

## LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

### OUTSIDE ACTIVITIES OF FACULTY

#### LUMS Faculty Policy 205-08

##### **BACKGROUND**

This policy statement provides guidance on outside activities of faculty and faculty fellows, which may create conflict of interest situations and/or have the potential to impact the reputation of the University. More importantly, it is intended to provide maximum protection for faculty members by instituting prior review and approval procedures to assist them in making sound judgements when faced with such situations.

Consulting, advising, and other services to outside organizations, including industry and government, often constitute very desirable activities for faculty. These services can provide mechanisms for enriching the professional experience of faculty and thereby broadening their background for instruction and research. The university also has a responsibility to share knowledge, expertise, and research results to help improve products, services, and processes that can benefit the society and the marketplace. In many instances, the best means of affecting such a change requires active participation of researchers as advisors or consultants.

External activities of this type must not interfere with the principal activities of faculty members related to preparing courses, teaching, counseling students, serving on committee and administrative assignments, and conducting research. These activities are best carried out in an environment that encourages the free flow of ideas and preserves academic freedom. In certain situations, there may be a potential for conflicts of commitment and/or interest.

The university community needs to be aware of situations that may compromise the image of the university, have the appearance of a potential conflict of interest or commitment, or actually constitute a conflict of interest. The University expects all faculty members to conduct their outside activities in a manner which reflects well on themselves, their professions, and the University. Participation in such activities must enhance the professional development of faculty members and enhance the public recognition and prestige of the University.

When performing outside activities sponsored by private interests, negotiating with companies, forming a company for commercial purposes, serving in an advisory capacity, or engaging in any other activity in which a conflict of interest and/or commitment might arise, it is the responsibility of faculty members to protect:

1. **The good name of the University.** External associations with companies, organizations, or government agencies in research, advisory, or consulting capacities must be guided by the prudence to protect the good name of the University.
2. **The public interest.** When external funds are involved in the support of research, the University's accountability requires that the faculty demonstrate particular sensitivity to resolving any conflicts of commitment/ and or interest.
3. **The integrity of research,** scholarship, or other creative work.
4. **The academic freedom** and economic rights of fellow faculty, staff, and students.
5. **The primacy of the students' educational interests.** The involvement of students in research must be governed not only by the legitimate needs and objectives of the research project, but also and primarily by consideration of the students' own educational goals. Faculty must not exploit the work of students or other researchers.

##### **CONFLICTS OF COMMITMENT**

Conflicts of commitment may arise when there are competing demands upon the time and energy of a faculty member as a result of outside activities that could interfere with the faculty member's ability to meet his or her responsibilities to the University. The University expects that a faculty member's outside activities and interests will not interfere with his or her primary obligations to the University, which are teaching, research, scholarship, producing other creative work, or other obligations to the University.

Specific, university standards for defining the proper balance are not feasible, but experience indicates that full-time faculty members have difficulty carrying out their primary activities as a faculty member if they spend more than the equivalent of one day a week on outside activities such as consulting or activities requiring the exercise of significant managerial responsibilities on behalf of an outside organization.

Travel to professional meetings and conferences are desirable but must not conflict with the primary duties of the faculty member at the University. Where class schedule will be affected by faculty travel to professional meetings, faculty should coordinate their travel, before commencing the trip, with their department heads.

Certain activities in the public service area contribute to public recognition and enhance the prestige of LUMS as an outstanding and contributing institution. In cases, where extensive service of a public nature is contemplated (e.g. a lectureship, Governmental Policy committee work, service to a professional society, running of public office, etc.) the department heads and deans should be notified and appropriate arrangements made.

Faculty members who cannot satisfactorily discharge their obligations to the University as a result of their outside activities should consider a part-time appointment or a leave without pay.

## **CONFLICTS OF INTEREST**

Conflict of interest may arise when a faculty member's individual interests interfere with his or her responsibilities to the University.

The key factors in avoiding ethical and legal conflicts of interest are personal responsibility and integrity. LUMS expects all faculty and staff members to conduct their outside activities in a manner which reflects well on themselves, their professions, and the University.

The establishment of standards of practice and performance in regard to potential conflict of interest must be made at each school level with the guidance of the deans, in consultation with department heads, and the approval of the provost and vice chancellor. The principal means of disclosure and management of outside activities involves dialogue between the faculty and the school dean. Problems are best resolved at the dean's level where the expertise in the field of research, scholarship, or other creative work is the greatest, and the standards of performance and evaluation are understood. In this way, differences in schools standards can be accommodated.

### **Definitions:**

- *Outside entity* refers to any corporation, partnership, sole proprietorship, or any other organized legal entity.
- *Significant interest* means the receipt or expectation of anything of monetary value, including salary or other payment for services in excess of Rs. 100,000 by faculty members or their immediate family in one year, and including equity interests by them or their immediate family in excess of Rs. 100,000 or 5% ownership interest. This refers only to equity that is directly under their control, not managed by a third party such as a mutual fund.
- *Immediate family* includes spouses and dependent children
- *Use of University resources* does not include infrequent and incidental use, nor does it include service for which faculty members reimburse to LUMS.

It is impossible to enumerate all situations under which conflicts of interest may arise. The following list is meant to illustrate such situations:

1. Having a significant interest in an outside entity that sponsors their teaching or research activities that are under their control.
2. Directing the purchase of equipment, instruments, materials, services, or other items from an outside entity in which a member of their immediate family has a significant or controlling interest, without open competitive bidding.
3. Orienting sponsored research at LUMS to benefit an outside entity in which they have a significant interest.

4. Consulting for a government agency on a subject that could benefit an outside entity in which they have a significant interest.
5. Transmitting to an outside entity sponsored research products, results, materials, records, or information not available to the general public except for consulting on the basis of sponsored research results where there is no conflict of interest.
6. Using for personal gain privileged information acquired in connection with sponsored research or other university activities.
7. Accepting gratuities or special favors from an outside entity with which the University does or may do business.
8. Accepting research sponsorship that is predicated on finding predetermined research results.
9. Making an academic or administrative decision that could result in their personal gain.
10. Simultaneously receiving outside remuneration and university remuneration of the same services and activities.
11. Involving students and staff, over whom they exercise supervisory or academic responsibility at the University, in their activities outside.

## **DISCLOSURE**

The University requires annual disclosure of outside professional activities by the faculty in their annual report to the vice chancellor. The University also requires annual disclosure of potential or real conflict of interest situations to the appropriate school dean by all faculty. Faculty will be asked when preparing their Annual Report to the vice chancellor, to review their external activities. If this review indicates the potential for an actual conflict of interest, or the appearance of one (as enumerated above), then a brief description of these activities must be presented to the school dean for review. Following review, the reports will be placed in the faculty staff member's file in the dean's office. If there are significant changes in the external activities during the year, faculty are expected to report those changes in a timely manner.

If potential or real conflict of interest situations cannot be resolved by the dean, the matter will be referred to the provost for review. The provost may impanel a committee to assist in a review as necessary. Discussions by the provost may be appealed to the vice chancellor.

Annual disclosures by the deans, senior administrators, provost, and vice chancellor will be annually to the Board of Trustees.

The disclosure is designed to focus attention on possible conflict of interest situations and, importantly, to provide a convenient mechanism for obtaining prior approval of outside activities following review of possible conflicts of interest by a University administrative official who does not stand to gain from the judgments that must be made. Such explicit prior approval is important to provide maximum protection for the individual faculty member and the University.

## **SERVICE ON OUTSIDE BOARDS AND ENTITIES**

Service on outside boards and entities or participation in professional, charitable or civic organizations outside the University may mutually benefit the organization, the community and the University. The primary obligation of a faculty member is to the University and he or she must avoid any situation where the nature or amount of activity could, either directly or in appearance, impair the faculty member's impartiality or effectiveness in performing University responsibilities. Even in connection with the most worthy outside activities, faculty members should be sure that they do not state or imply that they are speaking for the University.

## **PROPRIETARY INFORMATION**

In consulting or sponsored research work, researchers may have access to proprietary/confidential information. Faculty and staff members exposed to such information are responsible for making certain it is not divulged and these individuals, rather than the University, assume responsibility for executing and non-disclosure agreements required by a sponsor. It is also essential that proprietary relationships between various organizations with whom the faculty and staff members may interact be kept in confidence.



## **USE OF FACILITIES**

Only in special cases may University equipment or facilities (other than Library) be used for services to outside entities, including organizations controlled by faculty members, and then only with the explicitly written approval of the department chair and school dean or applicable administrative manager.

## **NAME USAGE**

The simple identification of the University as the employer of a faculty member is appropriate. However, the name of LUMS must not be used for advertising purposes or endorsement of products or services by any person or any organization. In special cases, the vice chancellor must be consulted concerning the use of the name LUMS.

/sd/ Ahmad J. Durrani

Ahmad J. Durrani, Vice Chancellor