



**Committee for the Evaluation of Business Administration and
Management Study Programs**

**Interdisciplinary Center Herzliya
Arison School of Business
Evaluation Report**

July 2015

Contents

Chapter 1:	Background.....	3
Chapter 2:	Committee Procedures.....	5
Chapter 3:	Evaluation of Business Administration and Management Study Programs at the Interdisciplinary Center Herzliya.....	6
Chapter 4:	Summary of Recommendations.....	14

Appendices: Appendix 1 – Letter of Appointment

Appendix 2 - Schedule of the visit

Chapter 1: Background

The Council for Higher Education (CHE) decided to evaluate study programs in the field of Business Administration and Management during the academic year of 2014-2015.

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

- **Prof. Russell Winer** - Stern School of Business, New York University, USA – Committee Chair.
- **Prof. Jane Fedorowicz** - Bentley University -Massachusetts, USA.
- **Prof. Jeffery Callen** - Rotman School of Management, University of Toronto, Canada.
- **Prof. Simon Benninga** - Recanati School of Business Administration, Tel Aviv University, Israel.
- **Prof. Arnoud Boot** - Professor of Corporate Finance and Financial Markets, University of Amsterdam, the Netherlands.
- **Prof. Stuart Greenbaum** - Olin Business School, Washington University in St. Louis.
- **Prof. David Mazursky** - The Jerusalem School of Business Administration, the Hebrew University of Jerusalem, Israel.

Ms. Maria Levinson-Or served as the Coordinator of the Committee on behalf of the CHE.

Within the framework of its activity, the Committee was requested to:¹

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

¹ The Committee's letter of appointment is attached as **Appendix 1**.

2. Submit to the CHE an individual report on each of the evaluated academic units and study programs, including the Committee's findings and recommendations.
3. Submit to the CHE a general report regarding the examined field of study within the Israeli system of higher education including recommendations for standards in the evaluated field of study.

The entire process was conducted in accordance with the CHE's Guidelines for Self-Evaluation (of September 2013).

Chapter 2: Committee Procedures

The Committee held its first meetings on 17.03.2015, during which it discussed fundamental issues concerning higher education in Israel, the quality assessment activity, as well as Business Administration and Management Study programs in Israel.

In March 2015, the Committee held its first round of visits of evaluation, and visited Ben-Gurion University, the Hebrew University, Tel-Aviv University, the Interdisciplinary Center Herzliya, the Technion, and the College of Management. During the visits, the Committee met with various stakeholders at the institutions, including management, faculty, staff, and students.

This report deals with the Arison School of Business at the Interdisciplinary Center Herzliya. The Committee's visit to the Interdisciplinary Center took place on March 23, 2015.

The schedule of the visit is attached as **Appendix 2**.

The Committee thanks the management of the Interdisciplinary Center Herzliya and the Arison School of Business for their self-evaluation report and for their hospitality towards the committee during its visit at the institution.

Chapter 3: Evaluation of Business Administration and Management Study Program at the Interdisciplinary Center Herzliya

This Report relates to the situation current at the time of the visit to the institution, and does not take account of any subsequent changes. The Report records the conclusions reached by the Evaluation Committee based on the documentation provided by the institution, information gained through interviews, discussion and observation as well as other information available to the Committee.

1. Executive Summary

In the 20 years since its founding, the IDC has been a remarkable success story in many ways. In particular, the Arison School of Business is perhaps the most successful unit in the IDC with a research-oriented faculty, programs in both Hebrew and English, and all the trappings of a leading professional business school. Given the extensive student demand for its programs, it is clearly serving a market need. In addition, we feel that given the quality of the faculty it has been able to attract, the Arison School is in a good position to offer a PhD program.

At the same time, there are challenges facing the ASB. The school would like to be a top 5-10 non-U.S. business school. It needs a more detailed plan and timetable for this ambitious goal. The school needs additional faculty, particularly in management, as it is teaching a disproportionate number of IDC students relative to its number of faculty and it is highly-dependent on adjuncts for instruction. In general, the school needs to be more strategic rather than opportunistic about how it approaches a number of initiatives like its relationship with the new School of Entrepreneurship and the establishment of new research centers.

2. Mission and Goals

Observation and findings

In the Self-evaluation report, the IDC offers detailed mission, values, and principles statements. In addition, the ASB describes its own mission and

strategic plan. Of note is that a component of the mission focuses on education with an international dimension.

During its visit, the committee learned the school aspires to be ranked among the 5-10 top non-U.S. business schools. While this is a formidable goal, we did not discern a coherent plan or strategy to reach it. A lack of planning is also evident in the School's research centers and labs. While all very impressive, they seem to be more opportunistic rather than the result of a strategic plan.

The ASB, along with other initiatives in the IDC (such as the School of Entrepreneurship), offer multiple study programs. While the programs seem to be doing well, the committee is concerned that the School may be growing too fast and lacking coordination in the process. Due to the IDC being a tuition-dependent institution, we recommend more careful planning and risk management when it comes to starting new programs. A possible solution could be an endowment which will help minimize the risk of fluctuations in student enrollment. While the establishment of a significant endowment would be unusual for an Israeli business school, the ASB is perhaps in a unique position due to its status as a research-oriented College (and thus self-funding) and the charisma of its founder.

Recommendations

Important:

The ASB should develop a detailed strategic plan describing how it intends to become a top 5-10 non-U.S. school and a timetable for achieving that. The plan should include a critical assessment of where it is today, what the main shortcomings are relative to the top global schools, and what are the necessary steps with a timetable for getting there.

Desirable:

The ASB should develop plans to obtain an endowment to support research centers, faculty, and students (scholarships).

3. Organizational Structure

Observation and findings

The success of the IDC can be largely attributed to the vision and energy of its founder, Professor Uriel Reichman. He is so closely attached to the IDC brand that it is naturally a concern about what would happen to both the IDC and the ASB when he leaves office. The committee was never able to get a good sense of whether or not there is a succession plan.

The committee learned about a plan to open a School of Entrepreneurship. While we believe this is an important field, it is important to have a clear plan for how the new School and the ASB will collaborate in terms of programs, faculty recruiting, and the like. We did not see such a plan.

While the ASB is one of the largest schools in the IDC with about 40% of the students, it employs only 12% of IDC faculty. This ratio seems misaligned and could potentially harm the School's educational and research missions.

Recommendations

Important:

- a) It is important that the ASB's senior management team develop with the IDC President's office a leadership plan for succession.
- b) The school of Entrepreneurship should be planned for and launched in a manner that will allow it to successfully co-exist with the ASB so the two can mutually benefit from each other.
- c) The ASB needs to continue to hire faculty to support its teaching and research missions.

4. Study Programs

Observation and findings

The study programs offered by the school seem to be well-balanced and successful. We applaud the undergraduate English-language tracks in many of the degree programs, both undergraduate and MBA

The committee learned the School was planning on launching a new full-time English-language MBA program in the fall of 2016. We believe such a program is a great initiative and encourage it. We did not get a clear understanding regarding the details especially given the short deadline. The School should plan carefully and not introduce it with undue haste.

It is the committee's judgment that given the profile of the School's faculty, the School is in a position to offer a PhD degree. The committee has learned of a CHE initiative to develop a PhD program consortium among the Israeli universities. If such a consortium is to be opened in Business, we believe that the IDC is in a position to be a member of the consortium despite being a college and not a university. If one is not established, the ASB should be given the opportunity, provided it upholds other relevant criteria, to launch a PhD program in areas where there are sufficient research faculty.

The committee is concerned with the School's over reliance on adjuncts. Adjunct faculty teach about two-thirds of undergraduate courses. This is an undesirable situation.

Recommendations

Important

- a) The ASB should be permitted to start a PhD program whether an Israeli-wide consortium is formed or not in areas where it has sufficient research faculty. A good place to start is Marketing which has a group of scholars that is competitive with many top global business schools.
- b) The introduction of the new full-time English MBA should be managed with due care and patience to ensure its success.
- c) The ASB needs to continue to hire faculty to support its teaching and research missions.

5. Human Resources / Faculty

Observation and findings

The School's faculty is impressive, both for its research and its enthusiasm. The committee was especially impressed with adjunct faculty. They seem to be qualified and some are active researchers. Their positive attitude towards the IDC was contagious.

While the full-time faculty are impressive, there is an urgent need for an increase in their numbers due to the high percentage of adjuncts teaching (2/3 of undergraduate courses) as well as the problematic ratio of students to full-time faculty. While we understand the supply constraints for hiring new top-quality faculty in Israel, we urge the School and the IDC to continue their efforts to increase the full-time faculty size.

It is our understanding that since it is a college, the IDC cannot promote a faculty member to full professor without the approval of the CHE. While we will have more to say about this topic in our overall report to the CHE, we feel

that, in particular, the ASB has sufficient faculty with international research reputations to make its own promotion decisions.

Recommendation

Important

- a) The School should recruit more young faculty, especially in management.
- b) The CHE should permit the ASB to make its own full professor promotion decisions.

6. Students

Observation and findings

The committee found students to be happy and satisfied. Student services are good, especially by Israeli standards. Alumni seemed to be happy and engaged. The Alumni relations programs are improving, but further work needs to be done to establish a solid alumni network.

The committee is concerned, however, with admission criteria and student quality. The MBA does not require the GMAT as part of the admission criteria, but states alternative criteria can be taken into account. The committee did not get a clear understanding of what such alternative criteria are. It is important that these alternative criteria be clearly articulated.

An additional concern is based on the institution's tuition dependent nature. Such heavy dependence on tuition might cause compromising quality for quantity. The School should maintain a healthy balance between the two and avoid admission standards that are too flexible.

Recommendations

Important:

The School should articulate and clearly state the alternative criteria for MBA admission.

Desirable:

The School should improve and continue developing alumni relations.

7. Teaching and Learning Outcomes

Observation and findings

Teaching and learning outcomes seem to be adequate. The committee has no recommendations in this area.

8. Research

Observation and findings

The committee was impressed with the high level of research conducted by the School's faculty. We encourage the School to continue its strong support for research.

While the School's research centers and labs are quite impressive, their establishment seems more opportunistic rather than strategic. The School should dedicate thought and careful planning of its future areas of growth and establish labs and centers accordingly. There is also a need to support finance and accounting faculty in particular with databases.

Recommendation

Important:

- a) The ASB should use strategic considerations in creating new research centers rather than being opportunistic.

- b) The ASB should consider obtaining access to WRDS databases. They should consider joining a consortium of universities and colleges within Israel.

9. Infrastructure

Observation and findings

Infrastructure seems to be adequate. Facilities and technology availability are commendable. The committee has no recommendations in this area.

10. Self-Evaluation Process and implementation of previous recommendations

Observation and findings

The School addressed all previous recommendations, and has made significant progress, but there is still more to be done especially in recruiting new faculty.

Chapter 4: Summary of Recommendations and Timetable

Important Recommendations:

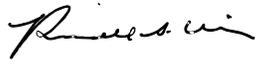
- 1) The ASB should develop a detailed strategic plan describing how it intends to become a top 5-10 non-U.S. school. The plan should include a critical assessment of where it is today, what the main shortcomings are relative to the top global schools, and what are the necessary steps with a timetable for getting there.
- 2) It is important that the ASB's senior management team develop with the IDC President's office a leadership plan for succession.
- 3) The school of Entrepreneurship should be planned for and launched in a manner that will allow it to successfully co-exist with the ASB so the two can mutually benefit from each other.
- 4) The ASB needs to continue to hire faculty to support its teaching and research missions.
- 5) The ASB should be permitted to start a PhD program whether an Israeli-wide consortium is formed or not in areas where it has sufficient research faculty. A good place to start is Marketing which has a group of scholars that is competitive with many top global business schools.
- 6) The introduction of the new full-time English MBA should be managed with due care and patience to ensure its success.
- 7) The ASB needs to continue to hire faculty to support its teaching and research missions.
- 8) The School should recruit more young faculty, especially in management.
- 9) The CHE should permit the ASB to make its own full professor promotion decisions.
- 10) The School should articulate and clearly state the alternative criteria for MBA admission.
- 11) The ASB should use strategic considerations in creating new research centers rather than being opportunistic.

12) The ASB should consider obtaining access to WRDS databases. They should consider joining a consortium of universities and colleges within Israel.

Desirable Recommendations:

- 1) The ASB should develop plans to obtain an endowment to support research centers, faculty, and students (scholarships).
- 2) The School should improve and continue developing alumni relations.

Signed by:



Prof. Russell Winer - Chair

Prof. Simon Benninga



Prof. Arnoud Boot



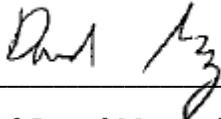
Prof. Jeffery Callen



Prof. Stuart Greenbaum



Prof. Jane Fedorowicz



Prof. David Mazursky

Appendix 1: Letter of Appointment



November 2014

Prof. Russell Winer
Leonard N. Stern School of Business
New York University
USA

Dear Professor,

The Israeli Council for Higher Education (CHE) strives to ensure the continuing excellence and quality of Israeli higher education through a systematic evaluation process. By engaging upon this mission, the CHE seeks: to enhance and ensure the quality of academic studies, to provide the public with information regarding the quality of study programs in institutions of higher education throughout Israel, and to ensure the continued integration of the Israeli system of higher education in the international academic arena.

As part of this important endeavor we reach out to world renowned academicians to help us meet the challenges that confront the Israeli higher education by accepting our invitation to participate in our international evaluation committees. This process establishes a structure for an ongoing consultative process around the globe on common academic dilemmas and prospects.

I therefore deeply appreciate your willingness to join us in this crucial enterprise.

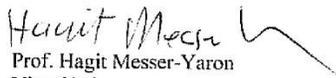
It is with great pleasure that I hereby appoint you to serve as the chair of the Council for Higher Education's Committee for the Evaluation of the study programs in **Business Administration**. In addition to yourself, the composition of the Committee will be as follows: Prof. Simon Benninga, Prof. Arnoud Boot, Prof. Jeffrey Callen, Prof. Jane Fedorowicz, and Prof. Stuart Greenbaum.

Ms. Maria Levinson-Or will be the coordinator of the Committee.

Details regarding the operation of the committee and its mandate are provided in the enclosed appendix.

I wish you much success in your role as the chair of this most important committee.

Sincerely,


Prof. Hagit Messer-Yaron
Vice Chair,
The Council for Higher Education (CHE)

Enclosures: Appendix to the Appointment Letter of Evaluation Committees

cc: Dr. Varda Ben-Shaul, Deputy Director-General for QA, CHE
Ms. Maria Levinson-Or, Committee Coordinator

Appendix 2: Site Visit Schedule

Schedule		
Time	Subject	IDC Herzliya Participants
9:00-9:30	Opening session with the heads of the institution	Prof. Uriel Reichman, President Prof. Mario Mikulincer, Provost Prof. Zvi Eckstein, Dean, Arison School of Business Prof. Ron Shachar, Dean during reviewed period Prof. Eyal Biyalogorsky, head of QA process Ms. Gila Patchornik, Office of the Provost
09:30-10:15	Meeting with the Dean of Arison School of Business	Prof. Zvi Eckstein, Dean, Arison School of Business Prof. Ron Shachar, Dean during reviewed period
10:15-10:45	Meeting with the Heads of all Arison study programs *	Dr. Yaron Timmor, Dr. Taly Eichenwald-Dvir, Shlomi Shuv, CPA, Prof. Yaniv Grinstein, Prof. Eyal Biyalogorsky, Prof. Dan Zachay
10:45-11:30	Meeting with permanent academic staff (representatives of relevant committees)*	Prof. Varda Liberman, Prof. Barak Libai, Prof. Jacob Goldenberg, Dr. Shimon Kogan, Dr. Liat Hadar, Dr. Doron Israeli; Prof. Dan Segal
11:30-12:15	Meeting with adjunct academic staff*	Dr. Michal Serr Ben-Ami, Dr. Yossi Bolless, Dr. Itay Shiloni, Dr. Ron Lazar, Dr. Sivanie Shiran, Dr. Ari Dotan, Dr. Yaniv Gvili, Dr. Tal Mofkadi
12:15-13:00	Lunch (in the same room)	
13:00-13:45	Tour of facilities: labs, classrooms, library, offices	Prof. Zvi Eckstein, Dean, Arison School of Business Prof. Ron Shachar, Dean during reviewed period Dr. Eyal Biyalogorsky, head of QA process Prof. Eli Berkovitch, Arison School of Business
13:45-14:15	Meeting with BA students**	
14:15-14:45	Meeting with MA students (who also serve as teaching assistants - if)**	
14:45-15:30	Meeting with BA+MA alumni**	
15:30-15:45	Closed-door meeting of the committee	-
15:45-16:15	Summation meeting with heads of institution and the Dean of the Business School	Prof. Uriel Reichman, Prof. Mario Mikulincer, Prof. Zvi Eckstein, Prof. Ron Shachar, Prof. Eyal Biyalogorsky, Ms. Gila Patchornik