

Annual Report 2018



Creating Relentless Relevance



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Message from

THE PRESIDENT



In many respects the 2017/2018 academic year was a challenging, yet a very successful year for ISM University of Management and Economics. We were once again reassured that our strategic choices and projections were adequately supported by both, our professionalism and a shared passion for our institution.

Our continuously reinvented and redefined strategy ideologically is being built around the concept of relevance. The meaning of this abstract concept for our university is expressed by the strategic priorities, focussing on customer recognition, peer recognition and sustainability. The customer recognition is measured by the level of satisfaction of past and present individual and corporate customers: students, alumni, and employers. The peer recognition reflects the level of compliance with internationally recognized quality standards and requirements for top higher education institutions. In this regard, we put a special emphasis on increasing our institutional research capabilities making the annual number of top research publications (based on Academic Journal Guide list and The Financial Times 50 list) one of our institutional KPIs. The sustainability defines institutional robustness as the main prerequisite supporting a non-disruptive long-term development based not only on financial results but – maybe even more importantly – also on the climate of internal safety and stability. We have learned it and we know very well: social capital makes a difference!

The 2017/2018 academic year marks the end of this presidential cycle and the beginning of a new one. I would like to use this opportunity to say how extremely proud I am of our students and alumni for their achievements, and to thank our faculty and members of staff for their outstanding work, commitment and dedication. And especially I would like to thank my colleague and friend Ivo Matser with whom we were co-signing (and sharing the responsibility for) all the previous annual reports during this last presidential cycle.

I do believe that focused on producing top level research output, supported by solid institutional partnerships and internally robust ISM will continue flying with its own wings!

Alfredas Chmieliauskas,

President



ISM events

2017



08 25 Leadership Education Programme Opening



08 29 ISM Faculty Summer Academy



09 01 New Academic Year Opening Ceremony



09 07 Doctoral Thesis Defence by Dr Žygimantas Mauricas



09 19 "Switch" Conference



09 28 The First MBA Programme Opening in Lithuania



10 14 ISM University for High School Students



10 21 TEDxISM



10 26 "Studfestas" Event for High School Students



11 11 National Economics Competition



11 17 Cognizant Auditorium Opening



11 29 ISM Fund Sponsorship Annual Event



11 30 "Creative Shock"



12 01 "Relevance of Higher Education" Conference



12 11 Signed partnership contract with "Klaipėdos Nafta"



12 13 ISM professor E. Brazauskas presented his new book 'Kursas'



12 19 Doctoral Thesis Defence by Dr Austėja Pilkaitė

ISM events

2018



01 17 Study Fair at Litexpo



03 02 ISM Graduation Ceremony



03 29 ISM Careers' Day



04 09 ISM Teachers' University



04 14 ISM Open Door Day



04 28-29 Open House Vilnius Project at ISM



05 16-17 SRI International President
Curtis Carlson visits ISM



05 21 ISM Parents' University



06 28 ISM Graduation Ceremony



06 AACSB award to ISM Art Studio



07 02-19 ISM Summer University
in the Baltics



07 17 ISM Summer School

Focus on Quality

QUALITY ASSURANCE AND ENHANCEMENT ACTIVITIES

In 2017, ISM University of Management and Economics was granted the permission to start the process for AACSB accreditation. The achievement of accreditation, which is regarded as a seal of quality for outstanding achievements in research and teaching, is not only an award for the institution, but also a commitment to the process of continuous improvement. To provide assistance ahead in the process, and also to guide the University in formulating Initial Self Evaluation Report (iSER), AACSB appointed a mentor, Prof Dorota Dobija from Kozminski University (Warsaw, Poland).

ISM received the right to assess and recognized qualifications earned abroad. During the reporting period over 100 submitted qualifications have been assessed.

All degree programmes at ISM hold unconditional 6-year accreditation, except for "Educational Leadership", which is a project programme under the framework of the "Time for Leaders" project, led by The Centre for School Improvement together with the Ministry of Education and Science and funded by the European Structural Funds. The "Educational Leadership" programme offered by ISM was accredited for 3 years to operate till the end of the project, i.e. 2020.

ISM Student Association's project "Creative Shock" and ISM "Art Studio" have received international recognition among the 600 submissions from the business schools all over the world. The Association to Advance Collegiate Schools of Business (AACSB) issued its Innovations That Inspire award to ISM for the innovative approaches to leadership education development.

Focus on Quality

QUALITY ASSURANCE AND ENHANCEMENT ACTIVITIES

The self-assessment reports for the Economics and Economics and Politics (Undergraduate) and Financial Economics (Graduate) programmes have been prepared for FIBAA accreditation. FIBAA is a European internationally oriented agency for quality assurance and quality development in higher education.

A curriculum mapping exercise was undertaken whereby contributing courses were mapped to the programme outcomes. Learning, teaching and assessment methods were reviewed to ensure their alignment with the course/module learning outcomes.

Comparative analysis of the students' satisfaction with the quality of studies in the years 2016, 2017, 2018 indicates that the level of satisfaction remained stable at around

4,11 (measured on a 5-point scale, where 5 - very satisfied, 1 - dissatisfied)
for the bachelor programmes,

4,57
for the Executive Master of Management programme;

4,53
for the Master of Science (MSc) programmes, and

4,54
for the newly launched MBA programme

Study Programmes

The educational provision offered by ISM University represents current expectations and needs of the participants – students, businesses, and society.

ISM currently offers Undergraduate, Graduate, Doctoral programmes and Executive education.

Study programmes, September 2018

Undergraduate Studies

Programmes
in English

Industrial Technology Management
International Business and Communication
Economics and Politics
Finance

Programmes in English
and in Lithuanian

Business Management and Analytics
Economics

Graduate Studies

Programmes
in English

Financial Economics
International Marketing and Management
Innovation and Technology Management

Executive Studies

Programmes
in Lithuanian

Applied Organizational Psychology
Financial Strategy and Management
Leadership: Power Actualization
Managerial Accounting Analysis
Marketing Strategy and Management
Project Management
Business Process Management
Strategic Management
International Business: Entering New Markets
Organizational Consulting
Leadership in Education

Programme in English

Master of Business Administration (MBA)

Doctoral studies

Programme in English

Management

Programme in English and in Lithuanian

Economics

Study Programmes

STUDENT NUMBERS
IN THE 2017–2018
ACADEMIC YEAR

In the Fall Semester of 2017, ISM University had 1,761 students. Among them:

Bachelor students	Master of Science students	Master of Management students	Executive MBA students	Master of Educational Leadership students	Doctoral students
1277	195	152	25	75	37

In the Spring Semester of 2018, ISM University had 1,536 students. Among them:

Bachelor students	Master of Science students	Master of Management students	Executive MBA students	Master of Educational Leadership students	Doctoral students
1026	170	140	25	140	35

A total of 370 students graduated from ISM in the 2017–2018 academic year, including:

Bachelor students	Master of Science students	Master of Management students	Executive MBA students	Master of Educational Leadership students	Doctoral students
251	50	42	25	-	2

Doctoral Studies

ISM offers two Doctoral programmes – International Doctoral Program in Management (with Aarhus University, Denmark, BI Norwegian School of Management, Norway, and Tartu University, Estonia) and Doctoral Program in Economics.

Enrolment to the ISM Doctoral Studies was successful: one doctoral student was admitted to Economics programme and four students to Management programme, among which one foreign doctoral student (German). The percentage of foreign doctoral students' increased to 10 percent. The total number of doctoral students in both doctoral programmes reached 32.

Two doctoral students have defended their doctoral theses during the period – A. Pilkaitė (Management field, advisor Assoc. Prof Dr A. Chmieliauskas)) and Ž. Mauricas (Social Science field, advisor Prof Dr V. Darškuvienė). A. Pilkaitė's dissertation "Maturity of Evaluation in Institutions and its Links to Performance in the Public Sector" was recommended and submitted to the "2017 Emerald/EFMD Outstanding Doctoral Research Awards" competition.



A. Pilkaitė



Ž. Mauricas

Baltic Journal of Management

Following the change of the journal focus – from the Baltic region to a wider international perspective, the journal has grown considerably in terms of readership and submission numbers. In 2017 BJM papers were downloaded over 50,000 times, while the number of original submissions grew by 50 per cent (from 278 to 424 manuscripts). To further promote the journal across international readership, four new calls for submissions to special issues have been issued. They address such topics as advances in retail management, ICT in knowledge management and innovation, accounting and performance management innovations in public sector organizations, and media entrepreneurship.

Research

Research at ISM forms one of key pillars of the institution's strategy, with focus on two key directions: increase the level of research towards internationally recognized performance; and increase the level of social visibility of research-related expertise with wider impact on society, businesses, public policy, and economy. ISM research activities were committed to develop research environment for academics and researchers, to support faculty competence development in niche research areas, to disseminate research outcomes internationally,

and to promote opinion leadership of faculty members.

ISM research achievements have been recognized by the Government, and for the first time in the history of the University, ISM is subject to base state research funding for the year 2018. ISM Unit of Assessment (UoA) Research Report for 2013-2017 was developed summarizing ISM research achievements for external evaluation, to be performed by MOSTA and Research Council of Lithuania by the end of 2018.

ISM research publications by category

Publication category	Number of publications (in Management)	Number of publications (in Economics & Politics)
Internationally recognized book chapters	2	2
Articles in "Clarivate Analytics" data base, with impact factor	4	2
Articles in other peer-reviewed journals	16	8

Research areas

1. marketing and consumer behaviour
2. organisational behaviour and human resource management
3. strategy
4. finance and corporate governance
5. internationalization, innovations and economics
6. politics and governance

Research

Research projects

Over the last year the total number of research projects under implementation has increased by 40 percent, from 6 to 10 projects, and included one international project funded by H2020 scheme, one CEEMAN project, 9 national projects funded by Research Council of Lithuania (RCL) programmes. There has been a sharp growth in research projects funding since 2017 - the total value of research project grants has increased by almost 400 % from 473 493 Eur in 2017 to 1 869 722 Eur in 2018. This is mostly due to two newly approved by RCL long term projects under the call "World-class R&D Projects".

New project grants received in 2017/2018:

- RCL project "Sustainable Human Resource Management in the Context of Emerging Technologies" funded by the "Operational Program for the European Union Funds' Investments in 2014-2020 according to the activity "Improvement of Researchers' Qualification by Implementing World-Class R&D projects", project leader Prof Dr I. Bučiūnienė, 2018-2021.
- RCL project "Improving Effectiveness of Nudges in Promoting Positive Health Behaviors" funded by the Operational Program for the European Union Funds' Investments in 2014-2020 according to the activity "Improvement of Research-

ers' Qualification by Implementing World-Class R&D projects", project leader Prof J. Gineikienė, 2018-2021.

- RCL project "Stakeholder Engagement and Sustainable Long-term Care of Elder Persons" funded by RCL Researcher teams' projects programme, project leader Prof Dr Rūta Kazlauskaitė, 2017-2019.
- RCL project "Life History Strategies and Health-related Behaviors in Wealthy Environments" funded by RCL programme Researcher teams' projects, project leader Prof Dr J. Gineikienė, 2017-2019.

Research awards

Dr Aras Zirgulis was awarded the Kazimieras Meškauskas Prize for young Scientists' in the field of economics by Lithuanian Academy of Sciences for his doctoral dissertation "Tax Competition for Capital with an Emphasis on Productivity Spillovers".

Dr Bernadeta Goštautaitė (doctoral dissertation "Age, Work Engagement and Individual Work Performance: The Influence of Work Design") and Dr Žygimantas Mauricas (doctoral dissertation "Active Portfolio Management Strategy Using Regime-switching Implied Volatility Model") were awarded Diplomas by the Lithuanian Academy of Sciences in Young scientists' and Doctoral students' research competition.

Research events

Seven open research seminars for researchers and doctoral students were organized. Research seminars hosted recognized researchers, who shared their experience and knowledge in the respective research fields, and attracted participants not only from ISM, but also from other Lithuanian universities, as well as foreign research institutions, with number of participants ranging from 5 to 45. Brown-bag sessions provided informal learning and knowledge sharing opportunity with colleagues and faculty members. In total 9 brown-bag session presentations and discussions were led by faculty members and PhD students.

Library

Library collection

During the academic year 2017-2018, as many as 242 new expertise books (57 of them were recommended by our readers) and 57 textbooks (161 copies) were purchased. Our readers contributed significantly to the enrichment of the library fund in 2017-2018. The library was supplemented with 147 titles (178 copies) of donated books.

Library services

According to the students' preferences the library prolonged its opening ours (Fridays till 9 PM and Saturdays till 6 PM). During this period ISM library has been visited 194,718 times. Based on the students' requests, the ISM library extended its working hours until 9 pm on Fridays and 6 pm on Saturdays.

Library earnings

Sales in the library have been increasing, from 17438,19 EUR during 2018-2017 period, compared to 17394,14 EUR during 2017-2016.

Library cooperation

The ISM Library mediates the acquisition of the rights to translate case studies into Lithuanian. From now on any client will have the opportunity to purchase case studies from such global platforms as Harvard Business Publishing and The Case Center in the Lithuanian language.



International Relations

ISM University of Management and Economics:

- cooperates with almost 100 academic exchange partners around the world: in Europe, North and South America, Asia, Australia and Africa.
- Every year about 10 percent of the University's students participate in ISM University's exchange programmes.
- Students have the opportunity to go on internships abroad.
- During the 2017-2018 academic year, 125 ISM students chose Erasmus or Bilateral studies for one semester abroad. The year was generous with incoming international student.
- ISM hosted 156 students from partner universities for an exchange semester.



Dual diploma programmes

ISM University of Management and Economics offers dual diploma programmes in cooperation with the following foreign universities:

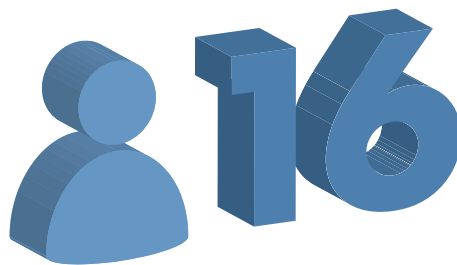
- **BI Norwegian Business School (Norway)**
- **INSEEC Bordeaux (France)**
- **Illinois Institute of Technology (USA)**
- **Linnaeus University (Sweden)**
- **Kedge Business School (France)**
- **TIAS School for Business and Society (Holland)**
- **Tilburg School of Economics and Management (Netherlands)**

New agreements on dual diploma programmes with:

- **Kedge Business School (France) for Bachelor level studies**



During the 2017–2018 academic year, as many as 16 students opted for a dual diploma programme.





ISM

Career Center

ISM Career Center actively co-operates with various companies and organizations, organizes events, seminars for students, advises students on career issues, helps establish and operate student clubs and contributes to student projects.

One of the biggest Career Center events is ISM Career Day which is organized every spring. In March 2018, several hundred students and 39 companies participated at the Career Day. During the event, companies introduced and presented themselves to ISM students, students had an opportunity to meet representatives of the business world, their potential employers, and to establish useful contacts.

ISM students are encouraged to engage in various activities from the very first year of study to get skills needed in the future. Students have the opportunity to join student clubs and organizations here at ISM. Currently there are 14 clubs established by the students (ISM Student Association, Politics, Debates, Golf, Basketball clubs, etc.).



ISM alumni community

ISM University has more than 5,000 graduates. Part of them are involved in various university activities, actively participate in the Senate, in projects and events organized by the University, support most talented students and suggest how to improve the quality of

studies. Every year all ISM Alumni are invited to a Homecoming event to spend an evening together. The purpose of these events is to share knowledge, to unite the community of graduates, and to network.

ISM Fund

The ISM Fund is a non-profit organization founded by ISM University of Management and Economics. The mission of the ISM Fund is to support the best students and researchers in management and economics, to invest in the quality of studies and promote Lithuania's economic progress, positive community developments and philanthropy.

The financial year of the ISM Fund starts on 1st August (2017) and ends on 31 July (2018). During the recent financial year, the ISM Fund raised EUR 116 589 in financial support. Corporate donors donated EUR 104 277 and individual donors donated EUR 12 342. The donors provided support for the following causes: "Excellent 100" scholarships (EUR 43 253), Need Based Scholarships (EUR 31 142), sponsorship for German and Norwegian language studies at ISM (EUR 11 794), ISM Master Club's scholarship (EUR 900) and other (EUR 29 530).

"Excellent 100" scholarship programme

"The Excellent 100" programme was launched in 2011 to give the opportunity to the very best high school graduates to stay in Lithuania, and study the programme of their choice free of charge. 299 ISM students, who finished secondary schools with the highest grades have already studied at ISM University free of charge since the beginning of the "Excellent 100" scholarship programme. 165 of them graduated already. Each year corporate sponsors finance about 15–20 scholarships. The rest of the Excellent 100 scholarships are sponsored by ISM University itself.

1300 ISM alumni have donated to the need based scholarship fund

In 2012, ISM alumni became involved in the fundraising activities to collect financial support for the scholarship fund for the disadvantaged. ISM alumni

take part in various charitable activities: golf afternoons, charity auctions and even the graduation gift tradition, and support the scholarship fund. Since 2013 four students from need based families have received scholarships allowing them to study free of charge, enhance their employability and improve career prospects.

Other

"Business German Sponsored by LIDL", "Business Norwegian Sponsored by COGNIZANT", annual scholarship by the ISM Masters' Club, achievement scholarships and numerous other activities of the ISM Fund aimed at nurturing philanthropic traditions in the ISM community. For more information, visit www.ism.lt/fondas.




Social Responsibility

Social responsibility is embedded in the mission, Code of Ethics, strategy of ISM, and is one of our core values. The University was the first in Lithuania to respond to the global call for business schools and academic associations to advance corporate social responsibility worldwide and has committed to adhere to the Principles for Responsible Management Education (PRME). ISM is committed to diversity including culture, nationality, ethnicity, gender, socio-economic status, sexual orientation, age, physical ability and socioeconomic status:

- ISM carries out projects to increase accessibility of private education, e.g., annual ISM "Excellent 100" campaign provide an opportunity for the most talented Lithuanian students to study for free, tuition fee waivers covering either 50 % or 100 % of the full tuition fee are provided to the most talented students from Ukraine, Georgia, Belarus, etc.

- ISM student body  (88% Lithuanians, 12% members of other ethnic groups) reflect the demographics of the state  (85% are Lithuanians, 15% of other ethnic groups e.g., Russians, Poles, Belarusians); it is comprised of 51,57% female and 48,43% male students, during the reporting period, students from 26 countries studied at ISM as full-time, exchange or Summer University at the Baltics students. International degree students make up 10% of the total student body. In 2017-2018 ISM students (bachelor, master, doctoral) travelled  to 23 countries to spend a semester or a year at a partner institution.

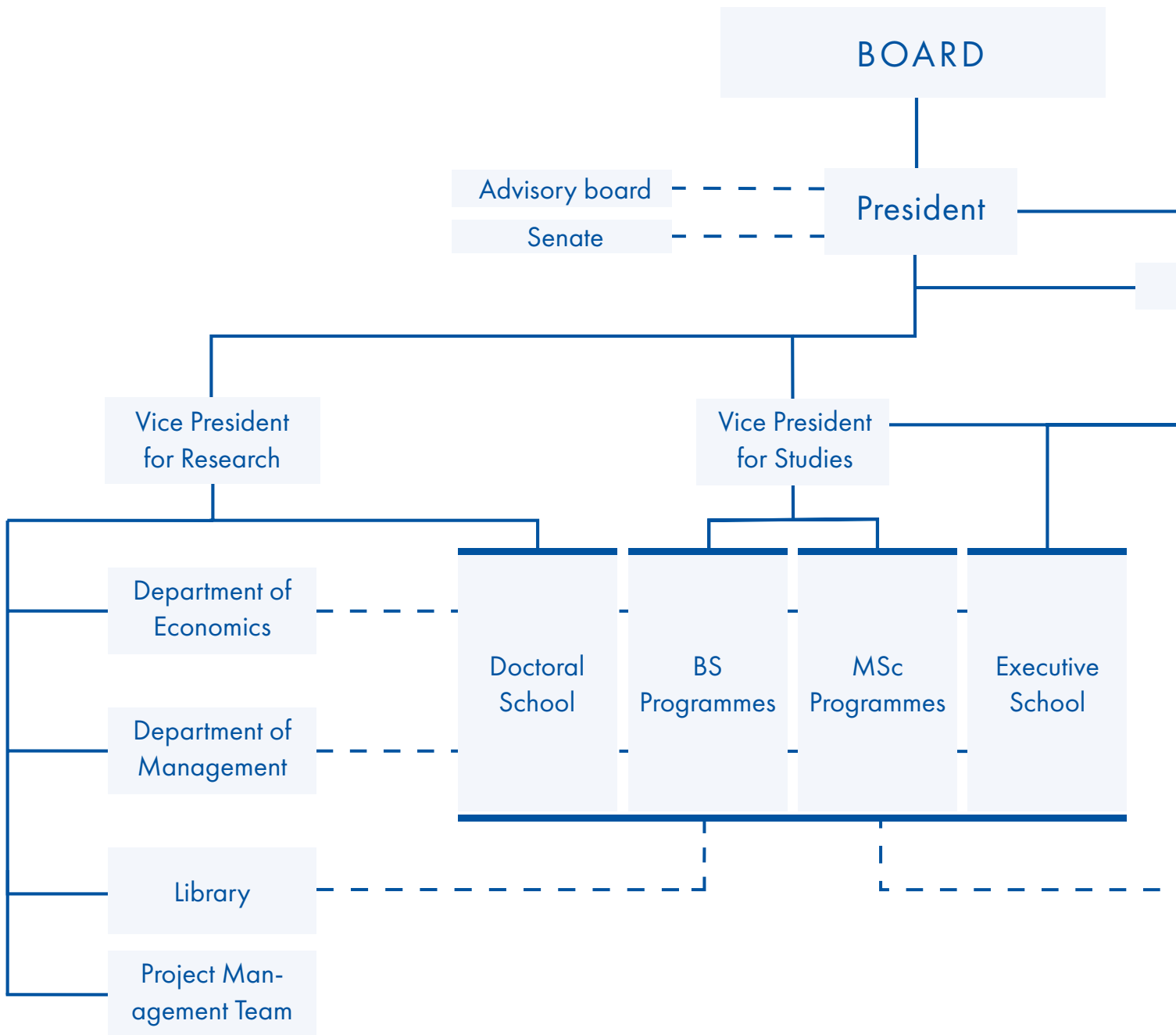
- ISM female faculty make up 67% of the full-time faculty,  12% of the full-time and 36 % of the part-time faculty are international.

- The ISM University of Management and Economics takes care of integrating young people with physical disabilities. Bearing in mind special needs of disabled students, access to all buildings and all stories of the University have been installed, and classrooms, reading rooms, sanitary facilities and lifts have been adapted for the disabled. Moreover, efforts are made to provide academic and social assistance to ISM students with disability: to supply them with special learning aids, on-line materials, access to e-library, etc.



ISM Team

MANAGEMENT STRUCTURE



Quality Center

STUDY SERVICES DEPARTMENT

Programmes
Administration
Team

Data
Management
Team

International
Studies Office

Career
Center

HR Office
Support Services
Office

Finance
Team

Marketing
Office

IT
Office

Financial Statements

2017-2018

Profit (Loss) Statement Eur '000

	2017-18 (12 mnths)	2017-18 (12 mnths)	17-18 Act vs 17-18 Bud	2016-17 (12 mnths)
	Actual (prel.)	Budget	Diff. Eur	Actual
REVENUE FROM MAIN ACTIVITIES	6 979	6 209	771	5 786
Degree programmes	6 266	5 590	676	5 341
Non-degree programmes	279	387	-107	229
Grants and projects financing	434	231	202	216
DIRECT COSTS	2 712	2 286	427	2 212
Academic salaries	1 985	1 719	267	1 715
Other direct	304	343	-39	298
Costs of projects	422	224	199	199
Direct costs %	38,9%	36,8%		38,2%
GROSS PROFIT	4 267	3 923	344	3 574
Gross profit %	61,1%	63,2%		61,8%
OVERHEADS	1 900	1 802	97	1 756
Administrative salaries	1 713	1 629	84	1 629
Other overheads	187	173	13	127
Overheads %	27,2%	29,0%		30,4%
CORPORATE	1 850	1 885	-35	1 686
Rent and premises	1 073	1 083	-9	1 011
Marketing	335	303	32	282
IT expenses	72	107	-36	63
Other corporate	370	392	-22	330
Corporate %	26,5%	30,4%		29,1%
OTHER ACTIVITIES, NET	33	24	9	35
FINANCIAL ACTIVITY, NET	8	6	2	9
PROFIT BEFORE TAXES	558	265	293	174
Profit taxes	86	55	31	26
NET PROFIT	472	210	262	149
Net profit %	6,8%	3,4%		2,6%
Revenue	6 979	6 209	771	5 786
EBITDA	640	373	267	251
EBITDA %	9,2%	6,0%		4,3%
CAPEX	169	132	37	44
EBITDA-CAPEX	470	241	230	207
Cash	703			610
Cash excluding projects funds	452			316

Balance Sheet

EUR '000	31.07.2018	31.07.2017
Fixed assets		
Total fixed assets:	539	679
Current assets		
Inventory and prepayments	57	55
Receivables	132	48
Deferred expenses and accrued income	333	176
Cash and cash equivalents	703	610
Total current assets:	1 225	889
TOTAL ASSETS	1 764	1 568
Equity		
Share capital	17	17
Share premium	56	56
Legal reserves	0	0
Retained earnings	552	80
Total equity:	625	153
Total subsidies:	423	724
TOTAL EQUITY AND SUBSIDIES	1048	877
Liabilities after 1 year		
Loans from bank	0	0
Lease or similar liabilities	13	16
Total liabilities after 1 year:	13	16
Current liabilities		
Loans from bank	0	0
Payables	129	67
Advances received	97	158
Taxes, remuneration & social security payable	268	264
Accrued expenses and deferred income	27	24
Vacation accrual	184	162
Total current liabilities:	704	674
TOTAL LIABILITIES	717	691
TOTAL EQUITY AND LIABILITIES	1 764	1 568

Future Plans

Recognition

- Peer recognition: compliance with internationally recognized quality standards and requirements for top higher education institutions in the field of business, management and economics, targeted focus on international accreditations and collaboration of all interested parties: students, academia, administration, alumni, and social partners.
- Achieving accreditation by the Association to Advance Collegiate Schools of Business (AACSB International) is a challenging endeavour requiring time, human and financial resources. ISM will concentrate on identifying processes, developing new processes or enhancing currently existing processes to comply with the AACSB standards such as Assurance of Learning system or Initial Self Evaluation Report (iSER) for the AACSB Accreditation Committee.
- FIBAA accreditation of its programmes in the field of economics. The upcoming FIBAA peer-review experts is planned on 14th-15th of November 2018. FIBAA is a European internationally oriented agency for quality assurance and quality development in higher education. FIBAA accredited programmes at Luxemburg, Jagiellonian University, Erasmus University Rotterdam.

Having attained the FIBAA accreditation, ISM will gain a recognised quality rating, which has long been established on the international education market as an award for high quality. The differ-

entiated assessment spectrum given by FIBAA will also guarantee ISM feedback on particular strengths of its study programmes.

Advances in research

- Revision of the faculty/researcher performance appraisal and compensation systems to support implementation of AACSB standards and receive international AACSB accreditation.
- Improving institutional support for research and balanced strengthening of research areas to support study program fields.
- Strengthening research expertise and networks in applying for international grants. Enhancing social and economic impact of research.
- To review Quality Policy document and Quality Manual, to develop University Teaching and Learning Strategy.

Other

- ISM alumni with international experience. Increase the number of ISM graduates with international experience (exchange, international internships, dual degree programmes, summer programmes, short courses, etc.).
- International integration. ISM as a top priority business university in the Baltic countries for incoming exchange students. The entire ISM community is involved in enriching their experience at ISM: all staff speaks English, is able to

offer consultations.

- Strengthening the ISM alumni community's engagement in university activities.
- Maintaining current strong relations with business and build new connections.
- Offering more services for students by organizing career consultations with ISM alumni and company representatives.



ISM
UNIVERSITY OF MANAGEMENT
AND ECONOMICS



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