

The Organizational Structure of the Open University

A year ago, the President of the Open University, Prof. Gershon Ben-Shakhar, appointed a Committee headed by Prof. Judith Gal-Ezer (then Vice President for Academic Affairs) to examine the Open University's organizational structure and recommend proposals for the reorganization of the Open University, making it more efficient, and cutting down on staff. The Committee submitted its recommendations in December 2004, and most were implemented almost immediately. The Human Resources Department accompanied OU management and staff in preparing for the change and making adjustments in personnel to reflect budgetary demands.

Summary of the Gal-Ezer Committee Report

In light of the Committee's mandate, the Committee analyzed the existing situation and characterized current problems. Four major problematic characteristics of the structure were identified:

- The division of activities, responsibility and authority between the Vice President for Academic Affairs and the Director General and the units subordinate to them is based on the principle of "separation of powers".
- The organizational structure and role descriptions of the various units do not clarify the hierarchies, priorities and areas of responsibility, thus problems arose.
- The structure is characterized, particularly on the administrative side, by a short span of control in most of the units. Consequently, there are many managers relative to the number of their subordinates.
- Several units are directly subordinate to the President of the University.

In addition to the factors that led to the current organizational structure and work processes, there were several objective factors that seemingly dictated inefficient functioning, primarily the geographic decentralization of various units forced upon the OU in the past due to a shortage of space. This situation created physical separation between units, resulting in inevitable duplicities such as the central mailing department that was managed and operated from the warehouse in Herzelia while the internal mail unit was in Ramat Aviv. At present, with all units under one roof, there is a need to examine their structure and to refresh, and even redesign, existing processes.

An analysis of the current situation and its problems guided the Committee in formulating the central ideas underlying its recommendations:

- The essence of the University's activity is academic work. The policy, needs and contents are determined by the academia, represented on the executive management of the University by the President and the Vice President for Academic Affairs.
- The operational administration, whose role is to support and assist the academic activity, is represented on the executive management of the University by the Director General.
- There is no justification for a general University administration that does not support and serve the academic work or is cut off from it.



The committee recommended that the administrative units (including those that support academic work such as the Teaching Services Administration) be separated from the academic units. This ensures that, on one hand, the division of roles is clear, and, since it has been clarified that the purpose of the administrative units is to support the academic endeavor, there will be full cooperation between the two. Thus the Teaching Services Administration, whose structure was changed, was subordinated to the Director General. In contrast, responsibility for the Extra-Academic Studies Center shifted from the Director General to the Vice President for Academic Affairs, and the unit was renamed the Center for Continuing Studies.

The Logistics and Assets Department was eliminated, and a new Planning and Finance Administration was set up, composed of a number of units, none new. In fact, the new Planning and Finance Administration is the previous Finance Department, with the addition of two departments: the Planning, Organization and Methods Department and the Purchasing Unit (which was in the Logistics and Assets Department). The aim is to create a strong and consolidated financial administration that will provide services to senior management and to department heads in its areas of responsibility, including budget planning based on work plans, budget and accounting monitoring and reporting, cost analysis and cost benefit analysis, purchasing management and performance monitoring (including payment orders), and organization and methods activities for OU departments.

Only two units remained directly subordinate to the President: Resources and Public Relations and the Research Authority. Changes were made in the structure and function of the various units. The entire organizational structure is presented graphically on page 2.

Despite the aspiration to provide a solution to every issue in the organizational structure, the Committee specifically avoided taking a stand on several issues. In addition to actual savings made possible through the proposed structure, additional measures should be taken to examine work processes and to streamline the organization. Accordingly, parallel to the implementation of the new structure, the Committee recommended that the following measures be taken:

- To establish an academic committee to examine the academic issues mentioned in the report as well as additional topics that were raised.
- With the implementation of the Committee recommendations, a careful examination of all activities and work processes in the new and existing units will be necessary in order to continue to achieve streamlining, saving and efficiency.

The restructuring created two major new entities, described below.

The Planning and Finance Administration

The Planning and Finance Administration has three departments: the Finance Department, the Planning, Organization and Methods Department and the Purchasing Unit.

Short-term goals of the Planning and Finance Administration

- Improving work plan formulation and the budget process and reducing the time required for their formulation while maintaining an appropriate planning level.
- Establishing a system for monitoring and controlling budget and work plan implementation from a quantitative/qualitative, not only a budgetary, perspective.
- Improving reports as well as financial and operational information generated to department heads.
- Closely accompanying administration liaisons and providing ongoing and continuous consultation to department heads.
- Improving the purchasing process to expedite and increase its efficiency while assigning greater authority to buyers.

- Characterizing the payment order generation process to maintain “separation of powers”, and enabling OU departments to track payment order status.

Long-term goals of the Planning and Finance Administration

- Shifting to multi-year planning and adapting computerized systems to support planning.
- Reinforcing and improving the budget process and the professional support provided to department heads.
- Providing services to senior management, OU institutions and government authorities in matters related to the administration’s activity areas.
- Adjusting work procedures based on forecasts and trend analysis, both quantitative and budgetary.
- Adopting an economic approach in cooperation with academia, on both academic and administrative issues.

The Operations Center

The Operations Center includes the Warehouse and Distribution Center, the Maintenance Department, Lamda – the Open University bookstore, the technology laboratory and the broadcast studio. This significant organizational change created savings in expenses and personnel.

Warehouse and Distribution Center

The new warehouses in Raanana are double the area of the old warehouse in Herzelia and are managed using advanced methods based on computerization and automation. The investment in automated processes created savings in personnel, mainly on temporary workers recruited at the beginning of each semester. For more information on the warehouse and distribution methods see p. 16, in the section “The First Year in Raanana”.

Maintenance Department

This department is responsible for producing events at the OU and at study centers, for catering services at the study centers and for all transportation and telephony at the University.

Lamda

Lamda, the Open University bookstore, moved to its new, spacious location in Raanana in February of this year. Unlike the old store in Ramat Aviv, the shelves are open, and the public can browse through the books comfortably.

Lamda sells Open University books to educational institutions, universities, libraries and bookstores throughout the country, as well as supplementary books to students. Lamda also handles the loan of learning aids (films, home experiment kits, software, CDs, videotapes, books) to students. Most of the learning aids are mailed to students along with the study materials. For costly learning aids, Lamda opens a loan file for every student. At the end of the semester the aids are returned to Lamda. Students can also pay tuition and other OU payments in the store, which also sells tickets for plays and events and distributes gift certificates to employees.

