



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

Ariel University
Department of Economics and Business Administration
Evaluation Report

October 2015

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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. Jeffrey Callen** - Rotman School of Management, University of Toronto, Canada.
- **Prof. Simon Benninga¹** - Recanati School of Business Administration, Tel Aviv University, Israel.
- **Prof. Arnoud Boot²** - Professor of Corporate Finance and Financial Markets, University of Amsterdam, the Netherlands.
- **Prof. Stuart Greenbaum³** - 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.

¹ Prof. Simon Benninga did not partake in the evaluation of the Department of Economics and Business Administration at Ariel University. Sadly, Professor Benninga, passed away during the committee's work. However, his contributions to the committee were numerous and invaluable.

² Prof. Arnoud Boot did not partake in the evaluation of the Department of Economics and Business Administration at Ariel University.

³ Prof. Stuart Greenbaum did not partake in the evaluation of the Department of Economics and Business Administration at Ariel University

Within the framework of its activity, the Committee was requested to:⁴

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.
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).

⁴ The Committee's letter of appointment is attached as **Appendix 1**.

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. In June 2015, the Committee held its second round of visits of evaluation, and visits the Open University, University of Haifa, Netanya Academic College, Ruppin Academic Center, Ono Academic Center, Ariel University, Bar-Ilan University, and the College of Law and Business. During the visits, the Committee met with various stakeholders at the institutions, including management, faculty, staff, and students.

This report deals with the Department of Economics and Business Administration at Ariel University. The Committee's visit to the University took place on June 15, 2015.

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

The Committee thanks the management of Ariel University and the Department of Economics and Business Administration 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 Ariel University

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

The Department of Economics and Business Administration (hereafter referred to as the Department) is one of 6 departments in the Faculty of Social Sciences and Humanities at Ariel. The University has recently transitioned from a College to a University having only been designated the latter in December, 2012. We recognize that it will take time to fully realize the potential of the Department because of this transition as well as other issues buffeting Israeli universities in general and Ariel in particular.

We found that the faculty are dedicated to the progress that Ariel is making and to the transition, and that, in general, there is an excellent “spirit” there. In addition, the Department has made some progress hiring research-oriented faculty supporting the move to becoming designated a University.

At the same time, we found several areas for improvement. First, and most notably, it was disturbing that decisions about the Department’s MBA program, usually considered the “flagship” program in a business school, are made outside of the Department and within the Faculty. Second, the MBA program needs areas of specialization to attract the best students it can as well as to provide its current students with appropriate training. Third, the Department needs to offer more courses where the language of instruction is English to better prepare its students for the global economy. Fourth, faculty evaluations need to emphasize research quality over quantity. Finally, the

infrastructure of the Department is inadequate with insufficient numbers of faculty offices and the lack of a behavioral lab for experimental research.

2. Mission and Goals

Observations and findings

The Department's mission as stated in the self-evaluation is very generic and could apply to any number of business programs. As stated, the primary goal "is to train able professionals for both the private business sector and public service." The secondary goal of the curriculum "is to prepare students for graduate studies." Given the unique history, location, and composition of the student body, it is necessary for the department to develop a mission that is unique to the institution.

In addition, in our visit, it was stated by a number of people that the long-term goal of the Department is to have a separate business school/faculty. We agree that this is a useful **long-term** vision as the Department currently lacks the autonomy and resources to achieve that vision any time soon. However, it is not too early to begin planning for an independent business school as it will take not only a number of years to obtain the resources but also it will require substantial planning to develop a school that fits into Ariel University's mission. We therefore suggest that the Faculty and Department establish a long-term planning committee to begin laying the foundation for the eventual establishment of an independent business school.

Recommendations:

Essential:

The Department must develop a mission that takes advantage of its unique position in Israel.

Important:

The Faculty of Social Sciences and the Department should establish a long-term planning committee to lay the foundation for an independent business school/faculty.

3. Organizational Structure

Observations and findings

The Department is one of 6 managed within the Faculty of Social Sciences and Humanities. It is a very diverse Faculty with the other 5 departments being Behavioral Sciences, Social Work, Israel in the Middle East, Israel Heritage, and a Multi-Disciplinary Program in Social Sciences and Humanities. Each department has its own elected Head of Department reporting to the Dean of the Faculty. Given such diversity and the concomitant differences in students, programs, research, etc., one would expect that there would be a reasonable amount of autonomy given to each Head to manage his/her programs.

However, the visiting committee heard that this is, in fact, not the case. While it is perhaps not surprising given the sizes and the history of the University and the Faculty that resources are centrally controlled, we were disturbed that decisions about key Department programs such as the MBA program are made at the Faculty level sometimes without consulting the Department. This not only makes the job of the Head and Department more difficult in terms of program planning, it has a negative effect on faculty morale. It also has the potential to put decision-making authority in the hands of Faculty personnel who are not in the best position to understand student and market needs.

We also heard of plans to establish a separate Department of Accounting. We strongly feel that this would be a mistake as Accounting is a key business function and should be integrated into the current Department as well as into any future plans for an independent business school/faculty.

Recommendations:

Essential:

- a) The locus of decision-making for the MBA program must be within the Department.
- b) Accounting should remain within the Department.

4. Study Programs

Observations and findings

The Department currently offers both a B.A. in Economics and Business Administration and an MBA.

The B.A. students appreciate the opportunity to get a university-level education at a price they can afford. The program curriculum appears to be up-to-date and challenging. We do not make any suggestions for this program in terms of the curriculum.

An important omission in the MBA curriculum is the lack of any specializations. This not only prohibits students from developing specialized skills which are attractive to employers but also reduces the interest of some prospective applicants. Given the strength of the University in the sciences and technology (we note the existence of the R&D Company, Ariel Ltd.), it would seem to be natural that the Department offer MBA specializations related to these strengths. Students also seemed to be interested in more courses with a global orientation. The option to have an MBA with a thesis seemed attractive as a path to further study.

Recommendations:

Essential:

The MBA program should offer specializations in areas where there is strong faculty support and are a strategic fit for the Department and University in terms of campus assets, location, and job opportunities.

5. Human Resources / Faculty

Observations and findings

The Department has four informal groups/disciplines: Economics, Business: Management, Finance, Marketing. The report mentions that the former Business: Accounting group has moved or is moving to a new Department of Accounting. As mentioned above, we strongly believe that this is a mistake given the obvious importance of Accounting to business.

The pre-tenured faculty observed the lack of a mentoring system, the need for some assistance for improving their teaching quality, the importance of having more TAs to help conserve their time to do research, and the lack of data bases to support their work. Notably, the pre-tenured faculty members seem to rely on each other for support rather than the more senior, tenured faculty members.

Recommendations:

Important:

- a) A formal mentoring system needs to be put in place to help pre-tenured faculty.
- b) More resources as noted above need to be devoted to support research.

6. **Students**

Observations and findings

The visiting committee observed that the English-language skills of both the B.A. and MBA students were below what would be required to be successful in the global business environment. In addition, B.A. students noted low quality teaching and attendance problems in classes, particularly those where the instructor read from presentation materials already available online. There appears to be demand for more outside speakers and access to job postings, the latter indicating that more University resources need to be devoted to career-related opportunities.

Steps taken to reduce cheating mentioned in the report seem to be effective (honor code type declaration, terminate studies for teaching). The Department needs to continue monitoring and addressing the issue so it does not become a significant problem.

Although we did not speak with many doctoral students, we note that the Faculty/Department does not have its own program, but that the students are enrolled in Ariel's Advanced Studies. The students did not seem to have well-planned programs of study and were uncertain about their career prospects. This uncertainty was even more pronounced than at the other Israeli universities we have visited, so that paying more attention to the doctoral program seems warranted.

Recommendations:

Essential:

More B.A. and MBA courses are necessary where the language of instruction is English.

Important:

- a) The University and Department need to increase the resources devoted to student services such as career planning and placement.
- b) The Department should more carefully monitor faculty teaching skills in courses where the class attendance or student feedback is below expectations.
- c) The doctoral program needs continued attention and more structure in terms of curriculum and placement.

7. Teaching and Learning Outcomes

Observations and findings

These appear to be adequate. We have no recommendations for this section.

8. Research

Observations and findings

Overall, the faculty in the Department are pleased with the personal freedom they have to do their research. Research funding appears to be adequate, although funding is not guaranteed to pre-tenured faculty. The faculty seem to be committed to helping the University, the Faculty, and the Department transition into a research-focused university from its history as a college.

The Department uses the Hebrew University ranking of publications and impact factors, but we would like to see more emphasis on quality rather than quantity. An example of this quantity focus is the A-B-C-D faculty rating system. The pre-tenured faculty members in particular were rather unclear about how the point system works.

Recommendations:

Essential:

The Department should place more emphasis on quality rather than quantity in evaluation faculty performance.

Important:

The current faculty rating system needs to be revised and/or more fully explained to the faculty, especially pre-tenured faculty members.

9. Infrastructure

Observations and findings

The Department infrastructure is inadequate. There is no behavioral lab for faculty performing experimental research and there are 2-3 faculty members in each office which has obvious undesirable implications for frequency of appearance on campus. There is a beautiful new library which could provide some at least temporary space relief for faculty.

Recommendation:

Essential:

Department faculty need to be provided with adequate office and research space.

10. Self-Evaluation Process and implementation of previous recommendations

Observations and findings

The previous visiting committee recommended improvements in three areas: (1) the faculty and research programs, (2) programs and English-language proficiency, and (3) teaching proficiency. While we see progress in the first area, there are still serious deficiencies noted in the second and third. As we indicate in the report, the Department has a long way to go to giving its

students the English language skills necessary to compete in today's global business environment.

Chapter 4: Summary of Recommendations and Timetable

Essential Recommendations:

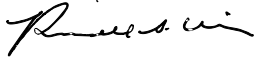
1. The Department must develop a mission that takes advantage of its unique position in Israel.
2. The locus of decision-making for the MBA program must be within the Department.
3. Accounting should remain within the Department.
4. The MBA program should offer specializations in areas where there is strong faculty support and are a strategic fit for the Department and University in terms of campus assets, location, and job opportunities.
5. More B.A. and MBA courses are necessary where the language of instruction is English.
6. The Department should place more emphasis on quality rather than quantity in evaluation faculty performance.
7. Department faculty need to be provided with adequate office and research space.

Important Recommendations:

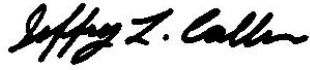
1. The Faculty of Social Sciences and the Department should establish a long-term planning committee to lay the foundation for an independent business school/faculty.
2. A formal mentoring system needs to be put in place to help pre-tenured faculty.
3. More resources as noted above need to be devoted to support research.
4. The University and Department need to increase the resources devoted to student services such as career planning and placement.
5. The Department should more carefully monitor faculty teaching skills in courses where the class attendance or student feedback is below expectations.

6. The doctoral program needs continued attention and more structure in terms of curriculum and placement.
7. The current faculty rating system needs to be revised and/or more fully explained to the faculty, especially pre-tenured faculty members.

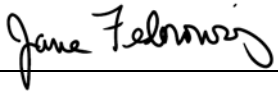
Signed by:



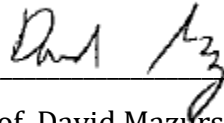
Prof. Russell Winer - Chair



Prof. Jeffrey Callen



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.

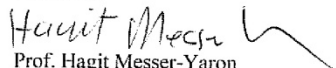
It is with great pleasure that I hereby appoint you to serve as the chair of the Council for Higher Education's Committee for the Evaluation of the study programs in **Business Administration**. In addition to yourself, the composition of the Committee will be as follows: Prof. Simon Benninga, Prof.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

| eBusiness Administration - Schedule of site visit Ariel University SubjeMonday , June 15 ,2015 בניין 53.2.9, חדר ישיבות | | |
|--|---|--|
| 09:00-09:30 | Opening session with the heads of the institution | Prof. Yehuda Danon, President Prof. Michael Zinigrad, Rector Prof. Mally Shechory-Bitton, Vice Rector Prof. Nitza Davidovich, Head of quality assessment and academic instruction |
| 09:30-10:00 | Meeting with the Head of the Faculty of Social Sciences and Humanities | Prof. Elazar Leshem (Dean, since 2015) Prof. Israel Nebenzahl (previous Dean) |
| 10:00-10:45 | Meeting with the Head of the Department of Economics and Business Administration | CPA, Prof. Jeffrey Kantor |
| 10:45-11:30 | Meeting with senior academic staff (Tenure) * (up to 8) | Prof. Zachary Sheaffer Dr. Daniel Schiffman Dr. Baruch Mor Dr. Yael Brender-Ilan CPA Eitan Dror Mr. Yosef Fogel |
| 11:30-12:15 | Meeting with Senior academic staff (non-tenure)* (up to 8) | Dr. Hayiel Hino Dr. Galy Binyamin Dr. Limor Dina Gonen Dr. Shalom Levy [REDACTED] Dr. Ronen Barak Dr. Ze'ev Shtudiner CPA, Dr. Menashe Shahmoon |
| 12:15-13:00 | Open slot | Tour in the new library and in the faculty. |
| 13:00-13:45 | Lunch (in the same room) | Closed-door meeting of the committee 53.4.60 |
| 13:45-14:15 | Meeting with BA students** (up to 8 students) | Mr. Harel Ohana Ms. Rachli Kalma Ms. Eliana Brody Mr. Yonatan Hayun Mr. Amir Tzhangaur Mr. Yontan Arnon Mr. Tamir Chiki Mr. Tal Leizerovish Mr. Roey Ohana |
| 14:15-14:45 | Meeting with MBA students** (up to 8 students) | Ms. Margarit Nenko Mr. Yosi Fogel Mr. Sargad Mahadav Mr. Ben Avraham Barashi Mr. Amir Amar (3 more students may join as well) |
| 14:45-15:15 | Closed-door meeting of the committee | |
| 15:15-15:45 | Closing meeting with heads of institution, the Head of the Faculty and the Head of the Department | Prof. Yehuda Danon, Prof. Michael Zinigrad, Prof. Mally Shechory-Bitton, Prof. Nitza Davidovich, Prof. Elazar Leshem, Prof. Jeffrey Kantor |