

Tilting the Balance

During the past 30 years, I've served as a management consultant to companies that wanted to achieve revolutionary change to become more successful. I've worked with companies as small as 100 employees and as large as General Motors, IBM and Amgen, the world's largest biotechnology company.

More recently I've worked (as a pro bono consultant) with small school districts as well as some of the biggest school districts in the United States. I've taught business school courses on organizational change, and I've studied the scholarly research on how to change organizations. I've reduced my hard-won lessons into seven basic rules that I believe guide most successful attempts at change. Follow them and you are more than likely to succeed, too.

Rule One: People don't fear change—unless they're kept in the dark.

Rule Two: Revolutionary change requires the perception that there's a crisis.

Rule Three: Structure must change before culture can change.

Rule Four: Change must be top-down.

Rule Five: Change must be bottom-up.

Rule Six: Follow the money.

Rule Seven: School reform isn't part-

A management consultant's prescription for changing the equilibrium between central office and schools

ly politics—it's all politics!

Consider how each rule applies to your local school district and what you can do to start the process of change or help it along.

● **Rule One:** *People don't fear change—unless they're kept in the dark.*

Most of us aren't really opposed to change, contrary to what business books often assert. In particular, business gurus are fond of saying that the top leaders often advocate visionary change, but the middle managers gum up the works because they fear change. The implication is that the people at the top got there be-

cause they are a superior class of human beings—an assertion that in the light of Enron, Tyco, WorldCom and Arthur Andersen is patently false.

Based on personal experience, I conclude that everyone favors change as long as they're in charge of who and what will change. It's equally true that no one likes to be told to change without having had the chance to influence the new direction.

Recognizing this point is easier than living it. Not only does it mean that you should include the targets of change in your discussion from the outset, but it also means you have to listen to them. It doesn't mean you have to accept all of their views, but it does mean you'll have to listen to their views seriously, even when you've already decided that the targets of change are the cause of the problem.

Business groups that get involved in school reform often stumble over this elementary point. They're accustomed to blaming their own workers' unions for their company's problems, so they assume the teachers' union is at the root of the failure of the schools. Having reached this conclusion, they never invite the union leadership into their dialogue, and by leaving them out, they leave out one of the deepest wells of experience—not to mention a major po-



tential ally.

In fact, if there is a favorite target for laying the blame for the failure of our public schools, it is the teachers' union. Teachers are more universally unionized than are most other groups of workers. Stanford University political scientist Terry Moe estimates that 80 percent of all public and private school teachers are members of unions, compared to an estimate by Claremont Graduate School professors Charles Kerchner, Julia Koppich and Joseph Weeres that only 11 percent of the private sector workforce is unionized. Teachers' unions are blamed for corrupting the independence of state and local officials with their large campaign contributions, for supporting rules that protect bad teachers and for handcuffing principals by denying them the authority to assign teachers to the schools and the classrooms where they are most needed. Some of that criticism is fair, but most of it is not.

It's true that unions often become part of the problem, but it's simply not credible to argue they should bear the lion's share of the blame. It's true that adversarial unions typically arise in response to abusive management. Playing that countervailing role unfortunately places unions on the position of counterbalancing what is wrong, rather than

helping to create what could be right.

Of the six districts in our study, Los Angeles is the most centralized and bureaucratic. It's no surprise, then, to find it also has the most contentious relationship between the teachers' union and management. Over the past 20 years, the teachers' union has steadily increased its power over a variety of school-level decisions. Manual Arts

Many principals in Los Angeles said they feel abandoned by the central office and that conflicts between the central office and the head of the teachers' union are frequently transferred to each school. Both principals and the central-office staff speak of the teachers' union as a powerful body they fear and resent. The result is a system in which all of the parties feel powerless.

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High school has a required site council of 21 members. Eighteen of the members are from the teachers' union, along with one parent representative, one student representative and one representative of the union that represents teachers' aides, clerical and other noncertified employees. The principal is a nonvoting member of the council. The council must approve the appointment of assistant principals, program coordinators and the expenditure of any discretionary funds. The principal has no say in the appointment of department chairs, and the teachers by seniority decide what courses they would like to teach.

Systems that grant budgetary and personnel control to committees of teachers and parents rather than to the principal are unlikely to work well. That's because parents and teachers aren't accountable for either student performance or budget performance. It's the principal who is accountable, and it's the principal who should have the final say in these decisions. That doesn't mean the principal should be allowed to become an emperor or empress. The principal should be expected to consult with and listen to all parties.

● **Rule Two:** *Revolutionary change requires the perception that there's a crisis.*

This is tricky. Generally people are skeptical of reformers. Even though they're not fully satisfied with their schools, they fear even more the chaos that you might unleash. They're afraid your idea of utopia could turn out to be their idea of hell.

Many observers find this situation puzzling. They think people are negative about all the schools except their own. I don't think that's it at all. Instead I'd argue that people are inclined to accept what they have if they don't believe a better option is available to them. They don't want to be whiners. Rather than complain constantly about their school—which they don't believe can be improved from its current dismal state—they try to look at the bright side.

To get things moving, you must do two things. First gather detailed data on your school district, compare it to successful districts and make an undeniable case your school is in crisis. Compare graduation rates, attendance rates, numbers of central-office staff, test scores and measures of teacher quality. Once you've done this, you'll be certain every parent and teacher will react to your data with horror and anger and will de-

mand revolutionary change. Unfortunately, you'll be wrong.

To motivate people, you'll need to prepare a detailed plan with two elements. First show what your school will look like after the revolution—a vision of the future. How much local autonomy will schools have, how will they be held accountable for student achievement and financial performance and how will the budget be balanced within the existing limits. Second, include a step-by-step analysis of who will have to grant approvals, vote on your plan, allocate funds and so on.

What you want to do is to get together the studies that arm the politicians with the facts they can cite to support their call for revolution, and then develop the plan that convinces the public they *do* have a better option—that it's not just a pipe dream.

● **Rule Three:** *Structure must change before culture can change.*

Anthropologists define "culture" as consisting of a community's unspoken traditional ways of doing things. We learn about the culture of a school by watching how the people in it actually behave, not by reading a set of rules

about how they are supposed to behave. A negative school culture in which teachers are isolated, students are treated as objects rather than as people, and the principal hides in his or her office can be deeply embedded in people's habits and difficult to change.

A spate of books about leadership and management 20 years ago advocated learning the culture of a company and then changing it in planned ways. People no longer listen to that advice because they've discovered what anthropologists knew all along, that while you can learn to analyze an organization's culture, you can't change it, at least not directly. For example, if the culture is one in which people avoid taking risks on behalf of the children, you cannot advocate more risk-taking and expect it to happen. If the culture is one of giving all children passing marks to avoid difficult confrontations with their parents, you can't change that aspect of the school culture by attacking it.

However, culture is greatly influenced by the structure of an organization. If you alter the structural arrangements and then have patience, within a year or two the culture will begin to

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change. For example, Angus McBeath, superintendent in Edmonton, Alberta, eliminated all of his deputies who had schools reporting to them. He altered the structure of the school district by having all principals report directly to him. As a result, his central-office staff has learned a new culture in which the principals are to be respected and served—in part because they have a direct line to their boss. Previously, the central-office staff treated the principals as low-level managers. Today, principals are at least the equals of central staff in rank and influence, and they are treated accordingly.

You'll want to study the culture of your district to determine what needs to change and what should be preserved. The culture is the part that you can see, and it's more readily visible to you than the structure, so start with that. By including the teachers and the principal in your planning group, you'll have ready access to the natives who know the culture well. Once they've learned to trust you, they can tell you all about it.

Because you've already decided that the problem is the system rather than the people, they will be inclined to trust you and to work with you. Your next step will be to figure out which structural elements have caused this culture to come into being. Focus your energy on changing the structures, and you'll see the culture change, too.

● **Rule Four:** *Change must be top down.*

In Edmonton, Seattle and Houston, the change came from the top. It was led by the school board and, above all else, the superintendent. Within a school, change comes from the principal—whether it's at Mabel Wesley in Houston, Sawyer Elementary School in Chicago or James A. Garfield in Seattle. In a sense, that's what a leader is supposed to do—lead change. Another way to look at it is that change that begins in the middle or at the bottom of any organization will sooner or later run into a lack of support or downright opposition from someone up above.

There's an important subtlety to what happened in the three successful school districts we studied. In each case, the new superintendent entered in a situation in which a powerful coalition of citizens was willing to stand behind someone who had the courage to lead revolutionary change. If your community is broken into warring camps, you first need to heal those divisions and get everyone together.



Caption here

Everyone means everyone. For example, although the business community is a critical source of influence in almost every city, it cannot succeed in school reform if it shuts out the neighborhood associations, the parent organizations and the ethnic leadership. If there are rival business associations or if the ethnic organizations are in conflict with each other, you must get them together for their common good and for the good of the children. You'll never get everyone to back your actions, but you need to be

discover that differences of opinion often stem from incorrect assumptions about what each wants.

● **Rule Five:** *Change must be bottom up.*

This isn't really such a contradiction. A good superintendent knows that great ideas are out there in the schools. A revolution in one neighborhood school can ultimately influence the entire school district. It happens in business all the time. At Proctor & Gamble during the 1950s, one factory experimented with

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willing to talk with all sides. In our democratic society, elected officials won't usually act on a controversial issue unless the proponents of change have made real efforts to include everyone, including their opponents, in the dialogue.

As you lay out plans for reform, reach out to the broader community. Don't assume that others have agendas that are in conflict with your goals. Talk to people, reach out to them and listen. You'll have many positive surprises. You'll find that all of you want the same thing—a quality education for all children. You'll

self-managed teams of workers who ran a large, high-speed machine. The results were so outstanding that other plants adopted the idea, and eventually, it became standard in all of the company's plants.

At Chrysler during the 1980s, a parts-supply depot experimented with a radical approach to managing its workforce by giving people more autonomy, and it too spread to all of the parts depots in the company. Edmonton experimented with a radical new way to manage a school district, and now that system is

spreading to districts in the United States. In addition to Seattle and Houston, Cincinnati and Sacramento are implementing the Seven Keys to Success.

It would be more accurate to say that change should be *initiated* bottom-up and *supported* top-down. The central office should not be imposing on principals new ways to run their schools. Instead a successful central office is one that gives principals the freedom to experiment for themselves. When a school proposes an innovation that works well, other principals and teachers will want it, too. At that point, the central office can provide financial and other forms of support to enable schools that want it to get it. Former Seattle Superintendent Joseph Olchefske said it best: "Every school's got to find its own way."

Good ideas often come from principals, teachers and parents who deal with students every day and who are reading about education ideas, going to conferences and looking for creative new approaches.

● **Rule Six:** *Follow the money.*

In these times of fiscal stress, it's more important than ever to see that you maximize the use of each dollar in the

most effective way. It's also prudent to expect that the public will want to know in more detail how the money is being spent. Only when voters have confidence that public education funds are being spent well will they approve bond issues and increases in school spending.

In order to gain a sound understanding of how your education money is being used, do a new kind of analysis of central-office expense versus school expenditure. Usually, districts count as central-office expense only the staff salaries of people who report to work each day in the district headquarters. That's an important number, and it usually comes out to about 3 percent of the budget of a school district.

It's more precise to count the number of people and the vendor expenditures that are controlled by someone in the central office, whether or not the service is performed at a school site or in a central facility. For example, count as a central-office control the salaries of professional development staff, even if they work at school sites. Count also custodial expense as a central-office item if custodians report to a central manager as they do in some districts rather than to a principal.

When you perform this analysis, you're likely to find that the central office actually controls or "consumes" about 50 percent of the district's funds. It's one good way to estimate the degree of centralization. If you can increase the proportion of the money that is under the control of principals, you can accordingly increase both the authority and the accountability of the key managers, and student performance is likely to improve, as principals will choose to put the money to use in different ways that maximize the impact on student achievement.

In most districts, each school receives a formula-driven number of teachers of each type, teachers' aides, clerks, nurses, librarians, custodians and so on. Although principals might have the official right to apply for waivers to use the positions differently, they rarely will. When I asked principals how much of the school's money they control versus that which is controlled by a central policy, I found that

in New York City, principals control only 6.1 percent of the money and in Los Angeles 6.7 percent.

If you allocate money rather than positions to principals and tell each principal to consult with teachers, parents and other employees at the school, you'll quickly find that each principal will spend the money in a way that differs from the old formula and that their micro-adjustments will result in better student performance.

If you make these new methods part of your routine, you also will find you will be much better able to explain to parents, school boards and the public just where their money is going. As student performance rises, so too will public satisfaction.

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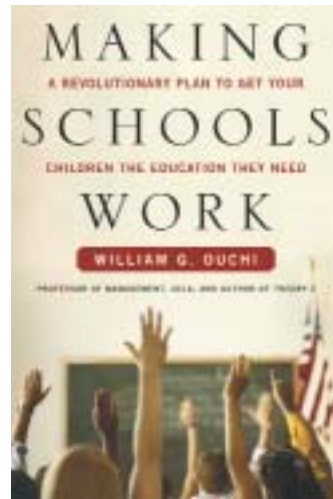
● **Rule Seven:** *School reform isn't partly politics—it's all politics!*

No school district has the ability to change itself from the inside. If the political forces that are acting on the district do not change, it will not change. The school district became what it is by responding to the forces that are now in place. David Tyack and Larry Cuban put it succinctly in *Tinkering Toward Utopia*: "Educational reforms are intrinsically political in origin."

When you undertake significant change, you've got to stick with it. There's nothing magic about Edmonton, Seattle or Houston. Mike Strembitsky, the former superintendent in Edmonton, sees it this way: "What happened in Edmonton could have happened I'm going to say in hundreds of other places in the continent. We had absolutely nothing going for us that other people don't have."

Strembitsky points out that Edmonton has a conservative, agricultural population of immigrants who value stability and security. As far as he's concerned, if they could get the public support for radical change, any school community can. ■

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