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COLUMN ONE

Big Man on Campus Reform

William Ouchi, friend and advisor to state education chief Richard Riordan, is determined to bring entrepreneurial methods to schools.

By Duke Helfand
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He has never been elected to public office and he holds no official title in state government.

But UCLA management professor William G. Ouchi is emerging as a pivotal figure in the future of California public education.

Ouchi has teamed up with his golfing buddy and former City Hall boss, state Education Secretary Richard Riordan, in a quest to reinvent the state's 8,000 schools.

Riordan is the official face of this two-man offensive, the connection to Gov. Arnold Schwarzenegger. Ouchi, the author of popular books about teamwork in corporate America, is the behind-the-scenes idea man who argues for turning principals into entrepreneurs, giving campuses new control over their budgets and prodding schools to compete for students.

"No one should have the power to tell people at a school how they are going to run their school. It doesn't make sense," said the Hawaii-born Ouchi, 60, who comes from a family of teachers who felt stifled by out-of-touch bureaucrats.

That kind of talk is radical in a state where the governor and Legislature have kept an iron grip on education policies and funding, and where school boards and teachers unions jealously guard their fiefdoms.

Critics call Ouchi's approach simplistic and misguided. They remember how Ouchi, Riordan and other civic leaders sponsored a similar reform plan for Los Angeles schools a decade ago that fizzled as public support waned and campuses bickered.

That experience left many embittered about the prospects for change statewide. But Riordan and Ouchi never lost the belief that better management was the key to improving schools.

Ouchi wound up writing a book about empowering principals and their campuses, "Making Schools Work," which was published in September. Perhaps as a symbol of how far Ouchi's star has risen in

California, Schwarzenegger gave copies of the book as Christmas presents last year.

Schwarzenegger, who as a candidate championed the idea of local school control, tapped Ouchi to write an initial draft of his education platform during his gubernatorial campaign. Ouchi also co-chaired a Schwarzenegger education summit with Riordan last fall.

"Bill's research and insight were invaluable to me during the campaign and transition," Schwarzenegger said in a statement provided by his staff. "He has been a tremendous asset to the education community."

It remains to be seen whether Schwarzenegger will push the Ouchi-Riordan reforms through the Legislature this year, as the two hope. The governor is concerned about pressing ahead too quickly without enough support from school districts, teachers and the public, say those familiar with his thinking.

But that hasn't stopped Ouchi and Riordan from applying a full-court press on lawmakers, school superintendents, union leaders and anyone else who will listen.

"It's going to be interesting to watch how these two guys impact the education system of California," said Los Angeles County Supervisor Zev Yaroslavsky, who as a member of the Los Angeles City Council in the 1990s dealt closely with Riordan when he was mayor and Ouchi was his chief of staff.

"As usual with Riordan and Ouchi, their agenda appears to be overly ambitious," Yaroslavsky said. "But I wouldn't underestimate either one of them."

Once known in the corporate world for management books with titles like "Theory Z" and "The M-Form Society," the plain-spoken and impeccably polite Ouchi is now immersed in a universe of teachers, textbooks and test scores.

Among other things, he is serving as an unpaid education consultant to the governor of Hawaii, where he grew up surfing at Waikiki Beach and attended a prestigious private school in Honolulu.

Ouchi's father was a dentist. His mother taught high school English and journalism. His older sister taught elementary school.

Ouchi remembers his mother and sister venting about their jobs. That sparked his thinking that public schools could perform better if they had freedom from centralized control.

"They were so unhappy when they were victimized by this gigantic bureaucracy that just rolled reforms down on them at will," Ouchi recalled of his mother and sister.

"If only they had an organization and a management above them that lived to motivate them, to help them, to thank them and enable them to be successful, then we wouldn't have any problems at our schools."

Ouchi delivers that same message to audiences around the country and to school districts — including those in Oakland and San Diego — that are studying his ideas and adopting some aspects of them.

On a recent day, Ouchi gave a lunchtime talk about school reform to a group of philanthropists from the California Community Foundation in downtown Los Angeles. Dressed in a sharp blue suit and burgundy tie, he spoke without notes for nearly an hour, effortlessly ticking off statistics about school spending in Los Angeles and other districts.

Afterward, several members of the audience eagerly approached him, some handing him their business cards or asking him to autograph copies of his book.

"Dr. Ouchi, I just want to shake your hand," one woman said. "I'm going to buy your book."

To research the book, Ouchi and a team of researchers visited 223 schools in six cities, comparing large bureaucratic school districts in Los Angeles, New York and Chicago with others in Houston, Seattle and Edmonton, Canada, that give schools more independence.

Ouchi said the decentralized districts performed best, offering, in his eyes, a lesson for California.

"We're going to have a real genuine basis on which to hold principals accountable, and nobody is going to argue with that," said Ouchi, whose three grown children attended public elementary school in Santa Monica before moving to private schools for junior high and high school.

Ouchi has no bigger fan than Riordan, who sounds as if he is cribbing from "Making Schools Work" when he gives speeches to education groups.

The two have been friends for a quarter century and sponsored each other's memberships at the Los Angeles Country Club, where they play golf together a couple of times a month.

"Bill has had a monumental effect on my thinking," Riordan said. "There is no one in the country who understands these concepts better."

But critics dismiss Ouchi as an ivory tower theorist whose ideas are better suited to the boardroom than the classroom.

Although well intended, they say, he is naive about the fractious nature of public schools — places where unions and management collide on a daily basis, where parents and teachers feud, where virtually everyone faces pressure to improve test scores amid the anxieties of budget cuts.

"He's smart, very well read, but he has a very superficial understanding of what goes on in the real lives of kids in schools. I think that's where this is going to break down," said one influential education analyst in Sacramento who, like others, agreed to speak candidly about Ouchi only on condition that he not be named.

Many principals say they do not have the time, training or inclination to oversee multimillion-dollar budgets on top of other responsibilities. Teachers object to ceding seniority rights and other privileges they have won at the negotiating table.

"We have to take this with a great deal of skepticism," said John Perez, president of the Los Angeles teachers union. "We have principals who have very poor personnel skills. What makes you think that they'll be able to better run the schools after you give them the money?"

But even Perez and other skeptics say they admire Ouchi's energy and what they believe is his sincere interest in improving public education. Ouchi makes his case with a blend of intellect and wit, a style that many find engaging, but others sometimes perceive as dismissive.

"He's very unassuming and very low-key. But I think he's much shrewder and smarter than he presents," said Angus McBeath, superintendent of the public schools in Alberta's capital, Edmonton, which

provided the model for decentralized power that Ouchi advocates.

And Ouchi is winning converts in unexpected places.

"There is widespread agreement among those of us who focus on education that he's on the right track," said Assemblywoman Jackie Goldberg (D-Los Angeles), the liberal chairwoman of the Assembly Education Committee who is a former schoolteacher and is close to the teachers unions.

Educated at Williams College in Massachusetts, Ouchi found his calling only after he had enrolled at Stanford's graduate business school. "I fell in love with a course in organizational behavior," he recalled.

Propelled by the idea of making huge organizations "human and effective," he later earned a doctorate in business administration from the University of Chicago. He taught there and at Stanford before moving to UCLA's Anderson Graduate School of Management as a 35-year-old tenured professor.

Ouchi worked in relative obscurity until his 1981 book, "Theory Z: How American Business Can Meet the Japanese Challenge," transformed him into a sought-after speaker and corporate consultant.

Offering a supportive view of Japanese management techniques such as consensus-style decision making, "Theory Z" became a bestseller and was published in 14 foreign editions, including Chinese, Japanese, Italian and Hebrew.

During that time, Ouchi settled with his wife and children in a Santa Monica neighborhood where one of his neighbors was Riordan's law partner, Carl McKinzie.

Ouchi and Riordan, then a venture capitalist and philanthropist, got to know each other. Eventually, Ouchi persuaded Riordan to contribute to UCLA; the two men agreed to launch a program to teach minority high school students about business.

After Riordan was elected Los Angeles mayor in 1993, Ouchi worked for a year as an off-the-books consultant to him, then spent another year as Riordan's chief of staff. Ouchi played a key role in developing a plan to expand the city's police force, and he brought together a group of business executives who proposed ways of improving city bill collection.

At the same time, Ouchi and Riordan were part of a movement to reform the Los Angeles public schools by giving principals, teachers and parents more control over budgets and hiring. The effort was known as LEARN — Los Angeles Educational Alliance for Restructuring Now — and for a time Ouchi served as chairman.

Hundreds of schools embraced the philosophy, hanging LEARN banners outside their front doors.

But the L.A. Unified Board of Education never made good on the promise to give schools budget control. Some of the initial advocates retired or drifted away; teachers union President Helen Bernstein, one of LEARN's leading proponents, was killed by a car while crossing a street. Meanwhile, teachers, parents and principals bickered over control.

"As an organizational reform, LEARN failed in the conventional sense," said Charles Kerchner, an education professor at Claremont Graduate University who is writing a history of school reform in Los Angeles. "They never could move money or power to the schools."

Ouchi and Riordan acknowledge the failure, and both blame the school district. Both also believe the

new statewide effort stands a far better chance of success.

This time, they say, schools would have real autonomy because of a proposed new statewide funding system in which dollars would follow students to schools, rather than being allocated by districts' central administrations.

At Riordan's request, Ouchi assembled a group of educators last fall to develop the plan. Ouchi called the think tank IC/3 — Independent Citizens for California's Children — and filled the roster with a who's who of education heavyweights, including billionaire philanthropist Eli Broad, Occidental College President Theodore Mitchell, San Diego schools Supt. Alan Bersin and California Teachers Assn. President Barbara Kerr.

The group hammered out a set of ideas for revamping school funding and empowering principals. But turning ambitious proposals into education policies is another matter in the meat grinder of the Legislature.

Ouchi has no interest in talking about roadblocks as he barrels ahead, crisscrossing the state with his message of school empowerment — a message he is promoting with equal fervor at UCLA, where he is teaching a course about reforming public school systems.

"I've always felt that every major new turn in ideas begins with one person," he said. "The thought of participating in something that can change the world in some significant way just thrills me."

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