

THE DISCONNECT BETWEEN HERALDED BUSINESS CONCEPTS AND EFFECTIVE SCHOOL LEADERSHIP

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ABSTRACT

Education and business, as professional disciplines, seem, at first glance, to be linked. Both are social enterprises involving relationships and processes derived to accomplish a particular set of tasks. However the track record of injecting business methodology into school communities has been poor. Historically the introduction of management practices borrowed from parallel industries and inserted into school systems has been a matter of routine. Any lack of success in implementing new management techniques in educational operations is always explained as a good idea poorly executed. The suitability of the tool is never questioned. This paper examines the operational and strategic issues that separate business ideology and school management in an attempt to describe why the marriage has been unsuccessful. In particular, the reductionist methodology of business management is compared to the systemic nature of educational enterprises. The contrast in the fundamental characteristics of the two disciplines may serve as a cautionary tale for school leaders who are encouraged to use modern business management tools to improve the efficiency of their operations. Given the lack of convergence as described in the paper, it is interesting to contemplate how we train educational leaders and consider what tools are provided for school-level administrators to help them lead their communities.

INTRODUCTION

I have been reflecting on how we train educational leaders. When taking courses in Educational Leadership, the students note several contradictions between the concepts espoused in textbooks and the daily practices of school leaders. Concepts borrowed from the business world have been co-opted to facilitate the implementation of the many imperatives and projects required of educational administrators. Given a perceived lack of execution in K-12 schools, it is appropriate to scrutinize these management practices to determine if they have been effective in improving school outcomes.

The vernacular of business administration is pervasive in the education industry. Strategic planning, forecasting, marketing, and project management, which began as business school topics, have found their way into the syllabus for training educational administrators (National Policy Board, 2015). In 2011, the University of Virginia started a joint graduate degree in *Curriculum and Instruction* leading to both a M.B.A. and an M.Ed. Other universities have followed suit (University of Virginia, 2016). The justification for the joint degree underscores the current belief that difficult problems are to be faced in the field of education and those issues can best be addressed by leaders with a solid foundation in business management.

The linkage between school operating concepts and business management concepts is intuitive. In social enterprises, many of the skills taught in business school seem to be of obvious benefit in a K-12 school environment. However, schools are unique enterprises and I would argue that many of the techniques learned in formal business training either do not apply or need to be modified before being implemented in schools. At the very least, it may be valuable to challenge the basic assumption that business acumen can be successfully applied in school leadership.

I am not the first to suggest that school and business processes are incompatible. Businessman Jamie Vollmer famously relates a story where a teacher confronts him during a lecture outlining the benefit of using business processes in schools (Cuban, 2007). The teacher asks what Mr. Vollmer would do in his ice cream business when confronted with imperfect raw materials, in this instance, subpar blueberries. He replies that he would throw them out. Hence the tension between Mr. Vollmer's message and the realities of teaching are obvious. In the business of education, teachers cannot simply discard the students as imperfect raw materials. Yet while I agree with the inherent contradiction I feel the comparison is somewhat trite. Yes, in education there are constraints;

however, there are constraints in many enterprises. In fact business training demonstrates that often it is the constraints that lead to the most superior innovations. Why does this sensibility not apply in the field of education?

Another observation from the education community is that innovation itself must occur closer to the ground. Teachers often argue that only innovation born from those closest to the students is sustainable (Hallgarten, Hannon & Beresford, 2015). Hence, innovators must have a background in curriculum and instruction not business management. I would argue that business management principles would not be in opposition to this claim. Software innovations likely need to come from programmers, new choreography from those with a background in dance, and novel designs from architects etc. It makes sense for teachers to play an integral role in school level innovation. Leaders simply create the conditions for people to solve problems. The CEO of an automobile company need not be a welder. Is it possible to learn from leaders in other fields, namely business administration, and apply business methodology in schools?

Therefore, with these questions the roundabout continues. Obvious parallels between commercial sensibilities and school leadership are evident and therefore the disciplines continue to converge. It is just the way we try to solve problems. The problem today is the injection of management techniques into K-12 education has not been successful.

THE SOCIAL EFFICIENCY MOVEMENT

The first hint of the link between education and the principles of scientific management occurred in the first three decades of the twentieth century. James Phinney Munroe, a businessman, author and faculty secretary at Massachusetts Institute of Technology, wrote: *The New Demands of Education* in 1912, calling for an industrial perspective in the field of Education. He wrote,

“The fundamental demand in education as in everything else is efficiency – physical efficiency, mental efficiency, moral efficiency. The potential economic worth of each school pupil to say nothing of his moral value as a householder and as a citizen is enormous, provided he be so educated by his family, by his environment and by his schools as to become an efficient member of society.” (Munroe, 1912, pp. v.)

Munroe’s contemporary, Professor Franklin Bobbitt of the University of Chicago used a systematic approach born from Munroe’s philosophy to optimize curriculum development, which is described in his publications, *The Curriculum* (Bobbitt, 1918) and *How to Make a Curriculum* (Bobbitt, 1924). Bobbitt borrowed heavily from Frederick Winslow Taylor’s ideas on improving the efficiency of American manufacturing, outlining the need to channel students based on their abilities. He saw schools as a way to equip young people with the skills, knowledge and beliefs required to contribute in an increasingly urban, industrial and heterogeneous American society. This ideal implied that the curriculum itself could be used as a method of social control using the principles of economics and manufacturing for efficient design. As a free market optimizes the utilization of resources it follows that the best thing that business can do for education, is to make education a business (Abrams, 2016).

The history of the social efficiency movement simply illustrates our tendencies in times of “crisis” to inject business principles into the educational realm. A similar phenomenon occurred in 1983 when a National Commission on Educational Reform presented their findings to the American Public entitled, *A Nation at Risk: The Imperative for Educational Reform* (National Commission, 1983). After 33 years, we have seen successive legislative attempts to address the findings of the report. The common thread running through the programs born from *A Nation at Risk* has been to infuse the educational system with more businesslike accountability, to rely on data and metrics to drive success. Once again, it’s the way American leaders try to solve problems.

The progression from the social efficiency movement, through a *Nation at Risk* and towards today’s hyper preoccupation with accountability and test scores can be seen as a continuum. Steve Denning, in his 2011 *Forbes* article, outlined the epidemic integration of business ideology in education and ponders if, in fact, the amalgam has been successful. Denning concludes that the factory model of management has proven to be a dispiriting failure. However, he claims that rather

than acknowledge the poor fit, system leaders simply double down with stronger, tougher, and more objective management ideas. Denning explains,

“When the problems have been caused in the first place by introducing the practices of management, then a more rigorous pursuit of this type of management only makes things worse. It is like medieval doctors trying to cure patients by bloodletting, using leeches, which only made the patients worse.” (Denning, 2011, para. 6)

The spectacular realization when reflecting on the history of applying management principles to improve education is the consistency of good intentions. The problem in education is not a consequence of a destructive presence driven by members of society with evil intentions; rather, it is an imperfect understanding of the system itself and the implementation of control mechanisms that do not support the structure as a whole.

THE PROBLEM WITH STRATEGY

The 1980's, in a time of great National debate in the realm of education, Michael Porter published his landmark treatise “*Competitive Strategy*”. The models used in this publication continue to dominate the conversation in business school on strategic planning (Porter, 1983). Porter articulated the challenges of corporations as they navigate the many forces they face in their attempt to grow and change. Porter's work influenced a generation of business managers; many of whom were the same analysts called in to solve the problems facing education as outlined in: *A Nation at Risk*. In an industry such as education, which is labeled as needing urgent reform the first step is to look for a strategy that allows schools to prioritize their actions and become more competitive.

Porter's strategic planning model is one based on positioning. Organizations choose generic strategies based on external conditions and the extent of their industry rivalry. Businesses set themselves up as low cost solutions (cost leadership), like Walmart, or niche providers, such as LuLu Lemon (focused differentiation), and market themselves accordingly. This kind of strategizing has very little merit in a public school environment. Public school students do not choose schools and schools are mandated to provide a broad curriculum. The marginal cost to the parents is low, given that there is no tuition and expenses such as school supplies and field trips are fairly consistent across school systems. Therefore, Porter's strategic ideas alienate public schools that, as of 2011, made up 90% of the Education industry in the United States (Simba Information, 2017, para 1)

One could argue that Porter's strategic logic still applies to charter schools that are free public school options in the United States. These schools offer slightly more mobility and may be classed as low, medium or high in terms of market strata. At the charter school level, student results and school continuity have been dismal. A case study that exemplifies these poor results is *Edison Schools*, a charter school management company. Edison assumed that schools failed because they were run inefficiently. They used a cost leadership strategy based on the assumption that a more businesslike approach to K-12 education would free up resources, which could both lead to improved student outcomes and profit. However, Edison quickly learned that charter schools are enormously under resourced. With no fat to cut, charter schools (all schools) survive on the magnanimous spirit of individual teachers and school leaders. Soon it became obvious to Edison that no profit would be forthcoming and that business systems such as activity based costing, which corrected other industries, were only an additional burden to harried teachers and administrators. The cautionary tale of Edison schools, their inability to turn a profit, precipitous decline in several jurisdictions and the remarkably poor results in student performance are outlined in *The Commercial Mindset in Education* (Abrams, 2016).

The final domain in which generic level business strategies may apply is in the realm of private education, where students' parents enter with a more obvious consumer approach. However, even in the private school world, business strategy is precarious. Business strategy must tie to the mission or purpose of the organization. On this basis, organizations choose their points of difference such as Southwest's desire to make commuter plane travel reliable or 3M's rigorous pursuit of innovation. By contrast, in my experience, every school in the world has at its core, a convergent purpose; to help children. School mission and vision statements from the smallest Montessori School

to the largest College Prep Academy are incredibly similar and as a result, schools are left to distinguish themselves not by their purpose, but on the basis of their techniques.

Hence, the notion of strategy in a school context as a competitive driver born from divergent purpose, may be a misnomer. If all schools have a convergent purpose and many have similar limited resources, perhaps strategic planning, a concept businesses have revered for decades, has limited use in a school setting. In business, strategic plans are generally set over a set period of time, often 3 years and school boards borrowing from business practice like to make similar plans. However, businesses and schools are fundamentally dissimilar. Businesses look at their results every quarter; they check sales and production and change course accordingly. Schools do not work that way. Instead, enrollment typically happens once a year, and learning is anything but linear. New programs that are set in motion can take a decade to evaluate properly. Reflection and program assessment are vital, but changing course in the midst of a child's education is foolish. In John Tanner's 2013 book, *The Pitfalls of Reform*, he argues that the entire notion of reform in education may be the essence of the problem; that education cannot be reformed by a galvanizing strategy but rather, more likely, it can simply be improved (Tanner, 2013).

CUSTOMER SERVICE

In his publication, *The Business Role in State Education Reform*, author R. Scott Fosler first characterized educational reform as a "change management issue" (Fosler, 1990). Shortly after, in his article in the *Harvard Business Review*, Nan Stone questioned if, in fact, business has any role in education (Stone, 1991). He argues, yes; using a demand side argument and encouraging parents to become deeply involved in school operations, as schools simply supply what parents want. Hence the customer service mentality in education was born, and fundamentals of microeconomics were now open for application in the educational sphere (Stone, 1991).

Modern business training relies on the fact that there is a customer. In K-12 education who is the customer? Is it the student, the parent, the institutions of higher learning, employers or society in general? Businesses are used to doing multi-stakeholder analysis; however, it is rare that there are so many different potential customers, and those who would be considered the primary stakeholders, are not the ones who actually pay for the service.

In my experience, when you are employed to operate a school you have signed up to be the single parent of a huge extended family. Your control of the ship is limited, but your influence is large. You must be consistent, act with dignity, and be kind. Well-founded policies are essential; however, do not try to control every action or manage every social contract with a replicable business system. You will win over far more community members with vulnerability rather than strength. A school leader also needs to remain steadfast in upholding the dignity involved in educating students. The tact is more like a sage than a sales representative.

SYSTEMS THINKING

Business training tends to be reductionist in its thinking. This is not a criticism; business leaders are experts at breaking down technical issues and driving process improvement. Organizations are reduced to programs (mainly linear relationships) such as supply and value chains. Inputs are measured, as are outputs and a single metric, profit (or share price), can be proffered as a comprehensive measure of business success. Each variable is seen to have a causal effect and the end game is to define the variables that matter most, so that strengths can be maximized, weaknesses minimized, and results optimized.

The reform movement in education has taken place since *A Nation at Risk* attempted to use the same reductionist ideology in the classroom. Test scores have taken the place of profit and data has been used to provide a causal relationship between input (classroom activities) and outputs (test scores). Items that intuitively do not produce value to the ultimate metric, such as band practice, recess and classroom socials, are minimized whereas activities that would seem to correspond more directly to ideal student outcomes, for example homework, class time and assessment, are maximized.

If schools were businesses this kind of reductionist methodology would work. However schools cannot be represented by linear chains. They are fundamentally systemic with multiple elements reinforcing one another to preserve the system. Due to this level of interconnectivity, activities such as recess and intermural activities hold a particular element of the system in balance. Eliminating these activities would cause stress on the system and may put the entire system at risk. A system succeeds by becoming resilient, by instituting hierarchy and by self-organization; education systems are no exception.

Donella H Meadows, in her book, *Thinking in Systems*, describes the phenomenon brilliantly:

“I think of resilience as a plateau upon which the system can play. Performing its normal function in safety. A resilient system has a big plateau, a lot of space over which it can wander, with gentle elastic walls that will bounce it back, if it comes near a dangerous edge. As a system loses its resilience, its plateau shrinks and its protective walls become lower and more rigid, until the system is operating on a knife edge, likely to fall off in one direction or another whenever it makes a move. Loss of resilience comes as a surprise, because the system usually is paying more attention to its play than to its playing space. One day it does something it has done a hundred times before and crashes.” (Meadows, 2008, pp. 78)

This lack of understanding of the systemic nature of schools has been the failure of the reform movement in education. By reducing student outcomes to very narrow measures of success it has limited the natural experimentation that has caused the school system to be resilient. School principals used to try things on the fly – now they shake in fear of violating a policy. This fear detracts from the system’s natural resiliency, making its plateau narrower and the education system more fragile.

For generations, schools have developed hierarchical administrative structures that have sustained the efforts of the teachers and the students. Private companies such as Edison interfered with those natural structures and the results have been poor. Like any enduring system, schools do a wonderful job of self-organization. If a particular strategy isn’t working, staff could feel it and use reliable checks and balances to diversify, learn, and evolve. To an outsider (one who has not spent decades inside the education system), this makes school structures incredibly difficult to decipher. Interlopers wonder why a school would have evolved a guidance function or certain structures for exam taking or timetabling. These mechanisms were bottom up designs that evolved naturally in a self-organizing system. Systems structure themselves; reform brings artificial restructuring which can be a danger to a self-organizing system. Imagine a school superintendent who decides to add one more standardized assessment to a school system to measure the effectiveness of the jurisdiction. The win for the superintendent is (+1), the imposition of over-testing (-1) is shared over the entire school system. Therefore any rational superintendent would conclude that adding the assessment is prudent. Then another is added and then another using the same logic. This is the tragedy of bounded logic. Each actor chooses a course of action over time that will stress the system to failure. The solution is a timely system wide feedback loop that provides leading indicators of the impending challenges. Too often these indicators are ignored.

An understanding of the systemic nature of schools does not imply that systems cannot be improved, they certainly can be. A new goal, changing a feedback loop, reducing delays or building buffers are all positive ways to intervene and make a system stronger, but none of these processes are driven from a reductionist protocol. Rather, they are the result of refocusing the system and allowing it, over time, to organize itself to a better structure given new goals or new constraints. In general, policies are particularly ineffective at repurposing systems. For example, if policies that focus on test scores are created, teaching to the test becomes inevitable. This creates a hyper focus that comes at the cost of student wellbeing that is a key element in student performance.

Policy driven approaches, which work well in businesses, have limited benefit in complex systems. I would rather see the paradigm of education broadened and a more complex definition of student development be embraced. To accomplish this shift, systems analysis would suggest that the first step is to step back from the approach that is causing harm. To many this tact seems like inaction

and therefore it is not always a popular course, but it is likely the correct pathway. For example, consider the parallels between education reform and Prohibition. Education reform based on policies driven by the aspiration of test score improvements has had similar effects to the policy criminalizing the use of alcohol in the 1920's. Alcohol use is a system and therefore, as with education, a top down policy driven reform led to a multitude of unforeseen issues. In the case of Prohibition, eventually policy makers realized that the solution's effects on the system were worse than the problem. The first sign of a similar phenomenon has occurred in education as seen by the number of parents opting out of standardized testing across a number of educational jurisdictions. The first step in remedying the unintended consequences of policy intrusion on a system may be to dismount.

LEADING INDICATORS

The limitations of managerial methodology in improving education do not imply that we must disregard all ideas on school improvement from the business world. In thinking about school improvement we must choose the correct elements and use the system to our benefit. For example, if test scores are indeed one important measure of student success, then rather than becoming obsessed with the results, schools could instead measure all of the activities that produce the desired effects, however incidental they may seem. School leaders should be measuring classroom observations, student participation, software and device downtime, teacher professional development effectiveness, parent engagement, preparation time and school climate, as these are all leading indicators of student success, yet they are rarely measured. If they were monitored carefully, they could provide valuable feedback to the system and allow it to adapt and self-correct. This is a more holistic view of process improvement and one that business schools are now embracing (Stroh, 2015). Curiously this change in business education has developed from the study of systems with a realization that standard business practices were falling short of the mark when faced with complex issues.

CONCLUSIONS

When considering the training of school administrators it would seem that school leadership is still a game without a playbook. So many of the skills required, as articulated by national standards, make the job seem unimaginably complex for anyone to begin contemplating accepting such a post. Most long time school leaders are almost Zen-like when reflecting on their careers. They capture the essence of what it was to be a school leader in a few brief statements but leave little in the way of day-to-day methodology. In the absence of such an orientation, school leaders look to parallel industries to discover the science of management. Overall there is nothing wrong with this approach and ultimately I would argue that the best schools develop when the teachers and administrators are passionate learners themselves, constantly exploring new ways of operating. However, I caution the application of strict business processes in a school setting. Strategic Planning processes based on market position are rarely effective in moving a school towards its purpose. Customer service protocols are limited in their application as they ignore the multifaceted dimensions of school investment. Policy driven changes hyper-focuses a system causing unintended consequences. School Administrators must appreciate the entire school organism and eschew reductionist logic born most notably from business management ideology.

At the heart of the matter, I return to the convergent purpose of schools and the altruistic tendencies of even the most accountability driven school reformer. In the end we all want to help children. Everyone that participates in education soon realizes that teaching is, at its core, an act of love. It is a gift from one person to another and is offered simply because we care enough to provide it, asking for nothing in return. Learning, as a system, requires that we understand the nuance of the education process and we are careful not to apply principles that do not fit. When I asked a venerable School Administrator for wisdom on the preparation of school leadership candidates he reminded me of the legendary words of Diana Ross, "*You can't hurry love*". These wise words continue to hold true for educational leaders today.

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