



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

**The Open University**  
**Programs in Management 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 Benninga**<sup>1</sup> - Recanati School of Business Administration, Tel Aviv University, Israel.
- **Prof. Arnoud Boot**<sup>2</sup> - Professor of Corporate Finance and Financial Markets, University of Amsterdam, the Netherlands.
- **Prof. Stuart Greenbaum**<sup>3</sup> - 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.

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<sup>1</sup> Prof. Simon Benninga did not participate in the evaluation of the programs in Management and Business Administration in the Open University. Sadly, Professor Benninga passed away during the committee's work. However, his contributions to the committee were numerous and invaluable.

<sup>2</sup> Prof. Arnoud Boot did not participate in the evaluation of the programs in Management and Business Administration in the Open University.

<sup>3</sup> Prof. Stuart Greenbaum did not participate in the evaluation of the programs in Management and Business Administration in the Open University.

Within the framework of its activity, the Committee was requested to:<sup>4</sup>

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).

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<sup>4</sup> 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 programs of Management and Business Administration at the Open University. The Committee's visit to the University took place on June 8, 2015.

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

The Committee thanks the management of the Open University and the Department Management and Economics 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 Programs at the Open 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 Management and Economics (DME) is one of 7 academic units of the Open University of Israel (OUI). Through its model of independent learning, the OUI offers a unique mode of education in Israel. This model has been very successful with over 45,000 students presently enrolled and over 30,000 alumni.

The DME offers B.A. degree programs in management, economics, accounting, and an MBA. It has a clear mission focusing on its education model, open admissions, and basically offering a university-level education with a high level of flexibility for its students. The programs offer a rigorous curriculum that is praised by its students who work hard while balancing the demands of work, travel, family, and studying. The faculty is small but research active publishing in some of the top journals in the world. The DME has very detailed guidelines for evaluating instruction, course development, and learning outcomes. Overall, the DME has been very successful at delivering on its vision.

Nevertheless, there are some areas for improvement. Perhaps the most important is that the faculty size in the management area (5) is far too small to support the curriculum and to create a synergistic research environment. This must be remedied. In addition, more course materials need to be developed in English. Not only will this better prepare students for the global business environment, it will enable the DME to achieve its vision of being able to open its programs to non-Israelis living abroad.

## **2. Mission and Goals**

### Observations and findings

The mission of the DME basically follows the mission of the OUI. As an institution with university status, the OUI aims to have Israeli university standards for research. However, the mission of the OUI is distinctly different from other universities in terms of its open admissions policies, distance education model, and offering considerable flexibility in terms of time, place, and pace of studies. The OUI also tailors some programs and courses to different languages (e.g., Arabic, Russian) and markets (ultra-Orthodox, soldiers, prisoners, and others).

The mission of the DME adds two unique dimensions: (1) providing the Israeli higher education market with textbooks and other teaching materials in management, economics, and accounting, and (2) leveraging its experience in distance education to the international market. With respect to the latter, the DME's vision is that in 5-10 years, it will offer enough courses in English to attract non-Israeli students living outside of Israel.

We strongly support the DME's mission as it is clearly meeting a market need at a high quality level. While we question whether the international market will be sufficiently large to sustain an investment in the requisite number of courses offered in English, it is an ambitious goal deserving of some serious strategic planning.

### Recommendations

#### **Important:**

The DME should establish a committee to study the feasibility of expanding into the non-Israeli international market.

### **3. Organizational Structure**

#### Observations and findings

The DME is one of 7 academic departments in the OUI. The DME has a department chair and heads of its four degree programs. There are no subdivisions or departments within the DME fostering interaction and cooperation among the senior faculty. This organizational structure seems to work for the DME. As a result, we offer no comments in this section of the report.

### **4. Study Programs**

#### Observations and findings

The DME offers four degree programs: B.A. programs in management, economics, and accounting, and an MBA degree. The B.A. program in management and the MBA are within the purview of this committee. There is also an option for B.A. management degree students to combine it with another discipline at the OUI, called the dual-disciplinary degree. The programs seem to be rigorous as students work very hard and find the material to be challenging. The courses are updated at regular intervals to keep the materials up-to-date.

Importantly, while some of the textbooks used are in English, course materials are still largely in Hebrew. Given today's global business environment, business students need to be comfortable with the English language. In addition, if the DME wishes to make its programs more attractive to non-Israeli international students, more materials will have to be created in English.

We noticed that there is a lack of advanced courses in the programs. For example, in the MBA program, there are only two accounting courses in the cluster. Most of the clusters have only three electives. In the B.A. program, the



number of options is somewhat larger with four being the modal number of electives.

Students have the option to study for their degree either completely remotely or meet in tutorial sessions at one of the many centers scattered throughout Israel. It is a challenge to ensure that all of the centers offer tutorial resources for the courses offered in the programs for students who require them.

### Recommendations

#### **Essential:**

- a) More course materials in English must be created to better prepare students for the global business environment.
- b) These English-based course materials should be used to increase the number of courses offered using English as the language of instruction.

#### **Important:**

The DME should develop more electives for the MBA program.

#### **Desirable:**

The DME should monitor whether students have access to tutorial resources at as many study centers as possible.

## **5. Human Resources / Faculty**

### Observations and findings

The DME has only 10 permanent faculty members of which 5 are in business/management (the others are economists). The faculty members are dedicated to the OUI and are active scholars. The model of a faculty member is quite different at the OUI as they do not meet students face-to-face and the definition of “teaching” is more one of developing course materials and managing the course coordinators who, along with tutors, actually administer

the courses to the students. However, the small size reduces opportunities for research synergies as well as negatively impacting the shared burden of administration and course oversight responsibilities.

To say that the business faculty lacks diversity in terms of fields is an understatement. According to the information in Ch.6 of Self-Evaluation report, two of the faculty members appear to be in information systems and the other three are in management/organizational behavior and marketing. Of course, diversity will be limited by definition with such a small group. At the same time, it is imperative that faculty recruiting focus on under-represented areas such as finance and accounting.<sup>5</sup> Because of the limited number and diversity of faculty members, we do not recommend pursuing a thesis option for the MBA program at the present time.

Recruiting new faculty is a challenge across all of the business schools in Israel. In addition, given the nature of a senior faculty member's responsibilities, the OUI and DME appropriately require that any new faculty member hired be experienced. However, a faculty position at the OUI also offers a unique opportunity unmatched in Israel as the lack of any traditional teaching responsibilities with fixed hours and in-person lecturing provides a great deal of flexibility in how a faculty member can manage his or her responsibilities. This is an important recruiting tool that may have been under-emphasized in the past.

We also learned that new faculty search committees are run at the university level. While we are unclear about the exact composition of the committees, given the aforementioned challenges in recruiting, we feel that search committees should be run within the DME with representation from other units of the university.

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<sup>5</sup> We assume that the accounting courses taught for that degree are supervised by adjunct faculty.

## Recommendations

### **Essential:**

The DME needs to recruit more senior faculty members with an eye towards increasing the diversity of the disciplines (i.e., finance and accounting).

### **Important:**

- a) The DME should postpone the request for a thesis option for the MBA program until more faculty diversity in disciplines is achieved.
- b) The new faculty search process should be run by the DME with representation from other campus units.

## **6. Students**

### Observations and findings

The students we met were an impressive group. Clearly, they have a lot of self-discipline to juggle school, work, travel, and families in many cases. MBA students we met at other schools we visited who had a first degree from the OUI all reported positive experiences. They particularly appreciate the flexibility of the program but also the fact that it is not an easy way to get a degree in that the courses are rigorous. MBA students spoke positively about the value of the OUI brand in the marketplace as people generally know that it is challenging to get an OUI degree.

By the nature of the OUI programs, students work individually and are geographically dispersed with the only interactions being at the study centers should they choose that option. At the same time, given their work experience, OUI students are also a very valuable potential resource to each other. Although students are very busy, the OUI and DME should explore ways to bring them together to offer them professional resources such as job opportunities and networking. This can be done by hosting student events, perhaps at the study centers and developing a limited cohort system whereby students beginning a program at roughly the same time are put in groups

which can be used for social and professional events. The alumni activities noted in the report (p.65) are a good start in that area.

Several students we interviewed noted that they receive relatively little guidance about courses at the beginning of their program. Since it is sub-optimal to make changes in the middle or later in a degree program, offering more assistance at the beginning would be valuable.

### Recommendations

#### **Important:**

- a) The OUI and the DME should consider establish an alumni database and network.
- b) Students should be provided more course counseling when they start their programs so they can better plan their required set and sequence of courses.

#### **Desirable:**

The OUI and the DME should consider developing plan for creating cohorts of students who begin the programs at the same time.

## **7. Teaching and Learning Outcomes**

### Observations and findings

The nature of teaching in the OUI is unusual due to its independent learning model. The model has been very successful given that it enrolls over 45,000 students and has university status in Israel. The OUI has very detailed instructions for course development, management, and evaluation and uses instructional and other digital technology to its advantage. Learning outcomes are built explicitly into the courses as well as measurement tools.

We have no recommendations in this section of the report.

## **8. Research**

### Observations and findings

The few faculty members in the business/management area are productive scholars publishing papers in some of the top academic journals in the world. Adding several new experienced scholars will only add to this excellent record.

In interviewing the junior faculty/tutors, we discovered that a number of them have doctorates and are interested in increasing their participation on faculty research projects. Given their large numbers, the junior faculty/tutors are a potentially valuable resource that could only help to increase the research productivity of the senior faculty.

### Recommendations

#### **Important:**

The DME should explore leveraging the skills and capabilities of the junior faculty in the research activity of the faculty.

## **9. Infrastructure**

### Observations and findings

The office space and physical facilities in Ra'anana seemed adequate with the exception being the need for additional multimedia studios. There are, of course, no classrooms needed as the study centers are scattered throughout Israel. Some concern was expressed in the report that the quality of the study centers has some variance.

While not really related to facilities, we wondered whether more of the course materials could be distributed in digital form rather than using the current regular mail-physical copies approach.

## Recommendations

### **Important:**

The DME should add to the number of multimedia studios available to the faculty.

### **Desirable:**

The DME should explore distributing more of their course materials in digital form rather than mailing physical textbooks and materials.

## **10. Self-Evaluation Process and implementation of previous recommendations**

### Observations and findings

The DME responded to a number of the recommendations made by the previous review committee. The main issue that remains is the size of the senior faculty. While there was a lot of turnover since the prior report and some excellent new people were hired, the faculty size is still very small as noted above. In 2006, there were three management faculty members and now there are five. That is progress but not enough.

## **Chapter 4: Summary of Recommendations**

### **Essential Recommendations:**

1. More course materials in English must be created to better prepare students for the global business environment.
2. These English-based course materials should be used to increase the number of courses offered using English as the language of instruction.
3. The DME needs to recruit more senior faculty members with an eye towards increasing the diversity of the disciplines (i.e., finance and accounting).

### **Important Recommendations:**

1. The DME should establish a committee to study the feasibility of expanding into the non-Israeli international market.
2. The DME should develop more electives for the MBA program.
3. The DME should postpone the request for a thesis option for the MBA program until more faculty diversity in disciplines is achieved.
4. The new faculty search process should be run by the DME with representation from other campus units.
5. The OUI and the DME should consider establish an alumni database and network.
6. Students should be provided more course counseling when they start their programs so they can better plan their required set and sequence of courses.
7. The DME should explore leveraging the skills and capabilities of the junior faculty in the research activity of the faculty.
8. The DME should add to the number of multimedia studios available to the faculty.

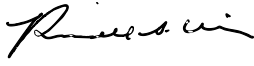
### **Desirable Recommendations:**

1. The DME should monitor whether students have access to tutorial resources at as many study centers as possible.

2. The OUI and the DME should consider developing plan for creating cohorts of students who begin the programs at the same time.
3. The DME should explore distributing more of their course materials in digital form rather than mailing physical textbooks and materials.

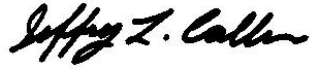


**Signed by:**



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Prof. Russell Winer - Chair



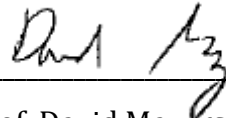
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Prof. Jeffrey Callen



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Prof. Jane Fedorowicz



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Prof. David Mazurksy

## 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.

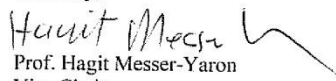
It is with great pleasure that I hereby appoint you to serve as the chair of the Council for Higher Education's Committee for the Evaluation of the study programs in **Business Administration**. In addition to yourself, the composition of the Committee will be as follows: Prof. Simon Benninga, Prof.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

<b>Time</b>	<b>Subject</b>	<b>Participants</b>
09:00-09:30	Opening session with the heads of the institution	<b>Prof. Jacob (Kobi) Metzger</b> , President <b>Prof. Aviad Heifetz</b> , Executive Vice President for Academic Affairs <b>Prof. Bat-Zion Eraqi-Klorman</b> , Dean of Academic Studies <b>Prof. Manor Mendel</b> , Dean of Research <b>Dr. Inbal Ofer</b> , QA Coordinator
09:30-10:00	Meeting with the Head of the Department of Management and Economics	<b>Dr. Yishay Maoz</b> , Head of the Department
10:00-10:45	Meeting with the Head of the study programs in Management and Business Administration	<b>Prof. Nitza Geri</b> , Head of the Management Division <b>Dr. Arie Nachmias</b> , Head of the MBA program
10:45-11:30	Meeting with senior academic staff <sup>6</sup> (up to 8)	<b>Dr. Sharon Arieli Langer</b> <b>Dr. Yoram Kalman</b> <b>Dr. Varda Wasserman</b>
11:30-12:15	Meeting with Junior academic staff – Tutors and Course Coordinators (CC) (up to 10)	<b>Dafna Bar-On</b> , CC and Tutor <b>Arie Ben Mayor</b> , Tutor <b>Tamir Erez</b> , CC and Tutor <b>Tali Mendelson</b> , CC and Tutor <b>Dr. Orly Tenne-Gazit</b> , CC and Tutor <b>Sigal Sapir</b> , Tutor <b>Mordechai Sassoon</b> , CC and Tutor <b>Dr. Rinat Shaanan-Satchi</b> , CC and Tutor
12:15-13:00	Lunch (in the same room)	<b>Closed-door meeting of the committee</b>
13:00-13:45	Open slot: Multimedia studios	<b>Dr. Yishay Maoz</b> , Head of the Department <b>Dr. Inbal Ofer</b> , Quality Assessment Coordinator <b>Edna Tal Elhasid</b> , Head of "SHOHAM"
13:45-14:15	Meeting with BA students <sup>7</sup> ( <b>up to 8 students</b> )	
14:15-14:45	Meeting with MBA students <sup>2</sup> ( <b>up to 8 students</b> )	
14:45-15:15	Closed-door meeting of the committee	
15:15-15:45	Closing meeting with heads of institution, the Head of the Department and the Head of the Study Programs	<b>Prof. Jacob (Kobi) Metzger</b> , President <b>Prof. Aviad Heifetz</b> , Executive Vice President for Academic Affairs <b>Dr. Yishay Maoz</b> , Head of the Department <b>Prof. Nitza Geri</b> , Head of the Management Division <b>Dr. Arie Nachmias</b> , Head of the MBA <b>Dr. Inbal Ofer</b> , QA Coordinator

<sup>6</sup> The heads of the institution and academic unit or their representatives will not attend these meetings.

<sup>7</sup> The visit will be conducted in English with the exception of students who may speak in Hebrew and anyone else who feels unable to converse in English.

