



**Committee for the Evaluation of Business Administration
Study-Programs**

Bar Ilan University

Graduate School of Business Administration

Evaluation Report

April 2007

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Chapter 1 - Background

At its meeting on March 8th, 2005 the Council for Higher Education (CHE) decided to evaluate study programs in the fields of Business Administration during the academic year 2005-2006.

Following the decision of the CHE, the Minister of Education, who serves ex officio as a Chairperson of the CHE, appointed a committee consisting of:

- ***Professor Stuart I. Greenbaum*** - Former dean and Bank of America, Emeritus Professor of Managerial Leadership, U.S.A, Committee Chairperson.
- ***Professor Arnoud W.A. Boot*** - Faculty of Economics and Econometrics, University of Amsterdam, the Netherlands.
- ***Professor Arie Goldman*** - KMART Chaired Professor in Marketing, The Jerusalem School of Business Administration, the Hebrew University of Jerusalem.
- ***Professor Dr. Peter Leeflang*** - Frank M. Bass Professor of Marketing, Department of Economics, University of Groningen, the Netherlands.
- ***Professor Thomas Z. Lys*** - Eric L. Kohler Chair in Accounting, Accounting Information and Management, Kellogg School of Management, Northwestern University, USA
- ***Professor Yair E. Orgler*** - Former Chairman of The Tel-Aviv Stock Exchange, and former Vice-Rector, Tel - Aviv University, Committee Deputy Chair.
- ***Professor David A. Walker*** - John A. Largay Professor, McDonough School of Business, Georgetown University, Washington DC, U.S.A.

Ms. Chen Hadad - Coordinator of the committee on behalf of the Council for Higher Education.

Within the framework of its activity, the committee was requested to¹:

1. Examine the self-evaluation reports, submitted by institutions that provide study programs in Business Administration, and to conduct on-site visits at those institutions.

¹The Document with Terms of Reference of the committee is attached as **Appendix 1**

2. Present the CHE with reports for the evaluated academic units and study programs - a separate report for each institution, including the committee's findings and recommendations.
3. Submit to the CHE a separate report regarding the examined field of study within the Israeli system of higher education.

The entire process was conducted in accordance with the CHE's Guidelines for Self-Evaluation (of October 2005) and on the basis of the Specific Questions for the Fields of Business Administration which were compiled by the committee.

Chapter 2 - Committee Procedures

The Committee held its first meeting on January 11, 2006, during which it discussed fundamental issues concerning Business Administration study programs in Israel and the quality assessment activity.

During the months of June-July 2006, the committee members received the self-evaluation reports and in September 2006 they began to hold discussions regarding these reports.

In November-December 2006, the committee members visited the institutions. During the visits, the committee met with officials of each institution as well as faculty and students.

In accordance with the committee's request, each institution publicized in advance the committee's visit and it invited academic staff members, administrative staff and students to meet with the committee in order to express their opinions concerning the Business Administration study programs.

This report deals with **Bar Ilan University - Graduate School of Business Administration.**

The committee's visit to the Bar Ilan University took place on December 11, 2006. The schedule of the visit, including the list of participants representing the institution, is attached as **Appendix 2.**

The committee members thank the management of Bar Ilan University and the Department of Business Administration for their self-evaluation report and for their hospitality towards the committee during its visit to the institution.

Chapter 3: Evaluation of Bar Ilan University - Graduate School of Business Administration

The evaluation is based on the information and the data provided in the self-evaluation report, the committee's visit to the institution and the general impressions of the committee.

1. Background

The Graduate School of Business (GSB) was originally within the Economics Department at Bar Ilan University (BIU), but since 1993 it operates as a department within the Faculty of Social Sciences. The Social Science Faculty (SSF) is the largest at BIU, consisting of 10 departments. Some, including Psychology, Economics, Geography and Education, are stronger academically and politically than the GSB although the GSB's head is formally similar in status to that of other department heads within the SSF.

The GSB is totally dependent on the SSF for appointments and promotions. The SSF Dean initiates these processes, manages them and represents the GSB *vis a vis* the university. SSF committees and institutions must approve ALL academic decisions including new courses and programs, appointments of administrative and academic staff (adjuncts, teaching assistants, etc.).

The GSB does not have an independent budget. It is allocated by the SSF and it competes with other SSF departments for resources. The SSF competes, in turn, for positions and budget with other Faculties at the college level. The GSB seems to be treated fairly by the SSF. We heard no complaints or reports of tension during the visit.

Programs and Teaching

Because of longstanding conflicts with Economics, the GSB offers only graduate programs: MBA, EMBA (15 months) and an International MBA (in English). MBA specializations include Finance, Marketing, Organizational Behavior and Information Systems. Oddly, Accounting is offered in the Economics department. Also, the recently instituted degree program in Logistics is within the SSF, but outside the GSB.

The total number of MBA students in all programs is just over 700. Last year's entry classes were MBA 289, EMBA 26 and IMBA 20. The three programs graduated 302 students in the most recent academic year. The student numbers in the

two Executive programs are smaller than in comparable executive MBA programs and suggests that these programs are operating at break even or below.

Student admission standards for the MBA program are similar to those at other universities (BA grade of at least 80 plus quantitative GMAT). These standards were raised last year without negative impact on the number of student applications (The IMBA program's entry standards appear to be lower). The teaching program design (courses, course sequences, hierarchy of courses) is similar to that of other business schools at Israeli universities. In total, the GSB offers 148 courses, seminars and tutorials. In the past 5 years they added 20 new elective courses and dropped 3. The leadership states they would like to add more courses to enhance their market relevance, but are constrained by budget, teaching staff and space limitations.

Complaints were heard about lack of appreciation at the University level of the special needs and attributes of the MBA. The example was cited of the university imposing an across-the-board reduction in teaching credits on all Masters level programs, including the MBA, to standardize university programs.

Adjuncts play an overarching role in teaching: 75% (another version 2/3) of the courses are taught by adjuncts including many of the most important courses, e.g., the MBA seminars in which students are exposed to the latest research and develop their own research papers. Surprisingly, the GSB has no joint programs with other departments within the SSF or outside it. A program with the Law Faculty was discontinued as a result of disagreements regarding GSB compensation for teaching.

The GSB makes an effort to serve students well. They operate course websites, syllabi are pre-posted and students can access exam archives. Students are generally satisfied with the quality of the courses but complained of difficulty accessing professors (adjuncts typically teach their course and then depart the campus).

Atypically, BIU lacks a formal student course evaluation program or a teaching improvement center and does not formally recognize teaching excellence. Evaluations are done by the SSF in cooperation with the student union.

Facilities

The quality of classrooms and teaching facilities are poor (among the worst of the seven universities we visited). Only a few classrooms are adequately equipped. Many lack basic equipment (even overhead projectors). Staff often carry teaching

equipment to classes and complained about lack of essentials such as computer programs. A computer lab was opened only last year. The GSB is under severe budgetary pressure. For the most part, it uses income from executive programs and donations to purchase computers and teaching equipment.

Faculty

The GSB has 14 faculty positions and these are filled with 17 tenure track faculty members. Before the recent budget cuts, GSB had 19 positions, hardly a critical mass when distributed across 6 to 9 business school disciplines. In addition, GSB employs 37 adjunct teachers on short term contracts. Only one faculty member is a full professor. Most are associate professors or senior lecturers. The others are lecturers or instructors and two are on a teaching track. The GSB operates with few faculty members in key areas (e.g. in Marketing they have only one faculty member). Faculty attrition is high: eight senior faculty left in the last few years, mostly to Israeli colleges. Despite many years of service at BIU, seven of the eight choosing to depart failed promotion to full professor at BIU.

The GSB faces serious difficulties in recruiting faculty. Their problems transcend the general faculty shortage faced by all business schools in Israel. The GSB finds it very difficult to compete for the small pool of candidates because of BIU's highly centralized, protracted appointment process and unrealistic standards. For example, in order to get an initial appointment as a lecturer, BIU requires three refereed journal papers. If not, the appointment is to an "Instructor-Doctor" which carries lower status, a three year contract as well as lower compensation. Other business schools in Israel are more flexible in appointing to the first position and grant the Lecturer position to all candidates with a Ph.D. Unable to compete in the market in recent years, GSB has recruited mostly their own Ph.D.s. Some of the 37 adjunct faculty have earned doctoral degrees while others occupy professional positions. In conversation with adjunct faculty some reported feeling alienated. They essentially come to teach and then leave.

Research

As in other university business schools, promotions are based on research and publications. Faculty complained that the promotion process at BIU is long and arduous and that standards are unrealistic. The senior faculty is mostly stuck at the

associate professor rank unable to achieve full professor. GSB operates a Ph.D. program (at present, 16 students) but given the severe faculty shortage it is not clear how quality is maintained.

2. Observations

- This GSB is weak academically and politically and seems to be a low priority of the University. As no senior persons within or outside the university champions its cause, it receives little in the way of resources and attention.
- Similarly disturbing, GSB itself seems to lack strong leadership. It has no visible strategy /plan to reverse the spiral of decline in which it is entrapped.
- The GSB is among the weakest of the 10 departments within the Social Sciences Faculty. Its leadership is not represented on important university committees and lacks formal access to the higher levels of the university. The GSB is for the most part dependent on the SSF and its Dean for appointments and promotions, budget and related issues and also representation at university councils.
- The GSB is small in student numbers. For historical reasons, subjects such as accounting and logistics are taught outside the GSB. In addition, In the Israeli circumstances and in the BIU context, the number of students is important as a source of influence. GSB has no undergraduate program and has been unable to leverage the advantages of a graduate focus.
- GSB's executive MBA programs are small.
- In Marketing, they have only one faculty member, and in other areas faculty groups are below the minimum needed for teaching and research interactions
- The BIU appointment procedures, and especially the practice of initial appointments at the "Instructor-Doctor" level, places GSB at a disadvantage in recruiting faculty. Because of their recruiting disadvantages GSB tends to hire their own Ph.D.s, a practice largely rejected by successful business schools.
- Most courses and even seminars are taught by adjuncts who complained about their tenuous connection to the GSB community.
- In spite of the faculty shortage, the GSB continues to add elective courses. For example the marketing area with only one faculty member offers 16 different courses beyond the introductory courses.

3. Recommendations

If BIU chooses to have a competitive business school, this decision should be accompanied by a development plan and the commitment of required resources. At present, the GSB lacks both the size and the stature to operate independently. Consequently, the plan should include steps necessary for the achievement of independence. BIU must commit to helping the GSB achieve these goals.

Following are a few specific suggestions.

- Establish an advisory board of business leaders and distinguished alumni. Involve its members in the discussions of the future of GSB. In addition to the obvious benefits, this board will serve as communication channel to BIU senior management.
- Expand the school by transferring to the GSB both the Accounting and Logistics programs. Also consider offering a BA program, perhaps a double major with Economics, Psychology and possibly Education.
- Tel Aviv proximity is not being effectively exploited. The GSB needs to identify and address the problems in the EMBA and IMBA programs in order to attract more students. Larger programs will contribute resources, enhance GSB visibility and establish stronger ties with the business community. Also, GSB should build on its religious sector affinity both in Israel and abroad.
- Aggressively recruit young Ph.D.s from *other* doctoral programs in Israel. Identify promising candidates and offer them generous financial support to undertake 1 to 2 years of post-doctoral research in top schools abroad. Also, BIU needs to reconcile its standards for first appointments with those of the other Israeli university business schools.
- Raise the quality of the Ph.D. program. The GSB should participate in the Ph.D. consortium (see the committee's general report).
- Visiting senior faculty from the US and Europe should be invited to teach mini-semester courses of 8 weeks and /or Ph.D. courses. BIU should develop an attractive package to bring these faculty to Israel. Alliances with one or a few business schools in Europe and/or the US should be pursued.
- All Israeli business school programs-graduate and undergraduate-should ensure the English fluency of graduates as well as written, oral and electronic communication skills of a high order. In addition, there should be course offerings in entrepreneurship and business values (corporate governance).

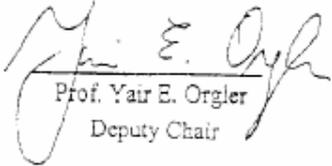
4. Concluding Comment

Bar-Ilan University Graduate School of Business (GSB) is weak to the point of becoming a marginal operation. Continuation of the present situation will most certainly lead to further deterioration. Bar-Ilan University (BIU) urgently needs to initiate a policy review at the highest university levels and debate the GSB's future and its mission. The university needs to decide whether it wants a competitive business school, or is content with a professional service department teaching management courses. It currently professes the former, but delivers something much closer to the latter.

Signed by:



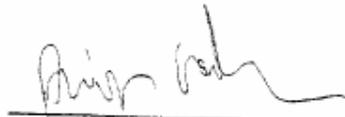
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Chairperson



Prof. Yair E. Orgler
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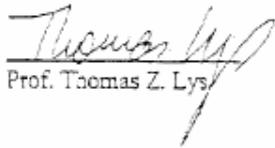
Prof. Arnoud W.A. Boot



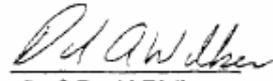
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