The Newsletter of the Guilford Glazer Faculty of Business and Management at Ben-Gurion University of the Negev

**October 2011**

**News**

- **Guest Lecturers at the MBA in Social Leadership Program:** Prof. Christine Pochet - Dean, IAE de Paris – Sorbonne Graduate Business School visited our Faculty in September and delivered a course titled: “Management control in nonprofit organizations” in the new MBA in Social Leadership program. Prof. Christine Pochet interests include organizational control, corporate governance, and accounting regulation. Other guest lecturers in the program visiting lately included Prof. Tony Brown - Professor of Practice of Public Policy and Sociology, Duke University and Prof. Karim Medjad, Professor of Law, H.E.C Paris.

- **Prof. Aviad Israeli,** chairperson of the Department of Hotel and Tourism Management, was lately appointed by the Minister of Tourism to a committee examining the pricing in the hotel and tourism industry.

- **New faculty members at GGFBM:** Dr. Avital Biran joined the Department of Hotel and Tourism Management, and Dr. Ofir Rubin joined the Department of Public Policy and Administration. Post-Doctorates Dr. Irit Nitzan and Dr. Galla Salganik will be joining the Department of Business Management next year.

- **Retiring faculty members:** Dr. Eli Cohen has retired from the Department of Hotel and Tourism Management and Prof. Rafi Bar-El has retired from the Department of Public Policy and Administration. Prof. Bar-El will be still promoting two important activities in the Faculty: The first is a business plan competition promoting peace with the Palestinian Authority. The project is the initiative of Mr. Guilford Glazer supported by BGU President Prof. Rivka Carmi and Vice President for External Affairs Prof. Amos Drory. The main idea is to identify business project that may facilitate the needs of the Palestinian population and aid in the promotion of the peace process. The project is carried out with the help of Prof. Dafna Schwartz from the Department of Business Administration and Dr. Miki Malul from the Department of Public Policy and Administration. The second activity is renewing the cooperation with Brazilian politicians and business people from the state of Ceara’, cooperation that deals with the links between industry and the academia in promoting entrepreneurship.

This project carries a potential for comparative researches, cooperation in the crystallization of regional growth policy in advanced fields while integrating Academia and industry, and the organization of conferences in these fields in both Israel and Brazil.

**Events**

- **“Scientists Night” (September 22th) is an annual event that takes place under the auspice of the European Union. This year was the 4th year that BGU took part in this event (organized by the BGU Center for External Education) and opened its gates to the public simultaneously with other universities in Israel. The event – a joint project of all the universities and research institutes in Israel and Europe - aims at strengthening the ties between the academia and the community and creating an “eye-level” dialogue between researchers and researches carried out in the University and the general public. This is done through open lectures, organized tours, lab demonstrations and informal meetings with researchers. The GGFBM was represented in this year’s event by the following researchers: Faculty Dean Prof. Ayala Malach-Pines lectured about: “Burnout – what is it and how it can be avoided”, Prof. Yaniv Poria from the Department of Hotel and Tourism Management lectured about: “The sex life of women in Israel and abroad” and Mr. Yossi Shavit from the Department of Business Administration lectured about: “Great business ideas in the world”.

- **Academic faculty and administrative staff came together to participate in a Faculty field day in the Beil-Shemesh area. After traveling to the area and enjoying light refreshments each member introduced himself and described her/his role in the Faculty. From there the forum proceeded to hike down Nahal Ktav and to enjoy the unique flora of the area. The day ended with lunch and a lecture by Faculty Dean Prof. Ayala Malach-Pines on “Burnout” and a talk by a park ranger on forestation and sustainability.**
New Book
A new edition of Prof. Ayala Malach-Pines' book “Work Burnout: Causes, Consequences and Cures” was published in Hebrew. The new edition includes, in addition to the original studies described in the first edition, recent studies and theoretical development, with an emphasis on the work of Israeli burnout scholars.

The Department of Management Seminars
In light of the social protest in Israel and similar protests around the world, the seminars of the Department of Management will address social issues. Guest lecturers will discuss social issues ranging from giving to society, to sustainability and social responsibility. During the fall semester the department of management will host Michal Strahilevitz from Golden Gate University and Elena Belogolovsky from the Technion.

Professor Michal Strahilevitz will present the paper: “The Consumption of Altruism: Take-Aversion and How Giving to Charity is Like Eating Ice Cream”. Her studies demonstrate ways in which giving behavior is similar to other forms of consumer behavior, particularly hedonic consumption. She will discuss the basic characteristics of the value function for giving to a good cause. She will also suggest that similar to the experience of individuals indulging in their favorite foods, “overindulging” in one cause (e.g., saving children, protecting endangered animals, supporting cancer research, or planting new forests) can lead to satiation.

Elena Belogolovsky will present the paper: “Pay Secrecy and Task Performance: A Moderated Mediation Model of Perceived Instrumentality and Performance-Based Pay System Characteristics”. She will address issues concerning perceptions of equality in the work place.

New research - Market valuations of start-up venture around the technology bubble
A recent study by Dr. Ilanit Gavious and Prof. Dafna Schwartz – both from the Department of Business Administration at the Guilford Glazer Faculty of Business and Management - explores whether, and how, the relevance of financial information for valuation of start-up ventures changed during the period of a technology bubble and the fluctuations that occurred in the capital market after the bubble burst. They found that since the bubble burst, there has been a learning curve and a period of market adjustment. Specifically, during the time of the bubble the market did not rely on accounting information with respect to the valuation of start-ups. After the bubble burst the market became overly conservative, relying predominantly on accepted accounting fundamentals – book value of equity and earnings. In later years, as the process stabilized, the market gradually moved away from these measures and began relying on growth in sales, which may serve as an indication of technological feasibility and the venture’s market potential. The study also explores the effect of market cycles on investor reliance on multiples. They found that, despite over/under pricing effects when using the benchmark multiples of comparable firms in valuating start-ups, these remain the accepted tool, probably due to the absence of alternative valuation methods.

Special Practical Training Program in the Department of Hotel and Tourism Management
Over the last nine years a special program has been carried out in the Department of Hotel and Tourism Management, unique in both its essence and its operation. 8-12 Students from the Department are sent to New York City, New Jersey, and in the past – North Carolina where they go through practical training in local hotels.

The idea for this program was introduced by Mr. Sol Friedman and his late wife Idy, long time supporters of BGU. Over the last few years the program is run in the USA by Ms. Jessica Sillins who together with her father Mr. Bernard Sillins support all its aspects.

The students taking part in the program are selected after a long screening process that is carried out over a period of a few months and that involves the entire department faculty. Ms. Judith Keren-Klot, who is in-charge of the practicum, managerial in-training and ties with the industry for the past seven years, runs the program in the department.

Students are exposed directly to practical work in leading hotels in Manhattan and NJ, an exposure and experience which is an important part of the integration between the theoretical knowledge they receive in the classroom and the real world. This year, the students experienced the dealing with crises in the Hotel and Tourism world caused by hurricane Irene whose effects left a mark for many years to come.

Left to right: Ms. Shirly Aloush, Ms. Avital Price, Ms. Joyce Sillins, Mr. Bernard Sillins, Prof. Rivka Carmi, Mr. Dan Ben Dor, Mr. Avi Bouchmil, Ms. Jessica Sillins, Mr. Shalom Michaeli.