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**BRINGING THE BEST OF BUSINESS TO SCHOOL
ADMINISTRATION**

by

Michael Antony De Filippis

**Thesis submitted in partial fulfillment
of the requirements for the degree**

of

**HONORS IN UNIVERSITY STUDIES
WITH DEPARTMENTAL HONORS**

in

**Business Administration
in the Department of Management**

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Teachers, professors, and administrators alike have proven invaluable in conducting primary research for this thesis. Their willingness to give up time for personal interviews with absolutely no incentive was more than I could have expected or hoped for. Their insight provided important foci for further research; ideas for future education and career development; clarity and direction on the most relevant issues; and personal support for my career aspirations. I have no way to properly note every contribution of each person in this document, but there would have been no grounds for useful research without the help of each person.

A NOTE ON INTERVIEW (PRIMARY) RESEARCH

Interviews for this document were conducted with a total of 25 teachers, business professors, and school administrators. Compared to the research of a professional publishing organization, this number leaves much room for future improvement and research. Nevertheless, individuals provided surprisingly consistent responses and personal insight. In this document, specific contributors with unique input were cited directly. When interviewees' responses were relatively uniform, no specific names are cited. A complete list of contributors is included at the end of this document.

From a personal standpoint, the input from the informal interviews for this document was invaluable. The personal feelings and input from each individual contributed real-world insight worth consideration for any school administrator. Noting this, readers should also recognize that interviews were conducted and documented in a relatively informal manner as compared to the large-scale research performed by professional publications.

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ABSTRACT

The disciplines of business and school administration are recognized as distinct and separate in purpose, product, and operation. While fundamental differences do exist between the two, school administrators have a need for application of business principles in order to manage an educational institution. Schools are, at their foundation, organizations relying on effective management, budgeting, public relations, value creation, etc. Despite this need, school administrators often come from backgrounds in teaching rather than management.

Research was conducted from secondary sources and personal interviews with teachers, university professors, and school administrators to examine the similarities between administration in businesses and schools. The purpose of the research was to determine where and how the knowledge of various business disciplines can assist in the successful management of educational institutions.

The thesis examines the business knowledge, skills, and abilities most important to a school administrator and suggests the tangible benefits that may be achieved when school administrators have proper training and education in both teaching and business administration. Further research may help determine specific ways that application of business principles may resolve problems in schools' operation and organization.

I. INTRODUCTION

The world of education is facing heavy changes. New needs must be addressed constantly, and schools must perpetually seek to improve the quality of the education they provide. Stakeholders in educational organizations (parents, students, benefactors, and the government) are becoming ever more critical of the quality and benefit-for-cost of the education schools are providing (Fullan, 2001). Stringent regulations limit the flexibility of both teachers and administrators. The size and complexity of educational institutions, along with large numbers of external stakeholders, necessitates some of the best management practices possible.

Because school administrators stand at the center of this complex picture, they are expected to be more competent and skilled than ever. In spite of the managerial needs faced by the institutions they serve, school administrators often come from a primarily academic background, especially at the secondary level. They have plenty of experience in the classroom and in their disciplines, but often little experience in management and/or leadership. Education research institutions publish plenty of information on the knowledge, skills, and abilities that (for example) principals need to successfully manage schools, but these reports include little to no emphasis on the value of business knowledge and experience.

There is some resistance to the idea of applying business knowledge to school administration. Part of the alleged problem is based on the concept that schools have fundamentally different purposes – businesses seek profit while schools seek “the betterment of society” and similar goals. Online articles point out differences between the two organizations and warn of the problems associated with “running a school like a business.”

While there are differences between the management practices of a business and an educational institution, the value of business knowledge in successful school administration and

leadership is apparent. Despite a shortage of published information on this subject, interviews with university professors, school administrators, and teachers have shown that the need for business knowledge and experience is a legitimate concern. Evidently, published sources on the needs of schools and school districts have paid insufficient attention to the need for business knowledge and experience in school administration.

The following sections investigate some of the most fundamental principles of business needed to help school administrators perform well. Research began with the primary assumptions that 1) most school administrators are insufficiently trained for the business needs of their positions; and 2) business knowledge and experience will provide a competitive advantage for school administrators in any educational institution.

Several concepts were uniform among professors, teachers, and administrators, while some were unique to the understanding of each person and his or her discipline. The information from these interviews, as well as other relevant published sources, focuses on the needs of schools and the answers that business disciplines can provide. The results of this research offer implications for administrative self-evaluation, professional development goals, and recruitment priorities for schools seeking qualified administrators.

II. COMPARISON: SCHOOLS AND BUSINESS

In 2000, an article was published by the National Association for Independent Schools emphasizing the reasons why schools cannot be run like a business. The purpose of this article was not necessarily to discourage businesslike thinking, but to explain and illustrate some stakeholders' negative reaction to the idea of using business methods and strategies in schools. In short, many do not respond well to "corporate-minded" philosophies of school administration.

Businesslike management practices are likely to be shot down by stakeholders who cling to traditional ideas, methods, and understanding. A concise summary of the relevant differences between schools and businesses includes the following items:

- **Mission.** Education is “backward-looking” compared to other institutions. Its methods and the information it handles and teaches are steeped in knowledge and traditions of the past. Businesses live in the present and prepare for the future as a necessary strategy for survival. Schools’ missions are focused on nurturing students and contributing to society, while businesses’ missions are focused on growth and profit.
- **Operations.** A school’s operations reflect the goal of its mission: to teach people and build the future. It is often compared to the operation methods of a church or family. Teachers and leaders are focused on “instructing, advising, counseling, [and] coaching...” while a corporation’s operations are focused on efficiency and cost drivers.
- **Outcomes.** A school can hardly think of its students as “products” in a business sense without failing to account for the complexity and uniqueness of each student and his/her surroundings. The measurements used to determine the level of success in a business’s outputs are substantially different from those used to evaluate a school’s success.
- **Personnel.** Teachers and school administrators differ greatly from their counterparts in the business world. They have different goals and aspirations and are less sensitive to money incentives. The article emphasizes teachers’ “artisan-like” approach to their craft compared to their corporate counterparts (Evans, 2000).

Because of these differences, schools and their constituents can be resistant to businesslike models of operation. The concerns are legitimate, but an aversion to melding business with education provokes an aversion to business knowledge, skills, and abilities which

can positively affect school administration. Teachers and administrators “in the trenches” agree that business skills are both valuable and necessary in school administration. Business-oriented needs must be met, and business knowledge and experience will likely become even more necessary in the future. The next issue is identifying *which* of all business knowledge, skills, and abilities are most important to school administrators.

III. ADMINISTRATIVE NEEDS

The growing complexity of educational institutions necessitates an even higher level of administrative competency than has been necessary in the past. Some problems are associated with “hard” issues – finances, resource needs, performance measures, and organizational planning. Others deal with “soft” needs – administrative capacity to handle people issues and lead effectively. Many, if not all, of these needs are related to the principles of business disciplines. Interviews with administrators, professors, and teachers have highlighted several key needs, each of which will be addressed in the following sections. Most of the information provided is meant to apply to both secondary and higher education; information specific to one type of institution will be clarified as such.

A. ADMINISTRATIVE SKILLS

The classification of “administrative skills” is meant to include skills related to handling the “hard,” tangible needs of a school or school district. Specifically, this may refer to handling budgets and finances, forming a strategy for the organization’s future, allocating and monitoring physical resources, assuring compliance with regulations, etc. Research interviews began with the assumption that an administrator from a teaching background would have little past

experience learning and implementing these skills. These interviews brought some clarity to some of the most important and needed administrative skills at this time. Although many more areas of expertise could be included in the list of business-oriented administrative skills, this document will expound on only the areas of information management; budgeting and accounting; finance and cost management; strategy and change management; and legal compliance.

1. Information Management

Summary. Information management can refer to an administrator's ability to collect and derive meaning from data related to student, faculty, and school performance. It also includes his/her ability to manage knowledge sharing and dissemination within the organization. Unlike some other business-oriented competencies, published material does include some detail about the need for administrators' skills in information management.

Published input. An article published by The Wallace Foundation (2013) which focuses on important administrative leadership skills briefly mentions the need for this competency. It states,

“When it comes to data, effective principals try to draw the most from statistics and evidence, having “learned to ask useful questions” of the information, to display it in ways that tell “compelling stories” and to use it to promote “collaborative inquiry among teachers.” They view data as a means not only to pinpoint problems but to understand their nature and causes (p. 15).”

Another article from the National Association of Elementary School Principals (2008) focusing on essential knowledge and skills of principals devotes a larger-than-typical focus to the importance of leadership using knowledge and data. Although no specific tools are mentioned, the article notes the growing need for accurate performance data as a driver for student, teacher, and school performance improvement. This data increases accountability and transparency and concretely supports decisions related to improvement practices (p. 9).

Additional sources briefly include the value of collecting and understanding data. In an 8-item list of characteristics for effective school leadership, one Forbes article stated that successful school leaders “are robust and rigorous in terms of self-evaluation and data analysis with clear strategies for improvement (Morrison, 2013).” A Scholastic article mentioning 17 practices of top-performing schools includes the practice of “embracing and using all the data they [administrators] can get their hands on (Chenoweth, 2007).”

Less material has been published which relates specifically to knowledge management and sharing. Taylor and Francis Group published an article in 2012 addressing the utility of using a corporate-based knowledge management taxonomy to “encourage sharing of innovative practice, avoid duplication and discourage the loss of valuable knowledge” in schools (p. 91). It specifies the benefits of using this business corporate model in schools and includes suggestions for school administrators to utilize it (Thambi & O’Toole, 2012).

Interview input. Effectively collecting and using data on student and faculty performance is evidently an extremely important “hard” administrative skill, but a traditional school administrator with a background primarily in teaching will not have had the appropriate training to develop it. In one interview with a district superintendent, it was reported that “probably the biggest need [from administrators] right now is the ability to collect, interpret, and analyze data.” This need was partially attributed to a current lack of student performance data in the district; changes in state testing methods the year before dissolved the value of historical data. Data collection and analysis becomes even more difficult due to differences between student populations over time (K. Cox, personal communication, March 9, 2015). Because performance metrics constantly evolve, agility in collecting and analyzing data is clearly extremely valuable.

2. Budget Management and Accounting

Summary. Understanding and managing a complex budget is a key transactional competency for school administrators at all levels. Rising costs and financial constraints are difficult issues that are continually rising in prominence. Many districts struggled with budget issues after the financial crisis of 2008-2009 (Hull, 2010). Within each institution, different departments vie for a larger budget portion, and resources are often insufficient to meet the desires of each group. At the university level, “universities will raise all the money they can and spend all the money they raise (Leontiades, 2007, p. 1).”

Published input. Scholarly sources have surprisingly little to say concerning the importance of budgeting skills. This may stem from the “dry” nature of the subject when compared to transformational leadership models and strategic management practices, but the input of interviewed administrators suggests that too little attention is paid to this area of competency (see below).

Interview input. In spite of a lack of information from scholarly articles and education-oriented publications, interviews with administrators who have degrees only in education showed a surprising trend in highlighting budgeting and finance as a “problem area” when each made the transition from teacher to administrator. These interviewees admitted that when they entered administrative positions, they were unprepared to handle the complex budgeting needs of their respective schools. Several attributed their ability to handle budgeting needs to the help and expertise of office secretaries. These secretaries provided assistance and direction until the administrators had familiarized themselves with the essentials of managing the budget.

Interviews with professors affirmed the concept that understanding and managing budgets is one of the most fundamental business skills needed by school administrators. One

responded quickly and confidently that the ability to handle accounting needs was without a question the most important business discipline for a school administrator to master because without it, he/she would have no idea how to handle the business needs of the school (D. Herrmann, personal communication, February 11, 2015). In economic terms, this is best described as an administrator's ability to recognize value where it is, where it is coming from, and where it should go.

The problem associated with insufficient budgeting competency is directly tied to a lack of training before a teacher moves into an administrative position and the complexity of budgeting in schools. Teachers typically have only small budgets to manage and have no control over the funding for these budgets. When a teacher obtains an administrative position, he/she must learn to work with a relatively complex budget with "strings attached" to every source of funding. This refers to the fact that different funding sources have strict limitations on the specific uses of money from different funding pools (K. Cox, personal communication, March 9, 2015). These "strings" likely make budgeting even more difficult in school administration than in a typical business.

3. Financing and Cost Management

Summary. In addition to day-to-day transactional budget needs, schools must also accommodate other financial needs and changes in cost structures. Higher education institutions are especially prone to problems with rising costs. While the information on most administrative skills in this document are equally relevant to all schools, the published information in the following section is relevant specifically to higher education.

Published input. Problems with rising costs in higher education are highly publicized (and criticized), and many publications address the issue. A former businessman and college of

business dean, Milton Leontiades, addresses the reasons behind rising costs in his book *Pruning the Ivy* (2007).

First, rising costs in higher education can be attributed to the “stagnant” nature of the industry. Unlike other industries such as food, where constant or shrinking inputs have managed to produce increasing output, education is identified as an industry that is “resistant to productivity gains” (p. 5). Vague and arbitrary measures of performance contribute to higher education’s inability to objectively provide more or better education for each dollar of input.

Second, higher education is considered to be a “mature” industry. In general economic terms, this means that predictions assume lower growth (stagnating increases in enrollment) and greater competition for spending (changing priorities in public funding).

Leontiades also mentions other drivers of increasing costs including the following:

- Growing disbalance between numbers of students and faculty – more staff and faculty per student
- Growing administrative costs as a percentage of tuition dollars
- Rising emphasis on expensive research over instruction at universities
- University spending on “additional areas not directly related to the core mission of educating students” (p. 8) – high end, non-value added enticements such as lavish recreational and living facilities
- Physical expansion of university property and real estate

An article published at the College of William and Mary compares different theories explaining increases in higher education costs. The authors’ research showed that the theory of “cost disease” explains much of the problem. Cost disease first assumes that levels of productivity are determined by how labor is used. Specifically, increasing productivity in service

industries like education is more difficult than in goods-producing industries. When increasing productivity permits increased wages in goods-producing industries, service industries are forced to match wage increases as well. This results in a spiral of continuously increasing costs for services. Since increases in productivity in education - such as larger class sizes or cheaper faculty - may be considered decreases in quality, attempting to lower costs in higher education is especially difficult (Archibald & Feldman, 2006). Although this research is specifically directed toward higher education, these principles may be applicable to other schools as well.

Separate research could be dedicated to understanding and proposing solutions for rising costs in higher education. The problem is a product of numerous contributing factors, and such a systematic problem can hardly be expected to be resolved by the competence alone of high-quality school administrators. Nevertheless, the scale of financial issues in higher education suggests that administrative understanding of cost structures is crucial (Leontiades, 2007).

Interview input. Business professors familiar with the university environment seem to agree that the issue of rising costs is systematic. An administrator's competence in lowering costs is likely insufficient to resolve such a large issue, but if any semblance of a solution is to be found, proactive management practices and robust competency in financial structure and needs will be necessary.

4. Strategy and Change Management

Summary. In the business world, strategy refers to the "game plan" a company will utilize to successfully compete with other companies. While educational institutions below the collegiate level do not typically contend directly with one another, they are expected to meet certain performance expectations. Benchmarks for academic performance are set as certain schools stand out as more effective than others. At the collegiate level, some schools compete

with specific programs of others, boasting an exceptional engineering program, business school, teacher development program, etc. Whether or not a school is competition-oriented, it is required to meet the performance expectations set by stakeholders. The ability to create strategies to meet these expectations and lead the charge in implementing changes that lead to sustainable improvement is a necessary administrative competency.

Published input. Administrative inability to promote strategic planning for the organization's future is a significant shortcoming. One study of schools in Kenya cited numerous sources highlighting the critical need for strategic planning in schools and administrative competency in supporting strategic planning. This study was an effective investigation on the subject of strategic planning because it is a relatively new, undeveloped concept in Kenya. One of the key differences between successful and unsuccessful strategic planning in this local study was the methods and motivation of school leaders and their ability to include others in the strategic planning process (Wanjala & Rarieya, 2014).

Although the need for effective strategy in schools is apparent, the discipline is more difficult in schools than businesses. An article by Robert Evans (2007) mentions several factors that restrain effective strategy planning in schools:

- Relevance - Whereas strategy in business is focused on competition, schools focus on nurturing.
- Lack of control – Despite the assumptions of most schools' strategic plans, students are influenced more and more by factors other than the school and its environment.

- Growth and survival – Whereas business’ strategies determine their continued growth and survival, schools do not typically need to expand or innovate to “survive” – they will continue to function regardless of how ineffective they are.
- Purpose – Schools’ strategies “rarely address directly the core function of schooling: instruction” (Focus section, para. 5)

Evans’ article is focused on the difference between static strategic planning and flexible “strategic thinking,” but his research also includes the fact that regardless of the method used, “its ultimate success is likely to depend more than anything else on leadership and realism” (Leadership and Realism section, para. 1). Because competency in strategic thinking is not likely a common skill among teachers-become-administrators, education in strategy could be considered a competitive advantage in school leadership.

Managing organizational change to improve performance in schools is a daunting task in education. In *The New Meaning of Educational Change* (2001), Michael Fullan addresses the administrative difficulty of being the target of change while simultaneously attempting to lead change in schools. Because principals are “in the middle of the relationship between teachers and external ideas and people” (p. 137) – who are often in conflict with one another – the pressure to guide correct changes in schools is immense. Fullan cites a multitude of sources which define the environment needed to foster improvement in schools. A few highlighted factors include the following:

- Developing knowledge and skills of individual teachers
- Developing the entire organization’s capability and unity
- Enforcing agreement and coherence among improvement programs
- Developing relationships with external stakeholders

- Obtaining necessary resources to support improvement
- Practicing leadership which contributes to and develops each of the other factors

Each of the preceding items could be examined more fully in turn, but this concise list suffices to exemplify the complexity of guiding change in schools. Leadership, however, will be addressed more fully in later sections.

Interview input. One university professor claimed strategy to be the most important business discipline for an administrator at the university level to master and added that having the logistical knowledge to execute a strategy (i.e. operations expertise) is a matching necessity. Strategy is, of course, less prominent in secondary education compared to higher education (V. Kannan, personal communication, February 11, 2015). Another professor who highlighted leadership competency as the most important need in school administrators included strategy implementation as one of many key leadership skills (A. Cook, personal communication, March 25, 2015). While other professors tended to emphasize budgeting skills as the most important administrative business competency, organizational planning was still noted as an important business skill for school administrators.

5. Legal Compliance

As government-run entities, schools are some of the most highly-regulated institutions in society. With so many laws and regulations controlling the operation and management of schools, administrators' understanding of these laws is essential. As a business, schools also deal with legal compliance issues such as laws dealing with equal opportunity employment, occupational health and safety, financing and budgeting, FMLA, COBRA, HIPAA, and others. If unions are involved with the practices of a school district or college, an administrator must also

be capable of safely dealing with union issues while remaining compliant with laws and the institution's needs.

Published Input. Similar to other transactional functions like budgeting, legal compliance is not a highlighted issue in published materials which focus on school administration. However, the relevance and importance of this issue is numbingly apparent to an administrator who encounters a problem with legal compliance in any area. Lawsuits for teacher and administrator misbehavior attest to a problem in either understanding or following the dictates of legal compliance in all organizations. Regardless of its cause, potential litigation is clearly an issue that school administrators need to be able to manage. The *Yearbook of Education Law* published by the Education Law Association (2013) identifies the following legal issues that took place in the U.S. in 2012:

- 59 tort cases were filed in K-12 schools.
- 160 cases from employees were filed in K-12 schools.
- “The increase in litigation in both student-to-student harassment and employee-to-student harassment [in K-12 schools] continued with the number of cases in the latter category becoming alarming” (p. 66).
- 27 cases involving schools sports were filed in K-12 schools. These cases were related to players, coaches, and spectators, and are categorized separately from other school cases. 13 tort cases associated with school sports were filed.
- Over 100 cases were filed addressing “either institutional or employment matters in higher education” (p. 170).
- “Cases involving students in higher education continued to generate considerable litigation” (p. 214).

Interview Input. One HR professional with experience in both secondary and university education drew attention to the likelihood that many school administrators are probably largely unfamiliar with all of the laws with which they must comply (J. Andrus, personal communication, March 27, 2015). One business law and ethics professor affirmed that administrators are likely insufficiently trained in legal issues, specifically when they first obtain their positions (K. Lee, personal communication, March 30, 2015). Several administrators agreed that administrators' knowledge in this area is less than preferable when entering administration. One principal felt that most administrators do not become familiar with legal compliance issues until they have attained at least five to ten years of experience in administration (T. Perrigot, personal communication, April 17, 2015). If this is true, this would suggest that ensuring administrators' familiarity with legal issues *before* taking their positions should become a standard practice.

B. LEADERSHIP SKILLS

Compared to administrative skills, the classification of "leadership skills" may be separated much as "administering" and "ministering" are considered separate in a religious context (C. Albrecht, personal communication, March 2, 2015). It is meant to refer more to the "soft" skills administrators use to interact with, regulate, and support the human resources of a school. These skills are also relevant in dealing with other stakeholders outside of the organization, including parents, board members, sources of funding, etc. The most common administrative issue cited in personal interviews with teachers was leadership competency.

The following paragraphs will first elaborate on the importance and difficulty of addressing leadership needs in school administration. A short section will then address published

input on this subject. Finally, sections reflecting interview input will address specific leadership needs in school administration as identified by teachers and administrators themselves.

1. Complexity

Leadership is particularly difficult in school administration for several reasons. Fullan (2001) points out the following factors adding to the complexity of leadership in schools:

- The needs behind improving schools and implementing change are “deeper” than prior research had ascertained. Creating lasting, positive improvements can only succeed with systematic culture changes as they are implemented.
- A large number of complex “dilemmas” are associated with deciding on a course of action. These include decisions where stakeholders’ interests contradict each other.
- Different leadership approaches are needed depending on where the school is in the change process and how well it is currently performing.
- Effective leadership in schools cannot be boiled down to a checklist of appropriate steps because local circumstances and human resources are always distinctive among different schools.

2. Higher priority

Teachers especially feel that administrators tend to lack the leadership skills necessary to gain the support and respect of their employees. When asked which skills were currently needed more (between administrative and leadership skills), one teacher responded “absolutely” that leadership skills are needed more because administrators “don’t know how to motivate us” (C. Stelly, personal communication, March 9, 2105). While professors’ responses were mixed, secondary teachers agreed without exception that leadership competencies are more needed at this time. Several teachers felt that “soft” skills need to become a focus improvement area for all

leadership positions because they are not being taught as effectively in the home or at school as they were in the past.

3. Published input

The previously-addressed article from The Wallace Foundation (2013) directly addresses the issue of insufficient leadership skills in administrators (specifically principals). According to the research cited in the article, “leadership is second only to classroom instruction among school-related factors that affect student learning in school” (p. 5). The article identifies specific practices administrators should focus on in order to “develop a team delivering effective instruction,” and states that “they [principals] can no longer function simply as building managers, tasked with adhering to district rules, carrying out regulations, and avoiding mistakes” (p. 6).

Unlike the “hard” administrative skills mentioned previously, leadership competencies are addressed liberally by professional publications and research groups. An entirely separate and in-depth research study could be conducted to bring light to the most important and sought-for leadership skills of school administrators. This document will address only a small piece of what is becoming a progressively larger and more critical function of school administration. The following paragraphs identify several specific leadership needs as emphasized by teachers, professors and administrators. Addressing even a fraction of the published material on school leadership principles, models, suggestions, and strategies would be a huge endeavor.

4. Interview Input

Supervision and regulation. Whether examining schools from a logistical or human resource perspective, managing dozens of teachers with different teaching methods, needs, goals, and agendas is clearly more complex than managing the same number of employees in a typical

business. One teacher and former administrator described the process as trying to manage “sixty or seventy subcontractors, all of whom have different methods and think differently.” An administrator must have the ability to manage these “subcontractors” while accommodating the fact that, as the same teacher put it, “it couldn’t always be my way” (D. Bailey, personal communication, March 9, 2015).

Another teacher expressed an opinion that in trying to manage employees, administrators simply “don’t understand that teachers’ hands are tied” – they want to regulate exactly what teachers do (C. Stelly, personal communication, March 9, 2015). Any teacher would not be pleased with such a proposition. A third teacher further affirmed that “do it my way” kind of people do not tend to work well in a school environment. They must have enough trust in teachers to let them handle classes as they see fit – within the limitations of district policies and state mandates. In short, administrators need to be good regulators and motivators but flexible and understanding of what teachers want to do (C. Killoy, personal communication, March 9, 2015).

Positive influence and motivation. Recognizing that supervising and regulating teachers and other subordinates is itself difficult, good administrators must go a step further and build competency in personal soft skills oriented towards building relationships and motivating top performance in employees. If an administrator is placed in his/her position having had no experience or training on how to lead and motivate others, building unity and improving performance in a school will be an exceptionally difficult task.

One HR professional and university professor drew attention to the issue of “abrasive” leadership practices in school administrators and referred to the LinkedIn group Consortium on Abrasive Conduct in Higher Education, which was created specifically to address this issue. This

professor's understanding was that administrators from specific education disciplines without proper administrative training do not know how to delicately and courteously work with subordinates. Consequences include abrasive treatment of others (bullying), poor communication, and lack of sensitivity to others' needs (J. Andrus, personal communication, March 27, 2015). As in any other organization, the friction caused by leaders' inability to personally guide and work with others will shatter the effectiveness of the institution.

Another professor specializing in organizational behavior elaborated on the importance of building skills in positively influencing and motivating subordinates in schools. This was cited as especially important in schools because, unlike in other institutions, removing ineffective, badly-performing individuals who have tenure or long histories in a school is difficult if not impossible.

This professor also believes that "soft" leadership skills including influence tactics, emotional intelligence, and culture management are more important than other administrative skills at this time because they are "tougher to learn" and impossible to displace or outsource to other entities. For example, a university can reach to outside sources for assistance in budgeting and data collection, but a leader cannot outsource his/her influence to another (A. Cook, personal communication, March 25, 2015).

Building mutual understanding. Teachers agree that an administrator's ability to build mutual respect with teachers is often lacking. They feel that "micromanaging" administrators hinder teachers' ability to manage their classrooms in the best way possible. One former administrator stated bluntly that where good administrators "let teachers teach," many systems "try to make teachers into robots" (D. Bailey, personal communication, March 9, 2015). The friction that results from this blind management practice can cause lack of trust, frustration, and open resistance to an administrator's agenda.

In interviews, teachers and administrators agreed, without exception, that experience teaching in the classroom provides much of the perspective needed for administrators to relate to teachers' needs. This experience provides what one principal referred to as "an idea of the support a teacher needs to function," and it is also essential in knowing how to handle and deal with students appropriately (J. Fennell, personal communication, March 10, 2015). One university professor felt that even at the university level, actual teaching experience is necessary as a frame of reference for administrators (M. Larsen, personal communication, February 11, 2015). Personal classroom teaching experience appears to be critical and necessary in becoming an effective school administrator. This has strong implications for districts and universities considering the idea of hiring a business professional as a school administrator.

Building relationships of trust with external stakeholders. Establishing trust with large numbers of stakeholders is another key issue in effective school leadership. This includes public relations and marketing skills used to gain trust and respect for the leader him/herself and for the institution. The Wallace Foundation (2013) notes that the connection between external community engagement and student success is not yet well understood (p. 9). In interviews, however, principals agreed without exception that the ability to foster external relationships is both difficult and important. As further research recognizes the tangible value of building external relationships through leadership skills, the tools and training for improving these relationships will be able to develop further.

Teaching. As mentioned previously, experience in classroom teaching has been identified as crucial to effective school administration. Many school districts are prioritizing administrators' need to serve as examples of instructional leaders (S. Norton, personal communication, April 17, 2015). Administrators also typically begin their career path as

educators. For these reasons, identifying the impact of business experience and education on teaching itself is helpful in understanding the full picture of effective school administration.

Almost without exception, business professors attributed their methods of teaching and class structure to the knowledge they gained in the study of their discipline and their experience in the business world. While many university courses are focused on the history of and knowledge “about” the subject matter, business courses are structured to help students understand the “how” and “why” behind what they are studying. This focus on application rather than theory adds a higher level of value to the course, as well as greater student engagement and interest (E. Stafford, personal communication, March 5, 2015). Students leave the classroom with knowledge they can both remember and use in the future. While best teaching practices are dependent on the nature of the subject matter, interviews suggest that a business background contributes to an individuals’ ability teach meaningful course material and become an instructional leader for others to follow.

IV. BENEFITS OF BUSINESS KNOWLEDGE, SKILLS, AND ABILITIES IN SCHOOL ADMINISTRATION

The preceding sections have addressed what have proven to be the most important documented business-oriented needs in school administration. There are, of course, many more applications for business knowledge and skills in the school environment. The following sections will briefly address broad-level business disciplines and brief ideas for their application in school administration. Because several disciplines have already been introduced in previous sections, the following paragraphs will only briefly summarize each discipline and possibilities for application in schools.

Marketing

The discipline of marketing is essentially one of communicating value where it can be seen, understood, and acted upon by consumers. Marketers learn strategies to make their products stand out as “different, better, and special” when compared to other products. The discipline also deals with methods for effective communication with the public (E. Schulz, personal communication, February 10, 2015).

One can see the utility in being able to pitch an idea to stakeholders and point out its value in any organization. When advocating strategic changes and new programs, a school administrator must be able to “sell” ideas to all stakeholders. Like consumers in the business world, parents, faculty, and students are not always welcoming of change. Administrators who can market their plans for success will be better-placed to meet the needs of the institution. One marketing professor stated, “My perception is that the universities are not marketing their contributions to society sufficiently to protect our interests in state legislatures... I believe the administrators need to be engaged in communities and “selling” what we do for society” (E. Stafford, personal communication, March 5, 2015).

Management Information Systems

Management Information Systems deals with technology and information processing meant to organize people and business processes and keep management and stakeholders informed. In a business, MIS support helps managers understand data and make plans for the organization accordingly.

The previous section addressing information management skills has already emphasized the importance of collecting, analyzing, and interpreting data in schools. When evaluating faculty, student, and overall organization performance, obtaining the most accurate data in a

standardized form is very difficult. Knowing what to do with the data is even more challenging. The principles of MIS are closely related to this need in education.

Accounting and Finance

Accounting and Finance deal with recognizing where value is coming from in the organization, how it is being used, and where it is going. In a corporate environment, accounting uses numeric data to show the current position and flow of value through the organization and point out both problems and advantages.

Although profit is not a key purpose in educational institutions, money plays a key part in the successful management of the organization. Both business professors and school administrators noted the importance of gaining accounting knowledge. As addressed previously (see page 10), accounting and finance competency is one of the most fundamental business skills an administrator should learn.

Human Resource Management

This discipline deals with deriving the highest level of value possible from individuals in the organization. It is also termed as putting the right people in the right place doing the right thing at the right time. HR Management deals with managing employees' needs, balancing demand and supply of labor, and planning for future needs by recruiting the appropriate individuals. University courses in HR Management focus on the "soft" skills associated with dealing with people including team management, leadership, negotiation, etc...

This discipline is one of the most clearly tied to school administration because school administration deals almost exclusively with people and the human capital (knowledge) that they possess. Effective teachers make or break a school. Stakeholders are intimately involved with the human aspect of a school district's structure. Administrators must constantly evaluate the

performance of their current human capital and plan for its improvement through appropriate professional development and training.

Leadership and Team Management

Many university business courses are focused on the principles of effective leadership, team management, and other people skills in response to increasing interreliance within organizations today. Managing people effectively is becoming an increasingly more important part of an organization's success.

As addressed previously (see page 18), competency in this area is especially important in school administration because of the dense interconnection of people in schools. While leadership experience may come from sources other than business experience and education, such education will help administrators prepare to professionally manage and guide their employees.

Operations and Supply Chain Management

Experts in operations are focused on achieving maximum efficiency and minimum costs in achieving an organization's goals. Obtaining resources quickly and cheaply, handling resources well, and delivering results both efficiently and effectively are all parts of an operation expert's repertoire.

Although school administrators handle fewer "raw materials" than their business world counterparts, certain parts of this business discipline are still extremely relevant. The ability to use resources as efficiently as possible and minimize costs is a need that administrators understand all too well, especially following budget cuts and periods of financial instability.

Law and Ethics

Human resource experts are typically the go-to officials for advice on actions that assure compliance to national and local regulations. These experts assure that business practices are in compliance with laws and prevent undesirable litigation and financial risks.

Schools are one of the most heavily-regulated institutions that exist. As addressed in previous sections (see page 16), a school administrator who is familiar with both employment law and school regulation will be capable of providing the same legal protection to a school that an HR professional provides to a corporation.

Strategy

Typically recognized as an upper-management function, crafting strategy involves the ability to understand a company's current position – strengths and weaknesses in relation to exterior opportunities and threats – and plan for the future accordingly. Strategy experts prevent stagnation and the risk of being overwhelmed by competition (C. Albrecht, personal communication, March 2, 2015).

Because education is one of the oldest and most traditional-minded institutions that exist, an administrator's ability to plan for future organizational needs and implement changes as they are needed is a valuable asset. Previous sections more fully address the importance of strategy in school administration (see page 13).

V. RISKS OF BUSINESS THINKING IN SCHOOL ADMINISTRATION

Opinions from both professors and administrators noted a risk associated with hiring a school administrator with a business background: If he/she does not have experience teaching in the classroom, he/she will be unqualified for an administrative position. For example, one

superintendent noted the importance of teaching experience as an opportunity to be in the shoes and gain the confidence of an administrator's teacher constituents (K. Cox, personal communication, March 9, 2015).

Teachers affirmed this opinion. Several stated simply that classroom experience is necessary for understanding between administrators and teachers. An administrator must be able to relate to the situations of teachers and respect the environment they work in.

Another risk of a "business-minded" administrator is a disconnection from a complex people-oriented mindset to one focused too exclusively on products, cost, and efficiency. The differences between school and business as mentioned by Evans (2000) are affirmed by teachers and administrators:

"Inputs"

The nature of a business's raw materials are fundamentally different from a school's "raw materials" – the students who enter the institution. Inferior raw materials can be replaced or improved; unmotivated or low-performing students cannot be handled in the same manner. The ideology and mission of every school repulses the idea. Administrators cannot assume that principles of product improvement will apply indiscriminately to a school environment.

Performance measurement

While business professionals can rely on numerical data to objectively evaluate both business and worker performance, school administrators would be foolish to attempt using the same measurements to evaluate student learning and teacher performance. Measuring teacher and student improvement is a delicate and constantly-changing process in most school districts. As many teachers affirm, evaluating performance is quite subjective, and numeric methods are imperfect in properly accounting for improvement and change.

“Outputs”

Businesses can measure the success of their products by simply examining the bottom line. Profits are a very tangible sign of good performance. If a manager can handle and increase money well, most stakeholders will have little to complain about. The concept of profit is mostly irrelevant in the school environment, and a finance-enamored administrator will be of little use if he/she does not prioritize a very different school “output” – happy, learning students who are preparing to contribute to society.

VI. IMPLICATIONS FOR SCHOOLS AND INDIVIDUALS

As educational institutions understand the importance of business competencies in their administrators, the presence or absence of these competencies become very apparent. Disparities between the need for these skills and the resources to develop them in administrators will also stand out. Administrators themselves have the opportunity to weed out personal weaknesses, and aspiring teachers have a clear path for personal development and training. The following sections provide specific suggestions for both schools and individuals.

Educational Institutions

As the requirements for effective school administration become more stringent, the criteria for selecting individuals for these positions should become more critical. It would be in the best interests of schools to include basic business competencies in the job descriptions for administrative positions. Administrators with both business competency and teaching expertise should be a key recruiting focus.

Schools should also focus administrative professional development on critical business skills to improve school functionality. Both teachers and professors felt that anyone in an

administrative position should be required to take classes or training in leadership skills. Many organizations and programs are focused on helping administrators develop the transactional and leadership competencies they need to succeed. One school principal in an Idaho school district referred to the programs Project Leadership and Principals' Academy of Leadership, as well as programs by the International Society of Sustainability Professionals and the Idaho Association of School Administrators (K. Vogt, personal communication, March 16, 2015).

There are evidently plenty of programs which can help an administrator build administrative and leadership skills. The burden falls on schools to ensure that the administrators they select and retain are exposed to and participating in the most accredited and relevant development programs.

School Administrators

Principals and other school administrators should always be self-aware of personal weaknesses and opportunities to improve. Of the many relevant options for both formal and informal study, business knowledge stands out as a premier learning objective. The specific competencies addressed in the preceding sections are key starting points. School administrators need to be willing to develop key administrative and leadership skills by investing in their own professional development and business education. Even a university minor in business or human resource management can assist administrators in developing knowledge and skills in the identified "problem areas."

Aspiring Teachers

As teachers and university students prepare themselves for careers in school administration, they should include in their study classes and projects which will develop the business competencies addressed previously. Doing so will provide these individuals with a

distinct competitive advantage when pooled against other candidates for job positions. As they fill administrative positions, they will find themselves more readily adapting to the school environment and the expectations of stakeholders. They will be more capable of providing value to schools and handling the complexity of school administration.

Interviews with school administrators pointed out one extremely relevant point concerning the education path each chose to pursue. While administrators with master's degrees in education often struggled with many administrative needs because they had so few university classes which focused on these needs, administrators who had been through a program focused specifically on school administration were, of course, more effectively prepared. If a teacher hopes to one day become an administrator, selecting a degree dedicated to this end before entering graduate school will almost definitely be a differentiating factor.

One school administrator attributed his preparedness for school administration to an excellent principal mentor (K. Vogt, personal communication, March 16, 2015). Aspiring teachers and new administrators who are willing to submit to the tutelage of experienced administrators rather than compete with them will have another key resource in developing administrative knowledge, skills, and abilities.

Universities

Preparatory institutions will more adequately prepare students and teachers for administrative positions through classes which focus on the learning and practice of business skills. Single courses in leadership or finance will likely be insufficient in the face of increasingly more-stringent expectations. If universities will properly prepare students for the full spectrum of needs in school administration, administrators will not be forced to "learn on the fly" how to properly manage a school, neither will they be forced to rely exclusively on others in

the organization to fill the gap while they learn basic administrative and leadership competencies.

While the burden rests on students to select the most appropriate degree for their intended career, universities can contribute to the overall competency of all education graduates by including administration and leadership courses in education degrees.

VII. CONCLUSION

As one of society's most important building blocks, high-quality education should always be a priority for governments and communities. By recognizing the disparity between management needs and current administrative competencies, universities, governments, and schools will be able to make plans to properly prepare and hone administrators for their critical positions.

As administrators continue to develop and improve essential administrative and leadership skills, schools will have a remarkable opportunity to improve performance. As businesses, schools will be better equipped to manage resources, maintain financial stability, and perfect systems of operation. As centers for learning and human development, they will promote higher performance, better relationships, and organizational unity. While not every principle of business is indiscriminately applicable to educational institutions, the best of business – the ability to help an organization thrive – will help transactional school administration become transformational.

In review, the following items will bring “the best of business” to education:

- Inclusion of expected business knowledge in recruiting and job descriptions for school administrative positions
- Professional development for administrators that focuses specifically on developing business knowledge and skills
- Current and prospective administrators' participation in business courses and mentorships with experienced administrators
- Increased number of business administration and leadership courses in university education and school administration degree programs

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