



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

University of Haifa

**Faculty of Social Sciences
Graduate School of Management**

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 **University of Haifa – Graduate School of Management**.

The committee's visit to the University of Haifa took place on December 19, 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 University of Haifa and the Graduate School of Management for their self-evaluation report and for their hospitality towards the committee during its visit to the institution.

Chapter 3: Evaluation of University of Haifa – the Graduate School of Management

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 total number of degree students at the University, which was CHE accredited as an independent institution in 1972, is over 16,000 of which over 5000 are graduate students, about half of whom are enrolled in a thesis track.

The MBA program was first offered in 1996. A three year growth plan that started in 2003 added an English language MBA program, a Masters in Business Management of Non Profit Organizations and a Masters in Management of Educational Institutions.

There are two sections in the regular MBA program and one in each of the specialized programs with roughly 45 students in each class for a total of 315 students. This year a Masters program in Business Management in Real Estate and Appraisal has been added.

Organizational Structure

The Graduate School of Management is an independent unit within the Faculty of Social Sciences. The Head of the School is elected by the tenured faculty members. A council composed of the Dean of the Faculty, the Head of the School and two senior faculty members governs the School. The school has its own budget with a limited degree of autonomy. Strategic decisions require the approval of the Faculty of Social Sciences and University administration, resulting in a slow decision making process. The School is not represented directly at the University-level bodies even though a recommendation for independent status was made when the School was established. Since 2005 the School has been divided into professional discipline fields such as finance and marketing, each coordinated by a senior faculty member.

Teaching Programs

The objectives of the School include:

- Promoting research
- Training managerial leadership
- Emphasizing overall quality and innovation

- Enhancing Creativity

The emphasis is on an integrative approach to management offered in a multi-disciplinary synthesis. A desire to enhance globalization related aspects of the programs, especially study abroad opportunities, are in abeyance due to budget limitations.

The teaching schedule is designed for fully employed students. The studies are concentrated in one full day or two half days per week in eight periods of nine weeks, including one week in each nine-week period for exams, for a total of 17 months.

Faculty

There are ten full-time faculty members of whom two are approaching retirement and three are young lecturers who received their Ph.D.s from Haifa University and spent only one year of post-doctoral studies at other institutions. In addition to teaching a full load, the young lecturers also coordinate some of the new specialized MBA programs

About two thirds of the teaching is done by teaching fellows from other departments and academic institutions, most of whom hold Ph.D. degrees and by adjuncts. Areas in which the shortage of faculty is most acute are accounting, marketing, strategy and entrepreneurship. Appointment and promotion procedures emphasize research performance.

Students

Admission requirements: at least an 80% grade average of undergraduate studies, three years of managerial experience and a GMAT score of 500. Emphasis is on the quantitative part where the cutoff score is 42-44. The Admissions Committee approves all admissions.

The average age of the students is between 35 and 40 and they have six years of practical experience on average. Class size is generally limited to 45. Students in the English language MBA program are Israeli Jews, Arabs and Palestinians. The number of dropouts is negligible and the average final grade in the last 5 years was between 86 and 87.

Research

There exists a normal university-style emphasis on research since promotions are based on research performance that is evaluated at the Faculty and University levels. The School has two research centers, one for the Study of Information Society and one for the Study of Organizations and Human Resource Management. External funding for research has expanded in recent years and there is an increasing demand for doctoral studies. Currently, 18 students study for a Ph.D. degree and over the last five years nine Ph.D. students have completed their studies.

Physical Infrastructure

The School has a separate building since 2002 with four classrooms. The increase in programs is beginning to cause a shortage of classrooms as well as auditoria. The School has no dedicated computer lab and uses the facility of the Computer Science Department. There is also insufficient support for computer systems that could be solved if all students had personal computers.

The self-evaluation process and the report

A senior faculty member headed the self-evaluation process that was conducted by three teams. As part of the process, questionnaires were sent to candidates, students, graduates and employers. The report is candid and spells out in detail weaknesses as well as the strong points. It has an excellent executive summary that provides a concise and trustworthy overview of the School and the self-evaluation process.

Observations and Evaluations

- The regular MBA program was initiated after many years of deliberations by a small but dedicated group of faculty members, most of whom belonged to the Economics Department and taught undergraduate students in an economics and management program .The program was tailored for small classes of mature students with managerial experience. The design was similar to, but not marketed as an executive program. Given its small size and the university budgetary constraints, the School could not grow and remained a relatively small unit within the Faculty of Social Sciences.
- In 2003 the School embarked on an aggressive growth plan and within three years added four new graduate programs. The objectives were to increase revenues and

enhance the status of the School which, in turn, might warrant an increase in the number of faculty members and more independence. Although the move was encouraged by the University authorities, the number of new positions is very small and the workload of the existing faculty has increased substantially.

- The most serious problem of the school is a shortage of tenure-track faculty. While this is a common phenomenon in Israeli business schools and programs, it is especially acute here. There are presently ten faculty members of whom two are approaching retirement. In addition to their teaching and research activities, these faculty members are coordinating **five** different Master's programs and several specializations.
- Three tenure-track lecturers who were hired in the last few years earned their Ph.D.'s from the University of Haifa. They spent only one year of post-doctoral studies in another business school. This creates an in-breeding problem, notwithstanding that two of the faculty members studied for their Ph.D. in other departments. These young faculty members carry a full teaching load and two of them coordinate two of the new MBA programs which hardly leaves time for serious research.
- Given the size of the faculty and the number of programs, only about one third of the classes are taught by the school's faculty, and the rest by faculty members from other departments and by adjuncts. In certain areas, such as accounting, there is not a single faculty member. In others, critical mass is lacking.
- Two undergraduate programs in “Management and Economics” and “Accounting and Economics” as well as a “Master of Economics in Finance for CPA's” are taught in the Economics Department which is not part of the Graduate School of Management, although both the Economics Department and the Graduate School of Management are parts of the Faculty of Social Sciences.
- Three of the Masters programs fulfill important social needs:
 - (i) The English language International MBA program (IMBA) brings together Israeli Jews, Arabs and Palestinians from East Jerusalem (due to security constraints Palestinians from the West Bank are currently not represented). One of the Palestinian students who graduated recently and whose undergraduate degree is from a Jordanian University told us that the study teams were mixed and that good personal relations and social meetings among the three groups continued after graduation. An added value of this

program is the English language of instruction. The program lacks international trips and student exchanges with other countries due to budgetary constraints. Moreover, the grant that subsidized this program has been terminated and new resources are needed to support it.

- (ii) The program for business management of non-profit organizations follows the modern approach of managing a non-profit organization as a business and in this respect is unique in Israel.
 - (iii) The program for management of educational institutions is unique in Israel by incorporating the core MBA courses while other programs with the same objective are offered in schools of education with a distinctly different orientation.
- The new program in real estate management and appraisal is likely to rely on adjunct teachers even more than the other programs because of the lack of faculty members in this area.
 - While all the new programs are unique and fill a special niche, they have the disadvantage of being out of the mainstream of business administration. However, given all the above mentioned problems and the location of the University away from the commercial center of the country, the "niche strategy" may be the correct one provided that the school excels in these areas. Another niche that is worthwhile expanding as part of the regular MBA program is entrepreneurial studies which are especially important for the many high-tech companies in the Haifa region.
 - Students expressed satisfaction with the different programs but asked for more electives, more practical courses, more teamwork assignments and more support from teaching assistants in frontal exercise classes.
 - Research activity is severely hindered by the heavy administrative duties imposed on **all** faculty members, including the young lecturers, caused by the large number of programs, relative to the size of the faculty. Another serious handicap is the absence of critical mass in any disciplinary area. The important role of guiding and supporting young faculty members suffers severely. Given the University budget constraints and priorities, it is unlikely that the school will be able to achieve its goal of producing high quality research.
 - The ratio of doctoral students to faculty members who are eligible and capable of advising them is high. Moreover, the faculty and leaders expressed a strong interest

in guiding MBA theses for which an application was submitted to the CHE. This is likely to impose yet another burden on the faculty.

Recommendations

- The shortage of senior faculty members who are active in research and can guide and mentor young faculty has to be resolved if the School wants to continue as a viable academic unit. Aggressive efforts are required which should receive full support of the University senior administration.
- The status of the School should be changed to an independent Faculty of Management including the management and accounting components of the undergraduate programs in “Management and Economics” and “Accounting and Economics.” These studies should be conducted as dual-major programs that are common in other Israeli universities. Likewise, the fourth year of accounting studies should be part of the Faculty of Management. The Masters of Economics program in Finance for CPAs should also be a dual program. The faculty members in the Department of Economics who teach and study these areas should join the Faculty of Management. It is also recommended that the Information Systems Unit in the Faculty of Social Science joins the new Faculty.
- Since most new tenure-track lecturers are likely to be Ph.D. graduates from Israeli universities, an effort should be made to hire graduates with at least two years of post-doctoral studies in first rate universities abroad. These recruits should be supported financially while doing research abroad and guided by senior members when they join the faculty. An effort should be made to reduce their teaching load in the first two years and to refrain from assigning administrative tasks to them.
- In order to enhance the international exposure of the students, visiting faculty members should be invited for teaching courses in English for single mini semesters. Other Israeli universities have had success in attracting scholars from abroad for short visits. In addition, the IMBA should be marketed to students abroad. Based on the experience of other universities in Israel, there is demand by foreign students for such programs. Foreign students can be invited as part of exchange programs that will provide opportunities for local students to study abroad. The mini-semester structure has clear advantages in this respect.
- We suggest that an advisory board of local business leaders be formed, as is common in leading business schools abroad and recently also in Israel. Such a

board can be an important source of advice for students as well as financial support. Leaders from non-profit organizations and educational institutions can be added to support the more specialized programs.

- Given the rapid growth of the last three years, it is advisable that the School concentrates on solidifying its new programs and refrain from adding more. Since the University encouraged this growth strategy, it should also provide the needed support by allocating more positions and financial resources to the school.

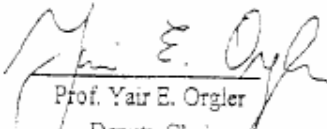
Concluding Comment

The dire status of business administration studies in Israel is well illustrated at the Graduate School of Management. With ten faculty members, two of whom are approaching retirement and three young lecturers with little research experience, the School operates 5 different MBA programs. Only about one third of the classes are taught by the faculty and certain areas such as accounting rely solely on adjuncts. While three of the programs are unique and serve important social goals, these problems cast doubt on the quality of education provided to students. In order to remedy this situation it is critical to consolidate all the units and faculty in the University who teach and study business administration areas and related topics into an independent faculty and strengthen the group with a number of highly qualified senior scholars.

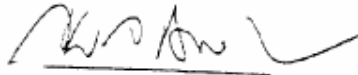
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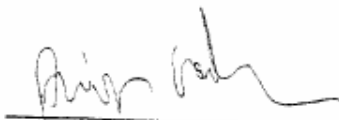
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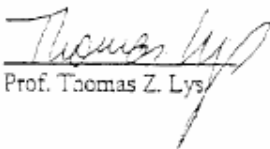
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