



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

**The College of Management  
Academic Studies  
The School of Business Administration**

**Evaluation Report**

**April 2007**

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## **Chapter 1 - Background**

At its meeting on March 8<sup>th</sup>, 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 to<sup>1</sup>:

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.

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<sup>1</sup>The 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 **the School of Business Administration, College of Management - Academic Studies.**

The committee's visit to the College of Management took place on November 22, 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 the College of Management and the School 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 the College of Management, Academic Studies - the 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.

#### **Background**

The College is a private institution (public-interest company) founded by the Federation of Clerical Workers prior to the creation of the state of Israel with the aim of providing working students with a quality education. The Business Administration Bachelor's program was first accredited by the CHE in 1986.

The College of Management offers 13 undergraduate and graduate programs. The self-evaluation report stresses close links with the business community in Israel. Based on the comments received from both the faculty and the administration, the College is making an effort to increase the "applied research" of the faculty. Both faculty and administration expressed the need to do more research to encourage faculty to remain current. The College has begun to provide grants that allow faculty to hire assistants, travel to conferences, and to cover the cost of other research-related activities. However, there is presently no sanctioned substitution between teaching and research activities.

#### **Organizational Structure**

The College aspires to become the leader in professional/practical education. The administration believes the College does a good job in that 80 percent of graduates find employment within one year in their chosen field of study.

The College of Management is organized into the following academic units:

- School of Business Administration
- Law School
- Media School
- Behavioral Studies Department
- Economics Department
- Interior Design Department
- Computer Science Department

The following degrees are offered:

- Bachelor and Master degrees in:
  - Business Administration
  - Law
- A Master degree in:
  - Organizational Development and Consulting
- Bachelor degrees in:
  - Media Studies
  - Economics, Behavioral Sciences
  - Criminology and Criminal Justice
  - Interior Design
  - Computer Science

The School of Business Administration (SBA) is the largest and oldest division of the College of Management. Of the College of Management's 9,000 students, approximately 3,800 are enrolled in the SBA (2,650 in the Bachelor of Arts in Business and 1,150 Master of Business Administration programs). In 2005, the SBA graduated 1,100 students, approximately 600 BAs and 500 MBAs.

The Dean is elected by the SBA Council, and approved by the College's High Academic Committee, for a three-year term with a possible two-year term extension. After an initial five year term in office, the approval of a majority of the SBA Council is required for further extensions.

### **Faculty**

The faculty is largely practitioners. Sixty percent of the instruction is provided by "internal" (full time) and 40 percent, by "external" (part time) faculty. These proportions differ across the BA and MBA programs: approximately three-fourths of MBA courses are taught by full-time faculty, but only half of BA courses.

Faculty appointments are initially for 2 years, then 3 years and then successful faculty are offered renewable 5 year contracts. Salaries are based on collective bargaining. A full time senior internal appointment requires 8 contact hours of teaching per week (2-4 courses). Many faculty members teach overloads of 4 hours per week which provides a 50 percent salary increase.

The college envisions two tracks for faculty, a research track with ranks of associate and full professors who are approved by the Council for Higher Education, and a teaching track topping out at senior lecturer.

**B.A. Program.** The self-assessment lists a senior teaching staff of 30 and a junior teaching staff of approximately 70. A large portion of the seniors have Ph.D. degrees whereas the majority of juniors have master degrees.

In addition, the report lists 32 senior external staff members and 37 junior external staff members and approximately 135 teaching assistants.

The BA program is organized into 5 specializations: Accounting, Marketing, ICT, Finance, and Human Resource Management. Admission is based on several criteria, with students required to meet one. The standards for admission do not appear to be restrictive. Time to completion of degrees ranges from three to eight years (part time).

**MBA Program.** The self-assessment lists a senior teaching staff of 35 and a junior teaching staff of 9. Almost all seniors and about half of the juniors have Ph.D. degrees.

In addition, the report lists 27 senior external staff members and 6 junior external staff members and approximately 84 teaching assistants.

The MBA program appears to be organized into the same five specializations as the BA program. The admission requirements include a minimum BA grade average of 75, a minimum GMAT score of 450-500 (depending on division) and a quantitative GMAT of 44. The report imprecisely states that there are very few dropouts. The age range of MBA students is between 22 and 60 years with a median of approximately 28 years. The gender mix is 56% female and 44% male students.

### **Research**

Research does not seem to be required or performed by the faculty, but it is encouraged by the administration. The report mentions that research is evaluated on a case-by-case basis when appointments and reappointments are made. The self-evaluation lists 21 research projects under way during 2003-6. Disposition or content of the research is not indicated. Although the self-evaluation report lists nine pages of publications, peer-reviewed academic journals are not in evidence. The self-evaluation report lists 33 conferences and seminars attended by faculty during 1999-2006. The events appear to be mostly targeted at practitioners (e.g., Doing Business

in Poland). In addition, there were two pages of grants, prizes and scholarships, although it was difficult to distinguish applications from awards. Twenty-one faculty members serve on editorial boards of what appear to be practitioner journals (including *Globes* newspaper).

The encouragement of research appears to be based largely on the need for faculty to remain current in their fields, but two additional motives are suggested: (1) research will allow faculty members to attain the rank of professor, and (2) strengthen the College's potential to obtain university status. Both of these latter goals are ultimately aimed at increasing the College's ability to attract faculty and students. The College's administration expressed concern that their competitive position would be damaged if others were elevated to university status while the College of Management was not.

### **Teaching**

The business school has a good reputation for teaching. Several of the faculty and administrators commented that syllabi are reviewed annually and that teacher course evaluations are taken seriously. Students lauded the teaching, particularly in the core courses. Interestingly, students do not take the non-core courses as seriously commenting that attendance is poor and that it is often sufficient to read summaries.

When asked what would advance the college's mission most effectively, the faculty commented: (1) allocate more resources to research, and (2) elevate student admission standards. Some faculty mentioned that students expect extraordinary service because of their high tuition. Some even hinted that these expectations extend to more liberal grading. While the College does not have a prescribed grading distribution, no mention was made of grade inflation.

Some introductory classes have 200 students, although most have 40-50 students. Some faculty and students mentioned that class size was a problem. Students also complained that when parallel sections of the same course are offered, students flock to the more popular teachers and time slots even though they are assigned to other sections. There does not seem to be an efficient mechanism for allocating space within classes— senior students are allowed to register first.

On one dimension the college appears to excel: students taking the Israeli CPA exam score on par with those at the best universities. Thus, the college appears to be doing well in providing professional education in accounting.

Several faculty, and particularly administrators, expressed frustration with the CHE's bureaucratic and lengthy approval process for new programs and initiatives.

### **Students**

The students seem to be more heterogeneous and of lower quality than those attending the more established universities. Faculty members complained that students do not read or otherwise prepare for classes.

Students acknowledged that they were admitted with lower grades and without having taken the psychometric exam, and that ease of admission was a major reason for their school choice. However, several MBA students said that they applied exclusively to the College of Management because of its reputation for teaching excellence.

Students complained that some lecturers just read from prepared notes – there is little interaction in class and there is little gained in attending such classes. Also some students felt that entry standards should be elevated.

Students mentioned that few if any classes are in English, and even when English readings are assigned, Hebrew translations are readily available.

### **Assessment and Recommendations**

#### **Building on Existing Strengths**

- The College offers an educational opportunity to those whose prior academic performance was not at a level that would gain admission to the more selective universities.
- The SBA does a good job of preparing students for the Israeli CPA exam. This successful model should be expanded to other areas in accounting and finance and then to other management fields. Accounting is an important strength that established for the SBA a niche among the colleges in Israel, even permitting it to compete with some of the universities.
- There seems to be an *esprit de corps*, a sense of community, among the faculty. However, the relatively large proportion of the faculty who are not full time may be problematic as the SBA attempts to elevate the quality of its offerings. A concerted effort should be made to replace part timers with

full time senior faculty who are active in research and can mentor younger faculty members.

- Young faculty members who get their Ph.D. degree from Israeli universities should be encouraged to spend one or two years as post docs at universities abroad with the financial support of the SBA.

### **Broadening vs. Deepening**

- The SBA's reputation is based mostly on the accounting program. However, the institution is committed to expanding its programs to appeal to a greater number of students. The SBA programmatic expansion should focus on areas in which it has a critical mass of senior internal faculty.

### **Enhancing the Curriculum**

- All programs should include courses in entrepreneurship and corporate governance which is important in teaching business values. Special efforts should be made to improve the English fluency of all students for instance by offering at least one course in English in each specialization. These courses can be taught by visiting faculty from the U.S. and Europe who would add a global perspective to programs. Israelis who teach at universities abroad can be recruited for this purpose as well.

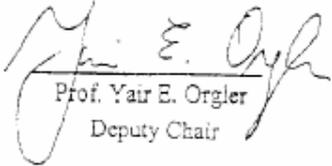
### **Research**

- The school lacks a significant presence in scientific research. The Council of Higher Education should consider creating a promotional ladder for teaching and pedagogical contributions that mirrors that of the research tenure track. The teaching track should recognize and reward the development of relevant teaching materials such as cases, textbooks, and other transferable pedagogical materials. Faculty members who choose the research track and obtain outside grants should receive a salary supplement equivalent to teaching additional courses.

**Signed by:**



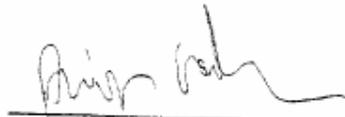
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Prof. Yair E. Orgler  
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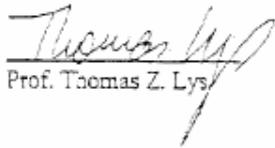
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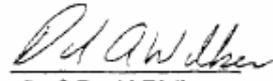
Prof. Arien Goldman



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