

# The impact of SBM model on improvement of Israeli education system

## Impactul modelului de management economic școlar asupra îmbunătățirii sistemului educațional din Israel

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### SUMMARY

*The present article comes to cover some gaps in the research literature, which focuses on the Arab Minority in Israel, the sector which suffers from discrimination in all aspects of life and hasn't been researched enough. Due to this fact there is no clear picture about the evaluation of Israeli SBM reforms; because there are conflict findings and mixed results related to the international SBM, while many studies support, other criticize self-management. In addition, the Israeli SBM model, which was introduced just a few years ago in order to improve student achievement, has the largest gaps in student achievement in all the OECD countries. All the above mentioned elements cause more lack of clarity related to the SBM reform and its recent and future role to assess and empower the educational process. For this lack of clarity, this study will explore more facts and more evaluation of the SBM reform.*

**Keywords:** SBM model, autonomy, decentralization, leadership style.

### REZUMAT

*Prezentul articol examinează unele lacune din literatura de specialitate privind problema minorităților arabe din Israel; un sector care suferă din cauza discriminării din toate punctele de vedere și care până în prezent nu a fost suficient cercetat. Din cauza acestui fapt, nu există o imagine clară cu privire la evaluarea reformelor SBM israeliene. Aceasta se explică prin faptul că rezultatele obținute sunt diferite legate de modelul SBM internațional. În plus, modelul SBM israelian care a fost introdus în urmă cu câțiva ani, în scopul de a îmbunătăți rezultatele studenților înregistrează totuși lacune în performanțele studenților în toate țările OECD. Elementele menționate confirmă lipsa clarității privind reforma SBM și rolul său în evaluarea și perfecționarea procesului de învățământ. Astfel, studiul va explora și analiza detaliat reforma SBM.*

**Cuvinte-cheie:** modelul SBM, autonomie, descentralizare, stilul de conducere.

**Introduction.** School based economic management (SBM) is a trend model which is being implemented nowadays in many countries all over the world. It focuses on

the administrative educational concept underlying autonomy and authority from central and local school authorities. This reform allows school to operate as an independent organization in pedagogical, organizational and economic aspects. It is assumed that these reforms will contribute significantly to improving educational achievements, economic and climate balance. SBM doesn't just highlight decentralization, which leads school to its formal authority in order to make decisions on pedagogical, organizational and financial issues, subject to the overall policy of the state; it also emphasizes the autonomous character of every school. Nonetheless, although SBM has become a central theme of the restructuring efforts in many western centralized education systems, little is known about its direct effects on the quality of schooling and school dynamics.

SBM growth of a changing reality required solutions to problems such as poor academic achievements, high dropout rates, learning outcome gaps between students of different social strata and disaffected and worn-out teachers. Effective school research focuses school improvement on the variables that are within control of educators and have the greatest potential to impact student achievement.

Many studies claimed that the principal's leadership style is a key factor of SBM's success; other studies indicate that SBM significantly affects the principals' job; while at the same time, it challenges current relationships between principals and teachers and improves these relationships only when teachers are empowered. The level of effectiveness of a leader in SBM can be measured by the value of the output produced, which is easily measured by the leadership style being employed by that leader. Leadership styles are predictors of leadership effectiveness whereby leadership style in an organization is one of the factors that plays a significant role in enhancing or impeding the

interest and commitment of individuals in the organization.

Nowadays there is no clear picture about the evaluation of SBM reforms. The Israeli SBM model was implemented only a few years ago in order to improve students' achievements. It has the largest gaps in student achievement of all the OECD countries. All these elements just cause more lack of clarity related to the SBM reform and its recent and future role to assess and empower the education process. According to the available research, the main factors related to the SBM are:

- school based economic management;
- leadership styles and their influences on SBM;
- SBM outcomes including efficacy and school effectiveness;
- teachers' satisfaction.

**Overview of the school based economic management.** As known, SBM is a model of transition from centralization to decentralization and a process of shift from central decision making to local school decision making. SBM growth of a changing reality required solutions to problems such as poor academic performance, high dropout rate, learning outcome gaps between students of different social strata as well as disaffected and worn-out teachers. The US researcher Malen B. and colleagues argue that decentralization facilitated political reaction to the crisis of confidence that hit the general public concerning central government's ability to effectively manage the education system. Self-managed school grew against the background of dissatisfaction in the performance of the education system and in view of the demand for the democratization of school. Since then, the constant growth of education budget, paid from the public and the need to reduce costs and raising yields have also influenced the growth of self-managed school to a significant extent. Conventional school has failed in many cases, creating a need for change [9].

Effective school research focuses school improvement on the variables that are within the control of educators and have the greatest potential to impact student achievement. Many studies claimed that the principal's leadership style is a key factor in the success of SBM [15, 23]. Other studies indicate that SBM significantly affects the principals' job and workload [2, 3, 11]. Yet, at the same time, it challenges the current relationships between the principals and teachers and improves these relationships only when teachers are empowered.

The level of effectiveness of a leader in SBM can be measured by the value of output produced, which is easily measured by the kind of leadership style being employed by that leader, hence researcher Obiwuru T.C. noted that "leadership styles are predictors to leadership effectiveness whereby leadership style in an organization is one of the factors that plays a significant role in enhancing or retarding the interest and commitment of the individuals in the organization" [13]. By effectively communicating the mission of the school to all stakeholders, the principal in an effective school acquires a transformational leadership style.

While empirical evidence confirms increasing levels of employee job satisfaction by transformational leadership there is minimal research that is related to primary school setting. Tella A. mentioned that a lot of studies have been compiled regarding leadership style and employee motivation independently and succinctly; however, there is no definitive evidence to delineate consistent variables that contribute to job satisfaction, and whether or not a correlation exists with the principal's management styles [22].

Principals and teachers are the most important factors in the educational context of the school. The principals' style management and the way it is perceived by teachers have a significant effect on perception and attitude regarding school ac-

tivities. As such, they negatively affect the atmosphere in schools and the creation of ethical climate, which can have positive or negative influence on teachers' behavior and effectiveness of their work.

Since teachers and principals play a vital role in the success of education institutions of primary and secondary level; teachers are the largest professional body in a school, have the most contact with students throughout the day and influence school environment greatly. So, it is important for principals to make their teachers feel they are supported in order to keep quality teachers in the profession and maintain the morale in the demanding field of education. School administrators have the power to impact abundant factors of a school; they have a multitude of roles included in their job. One of the most important and influential is the effect that the principal has on the teachers of the school. The most influential variable on SBM is empowering teachers and involving them in decision-making. There are no clear impacts of SBM on school outcomes and teacher job satisfaction. While certain studies confirm that SBM impacts the morale [6, p.6], others claim that SBM doesn't impact school outcomes and teacher job satisfaction, or that job satisfaction increased at the beginning of SBM implementation but later returned to low levels. Researcher Polanski claims that SBM causes conflicts between teachers and school climate becomes lower [15].

***The SBM implementation in Israel.*** In order to improve the educational system, two reforms of SBM were conducted in Israel: the 1990 SBM which was stopped without continuance due to unclear outcomes and the 2012 SBM, when Israel started to conduct SBM model led by self-managing director of the Ministry of Education, who integrated all elementary schools into SBM model. The transition includes a pooling of resources from the Ministry of Education and the local authorities using the model of

„student basket”, which is delivered to school by the local authority. The school self-management receives pedagogical flexibility in the amount of 10% of the hours and in addition, schools and local authorities receive a pass for self-management training - courses and guidance by economic and organizational consultants [13].

According to the Ministry of Education [13], the introduction of SBM in 1990 and return to the SBM model in 2012 shows and indicates that:

- the implementation of 1990 SBM contained problems so it was stopped;
- the outcomes of 1990 SBM were unclear so the educational system wasn't improved;
- political conflicts and financial problems were the reasons to cancel this model.

On the other hand the return to the 2012 SBM indicates that:

- the Israeli educators trust the SBM model so they adopted SBM reform in all the elementary schools;
- the SBM reforms conducted all over the world encourage the Israeli education system to implement the SBM model in schools;
- although Israeli education system has implemented the SBM, the outcomes of implementation are unclear and the evaluation process is unfinished yet, the aforementioned factors led the authorities to implement SBM model only in elementary schools at the first stage;
- successful outcomes will lead Israeli Ministry of education to extend the SBM model to other schools, namely middle and secondary schools.

The need for conducting more reports and studies in order to assess the 2012 SBM reform is essential. In general, very few studies focused on the Israeli SBM until now, there is not enough research on the Arab Israeli schools; this sector suffers unequal

rights and budgets in all aspects of life. The consequences of lack of knowledge lead to ambiguous status, which may cause problems to SBM implementation, therefore, there is the necessity of conducting more studies about the Israeli SBM reform, especially in the Arab Sector, which was previously neglected, also without conducting enough research on ways to improve the Arab situation, particularly the Arab educational system.

**Global trends in school based economic management.** Year by year, SBM spreads in many countries all over the world, as a trend reform which has been conducted in order to improve education systems, by school transition from belonging to central authority to school level, involving more school autonomy and sharing school management by staff and parents and by empowering all school stakeholders for improving school outcomes. Following this idea, below we will present the experience of Australia, New Zealand, Thailand, England and Wales concerning the implementation of the SBM reform.

Australia has adopted a particular SBM reform which delegated responsibility to the states and districts. The community takes a real part of SBM management and influences education generally. In 1967 an educational committee recommended the transition to SBM system which was called ACT (An Independent Education Authority). The recommendation included participation in school management by the principal, school staff, teachers, parents, and pupils at the high school level. For a long time the Australian SBM was supported by field studies, which indicate an increase of autonomy, decision-making, pooling resources, needs adjustment, equality and reduced costs of educational system [14]. On the other hand, author Chapman C. [1] stated that there were problems with the SBM system, when he reported; principals felt

that they lost their authority and ambiguity of roles. Furthermore, he discovered that other principals, who supported participatory management and decision-making, school staff was less experienced and did not have enough knowledge. Other principals reported that they were carrying a heavy load due to the reform, while they have to change their management style from traditional management to cooperative and had to supply open school climate that needs a lot of individual energy.

In 1988 the Ministry of education of New Zealand has adopted an educational committee, which recommended many points for improving the education system. The main recommendation was to transfer authorities and decision-making from central level to school level. It set up a new SBM in New Zealand by establishing cooperation between the principal, teachers and school community. This SBM reforms comprised strategies, which focused on implementation in order to achieve SBM targets. Implementation of SBM principles included sublimation package to schools, involving staff employment, payment of salaries, setting of salary points, negotiation of outside financial agreements, funds allocation in a way that will benefit students as well as maintenance and improvements of buildings [18].

Three SBM reforms were implemented in England and Wales in 1988, 2002 and the latest one in 2006. The first SBM emphasized that the governing bodies allocate an important role of choosing the school head of the local community by election. The community, school teachers and Local Education Authority (LEA) in agreement choose the head of school, while empowering community involvement in education. The main assumption was that parents know what is best for their children and that teachers are more concerned with their own interests than those of pupils and students. In addition, empowering autonomy leads to improving the school outcomes. Author

Rutherford [19] explored that collective efforts of central and local authorities and community can empower the education system and improve school outcomes. The Ministry of Education adopted direction of autonomous schools, due to traditional schools being not cheap, thus, autonomous schools could provide sustainability of funding.

*Thailand* started the SBM reform in the late 1990s. Author Gamage studied the problems of SBM results, which indicated that principals and head staff were not sure about their role and they did not succeed in utilizing SBM advantages, especially traits which empower autonomy and independent decision-making. As a result, they regularly received decisions and instructions from central authorities, that required them to switch individual techniques and prepare to realize their new roles of SBM school. All these elements didn't improve the SBM outcomes, the process wasn't smooth and demanded many efforts to achieve the goals. The study recommended several steps in order to increase the chances of SBM success. For instance, principals need training in school leadership, curriculum design, school planning and strategic development in order to respond to the new challenges.

#### **Impacts of SBM on school outcomes.**

Efficacy is an output of personnel improvement within a specified period of time. It can be explained as a ratio between output and all variables required to achieve it. SBM requires a lot of human and financial resources for the success of the education system, and to bring relevant local curriculum under the umbrella of the state curriculum.

School budget is the main authority issue. This is a common issue related to SBM models; due to it having potential thought for change and improvement. Successful SBM found ways to recruit funds to support their plans. Also, these funds require support of school decisions as a huge element for occurring improvement outco-



mes. Author Robertson [16] claimed that there is a strong relation between SBM and acquiring new classroom skills, especially when SBM was applied in school to a significant extent. Another study found that teacher participation in SBM decisions referred to clear school plans and student activity.

#### **Impacts of SBM on moral satisfaction.**

Many researchers argue that SBM develops school outcomes, while others argue for mixed effects [21] or no impact [11,16]. Additional studies argue that SBM leads to bad outcomes [10, p.157]. Nowadays, it's more obvious that we can't generate improvement of the SBM model, and expected SBM outcomes have not been improved yet [2]. Author Sotrak [20] explored that teachers get empowerment in SBM, and when they take part in decision-making that leads them to feel more professional. Author Leithwood [7] argued that teachers can be affected by SBM in terms of expressing more obligation and morale. Other studies claimed that even though SBM model cause the rise of morale at the beginning of SBM after just a short period the satisfaction goes back to the low level, which was before SBM introduction.

**Relations between leadership style and SBM outcomes.** Many studies argue that effective SBM must focus on variables that have the greatest potential to impact student performance. The leadership style of the principal is the main element in SBM. The level of leadership effectiveness can be measured by the level of SBM output like economic improvement and student achievement. There are several leadership styles that occur in various places. Nowadays, the literature focuses on three leadership styles: transactional leadership style; *transformational leadership style* and *laissez-faire* [12].

Scientist Finkelstein A. [4] argued that SBM leadership must manage change, develop employee skills and strengthen worker commitment; the institution nature influence variables to decide on the leaders-

hip style to be applied in order to achieve high outcomes. Author Cherry claims that the transformational leadership style, expresses open communication between the leaders and their employees, performing activities to bring better outputs and efficacy; the goals of the SBM are easier to achieve by the school staff when the leaders and management staff are applying the transformational leadership style. At the same time scientist Finkelstein A. [4] claimed that in SBM where the *laissez-faire* leadership occurred, the rate of achievements recorded in the institutions was low.

**Impacts of the principal's management style on moral satisfaction.** The Leadership style of the principal can impact teacher's job satisfaction in SBM. When teachers feel satisfied in their job, they express motivation and make special effort to meet the SBM goals [2]. The Administrator can do the best to provide more job satisfaction for teachers that can lead to increased teacher efficacy and student improvement [8]. Many teachers feel dissatisfied with their job due to more accountability placed on them to ensure all students acquire learning skills. When teachers feel dissatisfied, that may decrease job obligation, this dissatisfaction leads to negative impact on student achievements. This situation occurs when teachers don't take part in decision-making, which leads to less autonomy in classrooms. When they feel less independent, they experience anger toward job and administrators [16].

Transformational leaders aim to raise the level of job satisfaction. This requires good skills, which characterize transformational leaders that lead to more collective implementation without neglecting individual skills.

**Main findings.** The literary evidence indicates that SBM develops when the traditional education system fails in many aspects, remains with no success in bringing changes in school outcomes, so the results are more dissatisfying

The literary evidence shows the need for improving school outcomes and managing budgets requires more autonomy in the decision making process in primary schools, from central level to local level, since local education stakeholders have more expertise about student needs, thus, they are more suitable to design educational programs to meet those needs. Although, SBM reforms were adopted in many countries, the SBM model has not met the educators' expectations yet.

It can be stated that Israeli education system improved due to used methods; and the tensions were reduced in relations with the minorities of this country.

Because of the methods used, the educational system was perfected Israel redu-

cing tensions in relations with minorities who live in this country.

The literary evidence focuses on four main factors related to the SBM issue: the SBM; leadership styles; their influence on SBM outcomes; and teachers' satisfaction. Moreover, the literary evidence assumes that in an effective school, the principal acts as a transformational leader. The goals of the SBM are easier to achieve when the principal is characterized as having transformational leadership style and thus this can ensure better outcomes of SBM. The transformational principal has the greatest potential to impact student achievement, teacher job satisfaction, financial management and SBM climate.

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**Prezentat:** 9 ianuarie 2017.

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