant developments and changes at the global economic landscape over the last few years. He particularly put emphasis on the surrounding jurisdictions and regions across Pakistan, their changing roles and how the profiles of finance professionals will be shaped in future. He said “Volatility, uncertainty, complexity, and ambiguity (VUCA) pose a unique challenge for any decision-maker, an environment that allows true leadership talents to emerge at all levels of the organisation.

“Today, VUCA becomes an opportunity for development and greater collaboration, rather than a risk to be mitigated. In a VUCA world, the race doesn’t go to the swift, strong, or smart – the race goes to the most adaptable, who learn from experience and co-evolve with the complex adaptive systems within which they work and live. Keeping this in mind, we need to redefine ourselves to become the leaders of the 21st century VUCA environment.”

The conference included visionary keynote speaker, **Dr. Jeffery A Stacy**, managing partner, Geopolicity USA who addressed on **Geopolitical, Economic and Trade Futures**, focusing on Pakistan and the New Silk Road. Stacy said that Pakistan can gain a lot through maximising regional cross-border investment, trade, and transit because China-Pakistan Economic Corridor (CPEC), Iranian Chabahar Port (Garland Highway), Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project, 1000 electricity transmission and trade project for Central Asia and South Asia (CASA-1000), and the Northern Route, are emerging as new frontiers. Dr. Jeffrey,

served as a speechwriter and legislative-aide to former British prime minister and as chief of staff to European Parliament.

He said the potential priorities for Pakistan in this scenario were: making the most of the CPEC, Gwadar development, becoming a link to Central Asia, implementation of Afghanistan-Pak trade deal and building spur to Kandahar, energy projects such as API, CASA, Afghan hydro, and trade with India. “The challenges and opportunities for Pakistan in geo-strategic landscape include the United States’ domestic sideshow; Russia’s re-emergence; China’s newfound aggression; the European eclipse; Syria, Isis, and al-Qaeda; and instability in Central South Asia.”

Dr. Stacey added that Pakistan’s mega economic trends in this rapidly changing world were growth of the middle class, acceleration of computing power/digital disruption, aging of the population, and acceleration of connectivity.

A panel discussion was held on **Thriving in the age of disruption – Disrupt or get disrupted**. In Karachi, the panelists included **Abrar Mir**, chief Innovation and Financial inclusion officer HBL; **Sadaf Abid**, co-founder CIRCLE and Social Entrepreneur in Residence INSEAD and **Naeem Zamindar**, country director, Acumen Fund. However, the Lahore panelists included **Badar Khushnood**, country representative, Twitter; **Zohair Yousafi**, head of Expansion, Uber Pakistan and **Yasir Masood**, executive director Finance, Cherat Cement Company. The session was moderated by **Hammad Siddiqui**, Country Director, CIPE in Karachi and **Furqan Qureshi**, facilitator and management consultant in Lahore.





Khalilullah Shaikh, chairman PAIB Committee, ICAP said that “In today’s business environment, shrouded with unprecedented pace of transformation and unpredictability, change is the new Normal. In such a Volatile, Uncertain, Complex and Ambiguous (VUCA) environment, where rules change mid-game, organisations as units, and managers as individuals, are striving to stay afloat and aligned.” Shaikh said while “such an environment posed multifarious challenges, it also opened doors of innovation, unexplored arenas and newer opportunities. This is exactly what the CFO Conference 2016 is all about – **Defining New Frontiers, It’s a VUCA World: Adapt-Innovate-Excel.**”

Khalilullah Shaikh announced the winners of the most awaited **Professional Excellence Awards 2016** with a quote from Aristotle: “Excellence is never an accident. It is always the result of high intention, sincere effort, and intelligent execution; it represents the wise choice of many alternatives - choice, not chance, determines your destiny.”

The winner was Synthetic Products Enterprise Limited for adaptation of ‘behavioral finance’ in their organisation. K-Electric scored the second position for ‘\$415 million financing for Transmission Enhancement and Distribution Projects.’

Nadeem Hussain, founder, former CEO and president, Tameer Microfinance Bank Limited shared the management perspective on the theme **Adapt-Innovate-Excel**. He reiterated the importance of vision and dream to excel, adapt and innovate in a VUCA world. He was of the view that 80 to 85 percent startup businesses failed because

they didn’t do their homework properly and incorporate strategies. They also lack other important ingredients of managing the organisation.

An interactive case discussion was conducted by **Khalid Aziz Mirza**, professor of practice, Lahore University of Management Sciences (LUMS), about the pitfalls and successful strategies.

Kamran Rizvi, inspirational speaker and OD specialist conducted a session on **Discovering Inner-self** followed by a speaker session by **Aftab Mahmood Butt**, CEO, KAPCO who talked about **Leadership Strategies and Bridging the Talent Gap**. He said that finance professionals are now required to come up with new business proposals and strategy for business sustainability and growth. He added that the change was needed to respond to the needs of the business and the power to become a true business partner, was in the hands of the CFOs.

Butt said the winning strategy for business leaders would be to grow and contribute – develop and deploy knowledge and ingenuity to achieve company’s vision – and focus on people, create freedom to innovate and collaborate, respect individuality, have fun and rise to challenges. He said that teamwork was another winning strategy to succeed together through a climate of respect and equality. “The Finance functions need not only embrace technology, but also hire and develop talent to maintain and operate those systems and recruiting, managing and retaining talent is one of most important objective of senior finance executives — and one of the most difficult to achieve,” he said adding that in this environment, CFO (senior finance



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executives) need to take ownership of the talent agenda. He said they need to create an organisation-wide HR strategy that attracted appropriately skilled finance employees and supported their aspirations at all levels throughout their careers.

In Lahore, **Farhad Karamally**, Global OD Funiculator, Business Coach and CEO, Funverks Global conducted an interactive session on **Challenging Imagination in a VUCA World**.

The Conference ended with an enthralling debate on **Finance and IT – Who's the Boss** between **Syed Amir Ali**, group head Corporate and Investment Banking, Meezan Bank Limited and **Veqar Ul Islam**, CEO and director, Jaffer Business Systems. Whereas in Lahore, the debaters were **Farhan Ullah Khan**, chief financial officer at Allied Bank Limited and **Syed Owais Zaidi**, founder and chief product officer at Creditfix.pk. The debate was moderated by **Hassan Bin Rizwan** who was also the master of ceremony for the event. Hassan managed to keep the Karachi and Lahore audience engaged throughout the Conference with his confident, informal style.

Closing remarks in Karachi, were presented by **Yacoob Suttar**, past president ICAP and deputy managing director and CFO, Pakistan State Oil. He appreciated the PAIB Committee and ICAP staff for their efforts and thanked our media partners and sponsors for making this event a success.

CFO Conference 2016 focused on adaptation of technology such as man-less registration process aided by vending machines, drone cameras for aerial view of video and pictures, 3D printer available on spot and live streaming. The digital

strategy allowed for better interaction with the audience at large mainly through the launch of Battle of Brains quiz on Facebook, the winners of which were awarded at the Conference.

United Bank Limited was the **Platinum sponsor** for the event while Meezan Bank and Al-Meezan Investments sponsored the lunch. **Gold sponsors** included K-Electric, Lawrencepur, MARSH, DHA City, and Warid while **Silver sponsors** included Adamjee Insurance, Engro Corporation, Indus Motor Company, Millat Tractors Limited, PSO, TCS and National Foods. The Conference was produced by TerraBiz and media partners included Business Recorder, ARY digital and Symmetry.

ICAP PAIB Committee has been organising the CFO Conference since 2010 which now has become a flagship event of the Institute. ICAP PAIB Committee is recognised at IFAC level with the then president ICAP, Yacoob Suttar honoured as the deputy chair at IFAC's Advocacy Group. International participation of speakers from IFAC and IFAC-PAIB in the conferences as well the active participation of ICAP representatives in IFAC-PAIB Committee have resulted in ICAP PAIB being considered as a model for the other accountancy bodies. The ICAP PAIB Committee is committed to make continuous enhancements in its role to cater to the professional accountants serving in commerce, industry, education, finance, private and public sector in Pakistan.

The conference concluded with a good feedback on social media as well from 1,500 business and finance leaders from over 400 organisations across the country who attended the CFO Conference 2016 in both cities.



MOMENTS

CFO Conference 2016, Karachi



CFO Conference 2016



MOMENTS

CFO Conference 2016, Karachi



CFO Conference 2016



MOMENTS

CFO Conference 2016, Karachi



CFO Conference 2016



MOMENTS

CFO Conference 2016, Lahore



Pre Conference dinner



CFO Conference 2016



MOMENTS

CFO Conference 2016, Lahore



CFO Conference 2016



MOMENTS

CFO Conference 2016, Lahore



CFO Conference 2016



President ICAP on CFO Conference 2016



Hafiz Mohammad Yousaf

The Professional Accountants in Business (PAIB) Committee under the leadership of Yacoob Suttar had initiated the CFO Conference in 2010 to bring together the business professionals. The encouragement and appreciation from our worthy members has made it possible for us to make this conference a regular feature on our calendar of events.

“Over the years, the CFO conferences have emerged as a strong platform where managers in business and industry meet to discuss the challenges and issues confronting them and thrash out solutions to meet the challenges and issues. With 80% of our membership associated with business and industry, it is incumbent for the Institute to cater to their needs and expectations. Looking at the success of the previous conferences, the agenda of this one and the eminent professionals gathered today, I feel that we are on the right track. The theme of the conference **Defining New Frontiers, It's a VUCA World: Adapt-Innovate-Excel** and the upcoming sessions promise interesting takeaways like how financial leaders are getting ready to tackle the VUCA challenges and critical economic factors that are most likely to impact business performance in 2016.

“In light of significant developments and changes in the global economic landscape in the last few years, the role and profile of the modern chief financial officer (CFO) has shifted. Although, the importance of core financial tasks has not diminished in any way, CFOs as the future leaders have to sharply increase their focus on company-wide concerns, offer forecasts, manage risks and provide insight into issues ranging from price to production. That's why CFOs are emerging with far greater clout and responsibilities than before.

“Volatility, Uncertainty, Complexity, and Ambiguity (VUCA), each poses a unique and complex challenge for any decision-maker, an environment that allow true leadership talents to emerge at all levels of the organisation.

“Today, VUCA becomes an opportunity for development and greater collaboration, rather than a risk to be mitigated. In a VUCA world, the race doesn't go to the swift, strong, or smart – the race goes to the most adaptable, who learn from experience and co-evolve with the complex adaptive systems within which they work and live.

“Keeping this in mind, we need to redefine ourselves to become the leaders of the 21st century VUCA environment.”

Past President & Council Member on CFO Conference 2016

The roles of the financial executives are evolving beyond traditional financial management. Financial rigour and strategic insight are needed as the chief financial officer is called upon to identify and assess profitable business ventures. Also after an array of technological advances and regulatory changes, the focus of the CFO has shifted back to strategies for organic growth of the organisation to increase profitability and enhance shareholder value. At the **CFO Conference 2016**, we examined the changing role and the focused strategies of growth through technological lens.

The primary objective of the **CFO Conference 2016** was to explore the key aspects and issues related to creating a faster, leaner and agile finance function and using strategic insight and technology to lead economic growth, establish alliances and shape future opportunities. The Conference explored the most pressing issues and the best practices being applied in organisations to maintain competitiveness and to achieve profitable growth.

I am happy that the conference in both Karachi and Lahore was attended by more than 1500 business and finance leaders from over 400 organisations across the country. For me, CFO Conference is the biggest finance event of the country in which business leaders and finance professionals from different sectors of Pakistan come together to discuss and seek solutions of the emerging issues they face. The growing popularity of the CFO Conference speaks for itself.

I would like to thank all those who attended the flagship event of the Institute of Chartered Accountants of Pakistan (ICAP) **CFO Conference 2016** – the speakers, panellists, guests and dignitaries and specially our sponsors. I would also like to congratulate all the Professional Accountants in Business (PAIB) members for their untiring efforts to organise this conference.



Yacoob Suttar

Chairman PAIB on CFO Conference 2016



Khalilullah Sheikh

“Over 70% of ICAP members work in industry at different leadership roles and we call them PAIBs...the Professional Accountants in Business (PAIB).

“CFO Conference, the ‘flagship event’ of the Institute is organised by the PAIB Committee, The Institute’s largest. It started off in year 2010 and over a period of 7 years, it has now become a signature event of the Institute with participation of around 1,500 business leaders and finance professionals in the two conferences annually – from hundreds of organisations across the country. In these conferences, we also recognise the professional excellence of our members through Professional Excellence Awards.

“Last year we also organised National Finance Olympiad in which finance professionals from across the country came together, to learn, to compete and to prove their mettle.

“Then comes the Mentorship Program, under which our members and specially young members would be able to get benefit from the wealth of experience of senior mentors who can guide them in their career choices and realise their full potential.

“ICAP PAIB Committee has over a period of time developed very strong connection with International Federation of Accountants (IFAC). Recognising our effective representation and high quality input in all IFAC PAIB activities and documents, IFAC has appointed our past president Yacoob Suttar as deputy chair of the IFAC PAIB Committee.

“Recently, IFAC PAIB Committee has also approved a guidance document for all its member bodies across the globe on how to engage and serve their PAIB members, which add upto over 1.5 million globally. ICAP PAIB Committee has been showcased in that document as an inspiring case study for all world bodies to follow.

“ICAP is also going to host the upcoming meeting of IFAC PAIB in Dubai this year, which will take place along with our Dubai CFO Conference in September this year.

“The business environment has become volatile, uncertain, complex and ambiguous due to the unprecedented pace of geopolitical, economic and technological changes. Infact ‘Change is the New Normal Today...While such a VUCA environment exposes businesses to multi-faceted challenges, it also opens up doors of exciting opportunities and unexplored arenas for those who are ready to adapt and innovate rapidly. And that’s the reason we decided on the Conference theme: **Defining New Frontiers, It's a VUCA World: Adapt-Innovate-Excel.**”

FEEDBACK

1. “The impact of the **CFO Conference 2016** is quite amazing... we introduced new ideas to this conference with reference to this year’s topic: **CFO Conference 2016: Defining New Frontiers, It’s a VUCA World: Adapt-Innovate-Excel**.

Financial turbulence has increased in intensity and persists longer than in the past. In business today, the drivers of turbulence include digitisation, connectivity, trade liberalisation, global competition, and business model innovation. Keeping these factors in mind, we selected topics which were suited to the theme and we also included case studies, debate sessions, and more. We also changed the format of the conference to make it more informative, interesting and engaging. We believe that the digital revolution, and its consequences offer a great opportunity to transform. However, capturing the rewards of a digital world requires considerable commitment and a proactive approach. It is not enough to have a social media strategy which disrupted the electronic media considerably. Now the question here is, 10 years from now will the electronic media exist? All our investment is on the electronic media in the form of ads. Will these shift to the social media, and if it does, will the electronic media survive? And if it survives, how will the entire entertainment industry, news industry, survive? These are questions and issues, we need to think about and find solutions. This is what the conference is all about.” – **Shakaib Arif, member CFO Organising Committee & chief operating officer National Foods Ltd.**

2. “Very well organised and very impressive.” – **Imran Afzal, past president ICAP.**
3. “**CFO Conference 2016**, I think, is a great initiative and we have been a part of this. The beauty of this thing is that the accountants or the professionals who are not a part from professional firms they also get the opportunity to share their experiences and practical side of this profession. Because we really respect our professional brothers who are in the professional firms but we also need to represent the industry which is a major part of the number of persons who are engaged. A good thing about the **CFO Conference** is that we introduce something new every time. This time we introduced the drone technology, 3D printers, electronic registration. This shows the positive mindset – that we are embracing and supporting change. The response here, and in Karachi was overwhelming. Members are participating in large numbers, we are sharing our ideas, sharing our experiences. The good thing is that even foreign delegates are here. We have the keynote speaker who really delivered a great speech, he gave us an international perspective with a local taste. I think CFO Conference is really a great idea and MashaAllah, every year we are actually improving and creating new standards for ourselves.” – **Yasir Masood, executive director Finance, Cherat Cement Company.**



Shakaib Arif



Imran Afzal



Yasir Masood



Kamran Rizvi



Syed Amir Ali

4. “I came here to collect the Professional Excellence Award for my company. The arrangements are really good and most importantly, the organising committee has selected good speakers, especially Nadeem Hussain, head of Tameer Bank, a motivational speaker. Very valuable activity, and I encourage ICAP to continue with such events in the future.” – **Khalil Ahmed Hashmi, CFO SPELL (Lahore).**
5. “I have been attending CFO Conferences since the last three years. At this CFO Conference, the session of Nadeem Hussain, head Tameer Bank was quite interesting and some other sessions were good too. The Q&A after every session was interesting.” – **Tariq, employee Al Abbas.**
6. “The **CFO Conference 2016** is pretty much better in arrangement than the previous year, and InshaAllah, I hope to see it going further towards betterment and being more interactive. It’s only seven-year old, and hopefully it will progress, get better and mature. This conference is a good measure where finance professionals gather and get ideas from the industry leaders and others. Good initiative. ICAP should continue with it.” – **Mohammad Ali Zahid, employee Monsalwa.**
7. “**ICAP Conference 2016** was very well setup, the technology deployed including the drone and SMDs, facilitated and helped in ensuring that the audience is engaged. The speakers lineup was extremely good. However, I feel the time management needed to be better, even membership didn’t turn up on time. Otherwise, the format and the contents of the conference was extremely good.” – **Kamran Rizvi, senior consultant Carnelian, founding director School of Leadership.**
8. “When I got a call from ICAP that I have to be part of a grand debate, a new session, it was quite exciting. Initially, I thought that since this session was right at the end, probably a lot of people may leave for the day. But interestingly, I think the way it was structured, and even in the brochure, it created enough interest to retain almost 40% of the audience. Quite an interesting and interactive session. And to prepare for the debate, obviously, I had to study as well which helped me to improve my knowledge and understanding. Excellent work done by the PAIB Committee and the organising team. This segment was really interesting and I think that in the future too we should continue this segment for a couple of conferences. People like change.” – **Syed Amir Ali, group head Corporate and Investment Banking, Meezan Bank Limited.**
9. “The event was impressive, the theme was good, particularly the first session where the technology disruption, the innovation and the finance function along with the role of future CAs were discussed. I pretty much got a future vision from this conference and I hope ICAP keeps it up. But I do believe that

the timing of the conference was a bit odd, as it clashed with the budget. – **Mubashir Bashir, deputy CFO Micro Finance Bank.**

10. “It was a well organised conference, with the top shots in technological changes and digitisation impacting the chartered accountancy profession. It was a pleasure and a true benefit being part of it.” – **Azhar Iqbal, employee Packages**
11. “Congrats to the organising committee for an outstanding Conference with superb speakers and excellent organisation. The venue was terrific. We need more conferences like this. The panel discussion was perfect and informative.” – **Babar Ali, ACA**
12. “Once again, thanks for another great **CFO Conference 2016**. I have lots of new ideas for my future projects for the next year now and I met some very interesting people.” – **Sohail Ahmed, ACA**
13. “The CFO Conference with all its speakers is great. It’s a great platform for people to get together and discuss ideas and it’s definitely a good initiative. As for the speakers, we have brilliant speakers here talking on the theme. The theme is certainly very relevant to today’s business environment. Keep up the good work, and all the best!” – **Dr. Jeffrey A. Stacey, managing partner Geopolicity USA, speechwriter and legislative aide of former British prime minister, chief of staff European Parliament.**
14. “This CFO Conference is very successful and so far, so good. Let’s see what happens next. This event is a grand success of the Institute and for the members.” – **Abdul Hameed Chaudhri, past president ICAP.**
15. “There has hardly been any other conference I came out from with so many ideas in my head that wanted to be realised. Thanks for the organisation and especially the VUCA concept, which made it possible for us to collect experiences in several areas and intensive exchange with so many other people.” – **Khurram Shahzad, employee UBL**
16. “A wonderful conference – the breadth of discussions, the variety of participants and the positive energy at all the sessions were truly inspirational and a terrific experience!” – **Muhammad Shahzad, senior manager Finance Solar Energy Solutions**
17. “Excellent conference with all the keynotes and presentations of high quality and intense dedication and enthusiasm among the organisers, delegates, and speakers. I was especially impressed by the conference atmosphere; people seemed genuinely interested in discussions and enjoying creative contributions through technology.” – **Ali Shahid Panhawer, manager Finance, cottage and small-scale industries.**



**Dr. Jeffrey
A. Stacey**



**Abdul
Hameed
Chaudhri**



D JOIN THE **DISCOURSE**

Do CA's lack work/life balance

Syed Ali Raza, FCA

Toronto, Canada

Well, to me this question is totally personal and depends on the personal choices made over the years. It is not specific to CAs only and probably includes every one. Work-life balance is like walking on a tight rope where any misbalance on any of the sides is going to hurt you. Although depending on the position and seniority of a specific person, this task could be easier or tougher. Importance and difficulty goes up on a sliding scale with seniority. Personally, I believe that all of us have equal responsibility to our work and family and none should suffer because of our poor choices. It used to be more difficult in the past due to non-availability of qualified staff and other resources such as internet and computers. But with the growth of various professional accounting bodies and flow of qualified people, it is much easier to hire staff that is capable of understanding and carrying out the instructions. In addition, time management on the part of CAs is also very essential. With the development of relevant curriculum, now CAs are conversant with technology, communication, management styles and other soft skills which were not part of the curriculum years ago. If one is adaptable and keep him/herself updated with technology and management topics, maintaining this balance becomes an easier task.

Muhammad Kamran Nasir, FCA

Dubai, United Arab Emirates

Some legendary corporate leaders of the world opined that run-of-the-mill work routines fail to take someone to the top. They advocate putting in exceptional endeavours to reach the zenith of career and foregoing the comforts of work-life balance for the bigger professional goals. Nevertheless, the proponents of work-life balance have an axe to grind when work-life balance is debated. They believe in creating balance in every facet of life, and rightly so, they preach that every success is conditional to a healthy life and stress free mind. Lack of priorities, in-apt allocation of time among work commitments, personal and social life, and obligations towards family results in distorted frame of mind, decreased job productivity and depleted vivacity and creative throughput towards work. The viciousness of improper significance attached to merely one facet of life, therefore, diminishes the capacity of a professional to think out of box and thrive consistently. CAs, by default, develop a habit to spend more hours on their work due to surrounding inspirations and because professional learning supplements their studies. As time passes, pursuance of

professional excellence becomes awfully important and over-working turns out to be an instinct instead of a manageable infrequent limitation. This deteriorates the work-life balance and, if not managed wisely, impacts health and family life adversely. The CA fraternity appears to be cognisant of the ailing effects of work-life imbalance and, to provide impetus to its significance, have recently taken certain collective measures like arranging social activities such as family get-together(s), outings, and sports and literary events. It is believed that by having happy families and stress free minds, the work efficiency improves, job conflict reduces, and composure and output enhances. CAs need to attach high significance to work-life balance to achieve the desired serenity together with professional brilliance and progress.

Adil Farooq Qureshi, ACA

Kot Addu

Achieving perfect Work Life Balance (WLB) is almost impossible. However, one should strive to attain the ideal. The objective of WLB is to apportion the available time adequately to all aspects of life including oneself, family, friends, work, community and other social circles. Please note that finding time for one's own self is of paramount importance to achieve inner peace and self-cultivation.

Chartered accountants lead different lives depending upon their careers, like industrial employment, professional practice, entrepreneurship, teaching, etc. which may hurt WLB fully or partially. Some may have planned cyclical workloads, others irregular patterns. Generally speaking, initial stages in the careers involve larger workloads with lower responsibilities. Whereas, it becomes vice versa as the career progresses.

Where mismanagement of time to various pieces of work plays its part in distorting WLB, bereaving oneself from the worries of work while out of work is an equally important factor. It is not advisable to carry the baggage along everywhere as it does not allow you to enjoy the other activities. But this is easier said than done. Once the balance is out, focusing on one activity means ignoring the other, which, in this case may be your loved ones.

WLB does not necessarily mean to essentially balance it out on a daily or weekly basis. Excessive workloads may have to be dealt with seasonally, but it is very hard to find examples of careers where such pressures continue endlessly. Think of WLB as a time balance sheet at the end of the year. At a certain point of time, it may not be fully

balanced, however, over longer periods of time, it should and must balance, taking time out for leisure activities, travelling, touring with family, etc. After all, only healthy minds can innovate in their careers and progress further.

Syed Akbar Hussain, ACA

Dubai

Work-Life Balance? This term, we all have been using from our articleship period. During night stays and working for more than 36 hours at one time at our clients, we used to think that somewhere in between our wish to the complete CA, we might be losing our social/family life. But at that time, only few of us could recognise the 'balance' we would achieve in our future after compromising some years of work-life balance.

CAs do lack work-life balance. In fact, it's not only about CAs, a person from any profession may lack work-life balance. Anyone who has a strong desire for career progression, development and serving the organisation for which he/she is working. Without providing the time, nothing can grow in this world. Everyone is in the race of achieving 'self actualisation' need which was identified by American psychologist Maslow.

Kalim Rehmani, FCA

Karachi

The work timings of accounting and finance people are much longer than any other profession in the country, so much so, that it seems they are living to work rather than working to live.

It is regretting to state that audit firms, multinational companies and even small companies are very particular that employees right from top to bottom, engaged in accounts and finance work, must give extra time to finish the in-hand jobs daily before they leave the office. This tendency has become an indispensable phenomenon and no one can avoid this situation, and regardless of any personal or family problems, one has to meet the time line, daily.

The above phenomenon has made the life of people in accounts and finance imbalance, pathetic, difficult and somewhere miserable, rather than enjoyable. The long hours working under stress and compulsion has given rise to the following issues, namely:

- One always remains under stress
- Running high blood pressure

- Permanent diabetic problem
- Becomes heart patient after some time
- Restlessness, fatigue, burnout
- Family members remain unattended
- No social life exists and becomes cumbersome
- Less productivity and work not up to the mark and standard
- Sometimes psychological instances are witnessed
- Organisational goals are not achieved under stress
- Budget is out on health grounds

In a nutshell, there exists no balance in the work life of accounting and finance personnel being busy for long hours in their assignments which ultimately suppress and damage all abilities and talents of the employees.

To keep the work-life balanced, the following should be considered:

- Recreation leave, just after closing of accounts.
- Working hours be curtailed.
- There should be no compulsion to complete the assignment by sitting long hours daily.
- If the assignment is crucial in nature, additional man power should be provided with to conclude the task on time.
- Recreational activities be organised at the end of each month for employees, such as picnic, matches, etc.
- Some sort of reward be given to the employees to boost their morale.
- Work plan, timings and additional man power requirement should be reviewed by the management.
- Influences of the flexible work arrangement on professional and personal life be considered.
- Professional development and work-made-easy programs should be devised and implemented.
- Family-care-programs be introduced.
- Information, resources and tools available be provided to the employees for good performance and results.

In the present working scenario, the employees are considered to be partners rather than servants. The more they are satisfied, the more they will produce. So the management must create a work-life balance program to achieve the organisational goals and to provide maximum job satisfaction to its employees.

The work-life balance entails the following benefits, namely:

- Reduced absenteeism
- Reduced turnover
- Increased productivity

- Reduced operational cost
- Retention of clientele
- Retention of high profiled employees
- Sense of partnership

Imran Ahmad Mirza, FCA

Karachi

Work-life balance is a subject that affects all workers, whether professionals or non-professionals. My personal opinion is that work-life balance is disturbed in doctors' lives because of the very nature of their work, and one cannot blame them for facing difficulties in managing this. As for CAs not maintaining work-life balance, in my humble view, young professional CAs usually don't get guidance in this respect which results in developing this habit of late sittings and ultimately disturbing this critical balance. I remember during the early part of my career I once came across this situation, and my response may sound a bit blunt to many, but I was firm in my view: "I have taken a job for my family; I am not keeping a family for my job." One of the golden practices that I have followed, since the start of my professional training as a CA trainee and still protect that practice religiously is not

to take work home. This practice has really given me the perfect work-life balance. My advice for all CAs, yes, there are occasions when we all are required to sit late, but my experience is that if we take the same work to our homes even after sitting late in the office then it not only affects our family life, but also our professional life by impacting our performance.

Human mind is just like a bowl. If we keep on pouring in it, then, at some point it will overflow which does nothing but add chaos in one's life. Having said that, young professionals are required to put in extra effort, but one must also bear in mind the fact that there is a difference between intelligent work and plain simple overwork. CAs are expected to be people of high intellect, therefore, they should work intelligently than otherwise. Besides, it is also human nature that the mind needs diversity, and indulgence in similar sort of work all the time deprives the mind of exercise which is critical for its blossoming. Only recently, I read a beautiful message with which I would like to conclude; "We spend most of our time in pursuit of temporary gains without realising that most of our time should have been spent on having a better life full of riches like a happy family, friends and a contented soul."



Internal Audit: The Business of Adding

VALUE

by **Mohammad Ali Dada**

We're living in a world of mass data analysis and continuous monitoring. A lot of what we needed a human being to do is now being done by machines, and the same applies to audit. So what are we going to do, and how do we justify our existence.

I can never forget the expectation clearly stated when I was interviewed for my first role outside the Big Four consultancy environment, and into the world of internal audit. “We expect you to pay for yourself” was the defining line of how I would think of internal audit from that day forth as long as I stayed with that business.

We have a unique, holistic view of the business, unlike other departments which only focus on their areas. We get to see everything. If you look at it, perhaps only the CEO of the business has such complete visibility of everything. That positions us beautifully to be able to identify opportunities for change and value.

Primary Objective

Before we go about adding value, we must not forget that the major function of internal audit is to provide the Board of Directors and the Audit Committee independent and objective assurance to allow them to fulfill their role of having oversight and a monitoring role over the business operations, and towards enhancing corporate governance, accountability and achieving business objectives.

However, in today’s world that might not be enough. While assurance and monitoring are undoubtedly important, they are not that exciting, unless everything goes pear shaped and you have a massive meltdown. Finding value makes audit glamorous, particularly if it comes with pound or euro or dollar signs next to it.

The Forecasted Future

We’re living in a world of mass data analysis and continuous monitoring. A lot of what we needed a human being to do is now being done by machines, and the same applies to audit. I remember in my early external audit days how we used to hate substantive tests, where all transactions had to be manually tested and exceptions noted, though it did require a bit of time and tonnes of planned hours. This kind of work can now be done with data analytical tools and scripts very, very quickly and far more effectively. So what are we going to do, and how do we justify our existence.

The Economist published the following forecast in 2013 predicting the probability of a list of professional roles becoming extinct due to computerisation in the next two decades:

I always thought commercial pilots would go very quickly with the development in drone technology and their cost to the business. The Economist still gives them a 45% probability of survival. Accountants and auditors have a 6% chance of survival. That put me in my place!

So why would business need auditors in the future? How do we stay relevant? The solution is to evolve. And we have evolved since we began.

Evolution of Internal Audit

Internal audit was born during the post war economic boom in the US when business and industry started to grow exponentially and someone probably felt that it was perhaps time to keep an eye on things. Initially, it was transactional and the classical policeman role.

But then the volume of transactions became excessive and it became more appropriate to look at

Bring on the personal trainers

Probability that computerisation will lead to job losses within the next two decades, 2013 (1-certain)

Job	Probability
Recreational therapists	0.003
Dentists	0.004
Athletic trainers	0.007
Clergy	0.008
Chemical engineers	0.02
Editors	0.06
Firefighters	0.17
Actors	0.37
Health technologists	0.40
Economists	0.43
Commercial pilots	0.55
Machinists	0.65
Word processors and typists	0.81
Real estate sales agents	0.86
Technical writers	0.89
Retail sales persons	0.92
Accountants and auditors	0.94
Telemarketers	0.99

Source: “The Future of Employment: How Susceptible are Jobs to Computerisation?” by C.Frey and M.Osborne (2013)

The audit plan should be based on risks, and the risks should be aligned to the business objectives.

the controls in place to ensure that all transactions were processed as they should be.

The traditional audit cycle was then superseded with risk based auditing as audit focused more on what mattered rather than everything in rotation. The cyclical coverage of the audit universe became more focused-based where the major risks for the business lay.

Regulatory compliance and financial controls came under enhanced focus with a number of financial crises, most notably Enron.

We are now starting to see a shift towards more of a business partnership and consultative role. We are expected to be advisors to the business. And audit is not just expected to be a cost centre. Adding value is now an added expectation. It should be business as usual for us in addition to what we normally do.

Value within the Definition of Internal Audit

If you look at the very definition of internal audit, adding value is now part of the role. The Institute of Internal Auditors and The Chartered Institute of Internal Auditors both define internal audit as below:

‘Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing in systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.’

But what is Value?

Value may not always be what we as internal audit consider it to be. It is what the business defines. Heavily regulated businesses like the financial services industry see value in internal audit extensively looking at regulatory compliance, as the consequences of non-compliance can be catastrophic.

A fast business growing quickly may need an enhanced focus on internal controls design and effectiveness to ensure that the controls are keeping up with the business. Or, we may simply be asked to look at business efficiency and conduct

cost improvement reviews, in highly competitive businesses.

Support the Business and its Strategic Objectives

The audit plan should be based on risks, and the risks should be aligned to the business objectives. In fact, the audit planning process should begin with a review of the strategic objectives. And where possible, the planned review should focus on the achievement of such objectives.

Business strategy itself is a grey area where perhaps the probing eyes of internal audit are not always welcome. Reviews of implementation of strategy are already happening but maybe a move toward review and benchmarking of the strategy itself is perhaps the next phase of audit evolution. And why not, if we have the right mandate, and business knowledge within the department to do so.

Detailed, Practical and Workable Recommendations

I don’t think a finding is really an issue unless we ourselves cannot think of a solution for it after discussing it with the business. Put yourself in the boots of the management when they get a finding raised by audit; and then are left with a very basic or impractical recommendation that cannot be implemented. It affects our credibility.

For every observation that gets reported, there should be an impact assessment. Maybe it is a finding or a deviation but doesn’t really have an impact on the business; and, is it really a risk? If so, how would we fix it if it was our problem? We must work with the business as well in developing the solution – they have the knowledge and the responsibility to resolve the concern, while we bring in our expertise in managing risk and developing optimal controls.

Flexibility to Adapt to Business Needs

While we all have a plan in place and timelines to meet, we need to build in flexibility to allow us to adapt to immediate business needs. This could be urgent management requests or requests from the Audit Committee. I see management requests as

If you look at the very definition of internal audit, adding value is now part of the role. Value may not always be what an internal audit consider it to be. It is what the business defines.

a sign of a well-integrated audit function and one that is respected by the business. And, therefore, our response to them should be quick. They may represent an immediate high risk the business faces.

One test that must be run, of course, is the impairment of independence test. But I personally think that we should push the barrier of independence a little harder to take on such projects rather than use it to avoid, as at least I find it very frustrating when independence stops me from making change or adding value.

Data Analysis leading to Continuous Monitoring

The work we do with data analytics sometimes results in reports that yield findings, or knowledge that the business are unable to see, be it due to the limitations of their own systems or due to (sometimes) their inability to look at the business we do. Or perhaps just due to incompetence.

These scripts could be translated into either continuous monitoring tools, which we either run for the business or train them to use and handover. Thus we directly enhance the business's ability to self-monitor and control.

Measurable Added Value

Finally, we come to the value added in its purest form – money. This is gold dust for low margin, highly competitive businesses. This can make internal audit a superstar in a business like the one we work in.

I define Measurable Added Value as “A quantifiable reduction of costs or increase in revenue as a direct result of the implementation of an audit recommendation.”

I've once had a role where my primary mandate was to pay for my costs through internal audit

findings and it was exciting to have that license to go out there and challenge the business. I've seen the CEOs eyes light up when presented with audit recommendations that translates into money. Internal audit wasn't a cost centre, it became a profit centre.

I have used the following measures to generate Measurable Added Value and seen them work:

- Having measurable added value as a Key Performance Indicator (KPI) with an amount set at the beginning of the year. I wasn't a fan of this approach earlier, as I felt that value depends on the nature of audits we are part of. Some audits may not have the potential to generate this. So, I accepted it reluctantly. But what it did was focus the teams. Every audit was planned to with this in mind. We started thinking like the business. And when your mindset changes, the outcome can be incredible.

- All findings that have measurable value should be challenged internally during the review based on the definition, agreed with the business and then annualised for reporting purposes.

- Observations with Measurable Added Value are reported in the executive summary of all report as a separate item and also to the Audit Committee. This allows emphasis to be placed on their importance, and I have always seen it being appreciated by all stakeholders.

- This should finally be reported to finance or any other function where the value can be tracked independently as part of value adding initiatives.

To conclude, yes, our primary objective is independent assurance and oversight for stakeholders. But we have the knowledge, ability and opportunity to do much more. We can and should think like the business and challenge the business in not just the ways it controlled but also the way its run with reason and facts.



Withholding Rules of Sales Tax Act

by Mohammad Ali

Withholding rules may enhance tax collection and collect information about unregistered persons, however, it should be kept in mind that the number of tax return filers are limited and further burdening the filers with unnecessary tax collection measures serve no purpose.

Withheld tax is a major source of tax revenue collected at federal and provincial levels. In practicability of withholding tax, one party while making payment to the other party, deducts tax at certain rate and deposits the same into the government kitty. It is pertinent to mention here that the Federal Board of Revenue (FBR) officials just play a supervisory role in this sort of tax collection activity. The manner and method for withholding of tax has impacts on business transactions and as a result business transactions impact economy. The practicability of withholding of sales tax on payments made to vendors was promulgated vide SRO 660 (I)/2007 dated June 30, 2007. How does Sales Tax Withholding Rules 2007 impact business transactions?

1. As per sub rule (ii), a withholding agent, other than specified in clause (i), shall on purchase of taxable goods from persons liable to be registered but not actually registered under chapter I of the Sales Tax Rules 2006, deduct sales tax at the rate of one percent (at promulgated stage, rate was at 17%) of the value of taxable supplies made to him from the payment due to the supplier and the amount of sales tax for the purpose of this rule shall be worked out on the basis of gross value of taxable supply.

Provided that the withholding agent shall not be entitled to reclaim or deduct the amount of tax withheld from such persons as input.

Many buyers (withholding agents) prefer to purchase goods or receive services from unregistered vendors on account of quality, service, cost (like transportation), trust and other elements. When a withholding agent requests unregistered vendor (supplier) that sales tax would be deducted, the supplier soars price by sales tax amount to be deducted by buyer. This approach increases tax collection at federal level and helps FBR to collect information about unregistered vendors, however, sales tax cost paid on taxable goods acquired for taxable activities will always be on shoulders of registered withholding agent because withholding agent cannot claim deducted amount as input tax. Thus, the consequence of non-compliance of the Act by unregistered party is borne by registered withholding agent. If supplier is registered, the buyer (withholding agent) would be entitled to claim input tax paid for taxable activities. Therefore, just on account of supplier being unregistered, registered buyer cannot claim input tax which also has an impact on product price of the buyer who might not be able to compete in local markets.

Owing to above, in addition to other lawful reasons including how could withholding agent determine that supplier are liable to be registered, some withholding agents went to the High Courts to challenge the constitutionality of this sub rule. The Lahore High Court (LHC) remanded case back to FBR with ensuing remarks:

In the view of the matter and in the larger interest of effective tax governance, Ministry of Finance, Economic Affairs, Statistics and Revenue Division, Government of Pakistan and FBR are directed to reconsider/review the constitutionality and legality of the aforementioned rule within a maximum period of three months from today. During the process of reconsideration/review of the said rule, FBR may want to solicit the input/suggestion of petitioners so that workable and meaningful result is achieved.

In compliance of the LHC order, the FBR issued Sales Tax General Order (STGO) 68 of 2014, wherein FBR clarified that "all the persons registered under the Sales Tax Act, 1990 are prescribed persons" (withholding agent) for the purpose withholding/deduction of income tax, and thus every person making supplies to such prescribed persons/withholding agents falls within the definition of wholesaler or dealer under the Sales Tax Act, 1990. Accordingly, all such wholesaler or dealer is liable to be registered in term of rule 4 of the Sales Tax Rules 2006 read with section 14 of the Sales Tax Act, 1990.

Being aggrieved on above STGO, withholding agents again went to the High Courts and the matter is still pending before the courts.

2. Withholding Rules specified ensuing as withholding agents for the purpose of withholding of sales tax:

- a. Federal and provincial government department
- b. Autonomous body
- c. Public sector organisation
- d. Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001), which is registered for the sales tax, federal excise duty or income tax
- e. Recipient of services of advertisements
- f. Persons registered as exporters

Vide withholding rules, persons upon whom whole Sale Tax Act, 1990 is not applicable on account of many reasons, one of them may be that the party may supply exempted goods, were brought into Sales Tax Act 1990. Since 2007, withholding agents involved in supply of non taxable goods and not concerned about input, output, refund, invoice, records, etc. required by the Sales Tax Act, 1990 have been facing:

- Problem in determining as to whether supply is taxable or not and, if taxable, how much tax is liable to be deducted.
- Problem in E filing of statements
- Increase in work load on daily business activity.

Conclusion

Although withholding rules may enhance tax collection and collect information about unregistered persons, however, it should be kept in mind that the number of tax return filers are limited and further burdening the filers with unnecessary tax collection measures serve no purpose. If scope of filer is not increased and the focus remains on tax collection through withholding measures, it will only result in inequality in distribution of wealth, lower tax to GDP ratio and corruption will keep in practice.

This sort of impracticable sub rules (ii) promulgated sans consultation from all stakeholders including the business community may not serve the object but burden registered withholding agent in carrying out business activities and the court, as numerous writ petitions are usually filed.



DWINDLING OIL-BASED ECONOMIES **AND** PROPOSED TAXATION

by Syed Imran Haider



Billions of dollar reserves, huge trade and current account surpluses, money to burn on luxurious properties and lifestyles, building the tallest skyscrapers and luring the foreigners through tax free economies has been a norm for the Gulf Cooperation Council (GCC) countries. All these things are set to become things of the past if some drastic measures are not taken.

The average price per barrel assumed at \$100 has taken a nose dive and is hovering at such low levels that governments of the GCC countries are now searching for means to fight the economic challenges so big which were not even dreamt of in the recent past.

The oil money has always been great support for these economies. They have been able to build great infrastructures, establish top performing airlines, establish cash rich banks, sponsoring biggest and most popular football teams and organising huge events like Football World Cups/Expos and attract tourism. The reliance on oil money has been in such huge proportions that this slide in prices has forced the government to revisit all its areas of spending and generate more revenues from every possible source and that includes taxation.

Tax Free Economies

The Gulf countries have always boasted that they are tax-free and have been able to attract huge investments due to this policy. They have not imposed any form of taxation on the business or individuals directly at any stage in the past except for certain types of businesses and certain fees/tolls. However, there is the import duty when any merchandise is brought into the country. Even that duty can be avoided, if anything is imported into the freezones (mainly at the ports) established by the government to welcome more investments. The model has been very successful and huge investments have come from all over the world and given a big boost to the economy. However, as there is no real taxation involved other than some government fees, it needed to be compensated through some other means of revenue and oil made up for all the deficits that may have arisen in the past. With the current price per barrel hovering around \$36 which is expected to stay the same for a foreseeable future, comes as bad news for these economies. With Gulf countries not ready to cut down their production and lose their market share, the oversupply of oil may drag the prices even lower. The impact of this slump is so huge that the reserves of these countries are coming under tremendous pressure and the economies are now looking at big yawning deficits with no immediate possibility to bridge them by any imminent means.

Possible Taxation Measures

The talks had been around about a proposed taxation system in the GCC for quite a few years and draft proposals have been circulating and discussed in the past. The matter did not get a serious push or thought till they hit the recent oil crisis. The taxation may come even sooner than people might have perceived in the initial drafts. There are several measures that can be taken to boost revenue by means of taxation. The main categories under consideration are:



- Introduce a system of Value Added Tax (VAT), also known as Sales tax.
- Impose Direct/Indirect taxation on all corporate businesses or certain segments of businesses.
- Impose Direct taxation on individuals above certain salary.
- Impose taxation on remittances as large number of people are expatriates in the region and remit huge amounts of money back home.
- Impose taxation on visas as large number of tourists come to places like UAE/Saudi Arabia.

These, of course, can be implemented individually and in combination as it best suits the economic needs of these nations. The IMF and the World Bank have always been very vocal on stressing the need to generate other means of revenue like Corporate tax and VAT and removal of any subsidies being given by GCC countries. Looks like the case is getting stronger for a tax system coming up soon. The strongest case and where all the GCC nations are working together at the moment is the VAT. The law has already been drafted and discussed at various levels and is in almost a finished form.

Are they Prepared for a Tax System?

The work on the tax system has been underway for a long time now especially in the UAE. Some of the other nations are also following the same footsteps. The steps taken so far have been:

- Preparing the draft laws on tax procedures and policies.
- Completing discussion with government entities.
- Outlining a legislation to create a Federal Tax Authority to manage tax function of the country.
- Adopting the draft common VAT law framework agreed with other GCC countries.
- Preparing the draft corporate tax and VAT laws.
- Agreeing a draft law framework on selective taxation with the other GCC countries.


Obviously, the taxation is very high on the priority list. Although the main work has been done, but it has not been revealed yet what are the prospective rates and the scope of taxation, which will be released at some later stage. Still a lot of work is required to set up the taxation infrastructure within these economies.

Studies are still underway on how the taxation might impact the economy as a whole. Obviously, it will come as an additional source of revenue to the government but it has a baggage with it as well. The risk of losing foreign investment and more business growth is always there. These economies have attracted huge investments in the past, taxation may put second thoughts in their minds about it. The expatriates are also in huge numbers in these countries. One of their main incentives to work in these regions is tax free salary and low inflation. It might make the work force run away or make it more expensive in this part of the world for the businesses to operate. Therefore, it is a very thin line for the governments to adopt. They have to generate more revenues through taxation, but they must adopt a system which is beneficial to the economy with least adverse impact on the Investments and overall business.

WELFARE SYSTEMS

– base of a society

by Risalat Rehman



The provision of basic necessities and welfare is the primary responsibility of the government.

1. Government - Tax and Social Welfare

The provision of basic necessities and welfare is the primary responsibility of the government. For this purpose governments collect taxes from the citizens and return in terms of infrastructure, health, education, employment, security, etc. for the citizens.

The system is successful in advanced countries for two basic reasons: effective tax collection and efficient utilisation.

If either of the two basic elements is missing, this system fails. The best example unfortunately is our own country where the tax collection and utilisation are both extremely corrupted and inefficient in achieving the intended purpose that is welfare of the society and citizens.

2. NGOs - Donation and Welfare

The failure of government systems gives birth to NGOs. In developed countries NGOs are very rare and often

only to address some particular cause and not basic necessities; whereas in under-developed countries, NGOs are in abundance and their basic aim is to provide poor man's basic necessities which the government fails to provide.

NGOs work parallel to the government, where they collect donations in lieu of tax and provide the necessities which the government has failed to do.

The most important and common aspect of both systems is to attain equality in the society i.e. the taxes and donations come from the well-off and the necessities are made available to everyone.

3. Commercial - Fee and Service

If both the systems fail, then we have the evil of commercialism where necessities become commodity that people have to pay for.

Commercialism could be good in trade, investments, technology and innovation but existence of commercial

entities for provision of social needs is a curse. The main issues with commercial entities are:

- **Inequality:** Those who cannot afford remain deprived of their basic rights and those who can afford have to pay more than the cost (for the profits of commercialist).
- **Lack of intent:** The primary objective of the entrepreneur is profit and not the provision of service. Therefore, the service lacks spirit and essence. Quite obvious, even the most expensive schools around us have failed totally in developing ethics and civic sense in our children; and whatever social values are there in our children are still coming from the families and not the schools.
- The existence of commercial ventures for provision of social needs is an acid test to measure the values and strength of a society.

The failure of government systems gives birth to NGOs.

NGOs in Pakistan

Pakistan is also one of the countries where NGOs and commercial ventures are innumerable.

NGOs in Pakistan collectively represent an unofficial government setup where we collect donations instead of tax and provide education, health and employment facilities to the public which the government has failed to do. But are they doing it efficiently and with optimum potential? Have they brought any results or major change at the society level?

NGOs in Pakistan collectively represent an unofficial government setup where we collect donations instead of tax and provide education, health and employment facilities to the public which the government has failed to do.

We have TCF, Zindagi, SOS, Diya, ILM and many others, and we have commercial schools where the monthly fee is more than the salary of labour. However, we still don't have the education system capable of producing good citizens.

We have Edhi, Chhipa, Aman, Indus, Child life, Shaukat Khanam and many others, and we have private hospitals where the per day hospitalisation cost is more than the monthly salary of the working class. And still we don't have a reliable health system comparable to any advanced country.

The other areas of concern least addressed are: We have private security services but we don't have security; we have private recruitment agencies but don't have enough jobs.

This goes on in every area of society.

Why are so many dedicated NGOs unable to bring change? There are several reasons but the root cause is only one - they are not integrated. What happens when they are disintegrated? There are lots of things which they need to do jointly:

1. **Fund generation far lower than optimum level:** In Pakistan—
 - not everyone donates;
 - those who do, donate not more than 2% to 3% of their income; and
 - not every donation comes to an efficient NGO.

Governments in developed countries are successful in welfare because they tax 40% to 50% of individual income.

The need is to raise public awareness about the importance of their donations, benefits in return and right ventures for donation, so that they have better funds to apply to social objectives.

2. **Communication medium:** They need communication medium to promote their efforts among masses and to address government authorities

We have private security services but we don't have security; we have private recruitment agencies but don't have enough jobs.

for their lack of effort and contribution. For this they either need more air time on electronic media or need their own dedicated medium.

3. Trust and Transparency: All NGOs undertake some transparency and control measures but even then the general perception of the public about NGOs shows lack of trust, as they believe that many of the NGOs do not utilise funds for the intended purpose.

We need to standardise the controls and best practices to ensure all NGOs adopt same best practice framework.

4. Synergies, Alignment and Direction: We might have sufficient ambulances but they mostly drop a poor victim to a government hospital in helpless situation; we have schools, but who is working on the curriculum; again we have schools but very few colleges and we hardly have any university in the NGO setup; and then we don't have industrial homes, security services, justice and arbitration and many other areas which are not addressed by any NGO.

5. Power of Say: Though we put in so much effort in each of our endeavour, we often suffer at the hands of bureaucracy and find ourselves helpless in many situations. There is limited government spending on education, health, etc., and that too is further minimised by corruption, board examination system, universities' politicised culture, private practice by government doctors, pilferage of government provided medicines from hospitals, costly medicines from pharmaceuticals – the list of bad practices is never ending.

If NGOs could strengthen their say in public and in government, surely they can address a number of problem areas and overcome hurdles in delivering the objective.

But to consolidate is not the solution, simply because some would want name and reputation while others would want authority in executing their objectives. So how to integrate without merger? A suggestion is to have an autonomous supervisory body of all NGOs with the following attributes:

- Established through act of law
- Have a charter and TOR
- Membership criteria

- Best practices, QCR and audit
- Regulation & monitoring
- Separate segments/working committees for:
 - Media & communication
 - Corporate & legal
 - Government and legislation
 - Planning, research & development
 - Regulation & control
- The Body should have separate branches for:
 - Education
 - Health
 - Training & employment
 - Women & child protection
 - General security
 - Infrastructure

The body should be funded and operated by member organisations through an elected Council. Though such a supervisory body cannot be created out of the blue, but it's important to take the

Why are so many dedicated NGOs unable to bring change?

initiative and this is where all the NGOs are strong, as the existence of their NGOs is a self-proof of taking initiative. A startup can be a preliminary team having representatives from all such NGOs who buy this idea.

NGOs will change the common man and the common man will change the government. If this is the process, why not do it together to make it effective and comprehensive.

About the author: **Risalat Rehman** is director, ILM (Illuminating through Literacy Movement) Society.

Science of Exam

by Adil Farooq Qureshi

This is an anecdote of the exam techniques I experienced during my academic (teaching and study) and professional careers. The addressees are students and teachers assisting their students in preparations. For these experiences, I am indebted to my parents (who happen to be my teachers as well), teachers, friends, companions and most importantly, examiners who relentlessly teach the principles required to pass examinations.

I. Bear in mind, there are two parts to passing the exam, **preparing** for the paper and your **answer** sheet. You get months to prepare, whereas only three hours to attempt the question paper.

These two parts should **mirror** each other i.e., what you have prepared reflects in your answer. **Therefore, always prepare in the manner you want your answer sheet to appear.** Your workings and practice at home should be neat and clean, referenced properly and denoted with currency signs, etc. These may look small things, but their overall impact on presentation and quality of answers is paramount.

As you are under pressure to attempt all questions in time, you would be able to incorporate only those things in your workings to which you are habituated. You might ignore these while preparing, thinking that you'd definitely apply them in the paper. But since you have not practiced them, you wouldn't be able to put them on paper and the resulting presentation would put you at a disadvantage.

Plan your study well ahead of schedule and then stick to your time table no matter what. This will give you the inner satisfaction and confidence that adherence to the schedule would get you on the other side.

II. Attempt your answers **neatly** and **complete** the question paper at all costs. Read the questions carefully, understand the requirement, do rough work for complete answer and then attempt it.



Single cross any word if you want to correct it.

More than 90% of the candidates have prepared the course in such a manner that they may pass the paper, however, the majority cannot even completely attempt all questions because of time mismanagement, which remains an area of concern even at the final level. Therefore, if you just attempt the paper completely, and I am not saying correctly, you would gain an advantage over other candidates missing this mark. To achieve this, practice time management at home under strict conditions. Allocate 1.5 times the minutes of the total marks of the question, plan it properly and attempt quickly. When the allocated time is over, move to the next question immediately. It may be tempting to complete the answer which you know, but if you go over the allocated time slot for that question, that means you are consuming time for other questions, which may earn you higher marks. In the end, if time is saved, go back to the incomplete answers and try to finish them.

III. Try **focusing on the question in hand** only. Practicing one topic at a time is helpful but also attempt whole three hour exam mode mock paper at home or otherwise covering all topics in a time constrained scenario.

One other common pitfall while practicing questions both in arithmetic and theoretical subjects is to write an outline of the answer, compare it with suggested solution and think that you would also have written the same.

**KEEP CALM
AND STUDY
FOR EXAM**

IV. Separate your answer from workings and reference them properly. Take a simple example, if the question asks: "Calculate profit or loss for the period." The profit or loss for the period figure is the answer whereas profit and loss account makes part of the workings. However, if the requirement is "Prepare profit and loss account for the period," then the whole profit and loss account is your main answer. Rough work must not form part of the answer and complete answer with workings, whether required by the examiner or not, should be neatly written and logically referenced. Do NOT get the referencing wrong.

V. Focus on the requirement. Time and again examiners' comment that candidates do not address the requirement of the question properly, including professional levels. This again has to be practiced while preparing for the exams at two levels;

- a. **Question level:** for a scenario based question, before reading the whole narration, read the requirement first of all. This will allow you to focus on relevant paras and sentences while reading it for the first time and save you valuable time.
- b. **Paper level:** before start of preparation, read past papers and examiner comments. This will assist you to focus on what ultimately the examiner requires of you to pass the paper and what type of questions are put forth.

VI. Get rid of the fear and assess the reason of failure. After you have not been able to pass a paper, if you cannot assess its specific reason, it would be very difficult to overcome the hurdle and gain confidence in the next attempt. When you have assessed the reason of failure, start your preparation taking into account previous mistakes. Attempt past papers, read examiner comments and compare your practice answers with suggested solutions.

VII. No selective study/reliance on strengths. Please note that while studying for the first time, you have the most time

available for each and every detail. If you omit something now thinking that you know this topic already, then the same thought would force you to leave that topic out on first and subsequent revisions leading up to the paper. Net result is that you would not have revised a topic which you may actually be considering your strength or 'favourite' topic. And if that area is tested in the paper, you would not be able to attempt it to your fullest satisfaction which would make you desperate under pressure. Therefore, never leave something out of study on the premise that you know this already or the examiner is not going to test it. When you have covered the course in and out, there will be no 'out of course' question before you. What you need to do in the paper is to logically approach the requirement and tabulate/equate the narrative data where possible.

VIII. Keep one and only one book as your base study text for the preparation and revision. Refer to other books as needed, identify those topics/concepts/formulae which are not available in your base book and cross reference them. When you are studying/revising the topic from your base book and you reach a point where some other book reference is inserted, refer the other material and then continue onto your study text. This will help you keep your notes concise.

IX. Revision notes: Keep in mind the time available for revision during exam days and prepare revision material accordingly. This is important because what you have not revised today you would not be able to attempt the next day. Therefore, prepare revision notes, preferably yourself and practice revising the whole course in the time span which would be available before the actual examination.

X. Suit yourself as far as extent of practicing answers by hand is concerned, according to your skill and capability. However, there is no alternative to **attempting full papers** especially for **theoretical subjects** like law, business management, IT, etc.





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