Educational leaders may find in private enterprise some remarkably valuable guides — and some seriously misleading ones.

What Can Educational Managers Learn from Private Enterprise?

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In recent years, governments around the world have intervened increasingly in the management of education. Commissioned reviews of educational management in government school systems (e.g. [1-5]) have recommended devolution of control to schools and regions and, have proposed new roles for school leaders. As a result, government schools have been called upon to become self-managing[6-8] in a way that has long been the case in some Catholic and non-systemic schools.

Associated with many of the reforms (and the choice of reviewers) is a belief that schools, regional offices and central educational authorities should adopt business

management principles and attitudes. Commercial enterprises are held up to educators as the purveyors of good management practice. Surprisingly, there is little evidence either to support or refute this belief in the superiority of business management practices over the methods traditionally used by educational managers; it is simply regarded as a truism.

The relevance of business management principles for education has been accepted readily by some sectors of the education community, and the tactics propounded in popular management books (e.g. [9]) have been translated into equivalents — for use in educational organizations[10-12]. On the other hand, commercial notions such as market competition are transferable only if we accept, for example, that educational provision should be determined by the consumer and that purchasing power of consumers should influence the quality and type of education provided. Moreover, as Sharpe[13] has argued, educational organizations have some distinctive properties. Educational managers work within unique legislative constraints. Many of them operate under the auspices and the control of huge systemic structures, with units scattered geographically across an enormous area. They cater to a diverse clientele ranging from "the academically committed to the socially recalcitrant"[13, p. 4]. Their staff members have wide-ranging loyalties and professional commitments. Educational managers oversee a work technology that is extremely difficult to supervise. They function within an unusually complex and powerful local, regional, national and international network of influences. Their organizations are not well disposed to quantitative assessment of performance. Their planning is constrained by political agendas, resource allocations and other significant external factors. Educational organizations focus primarily on *young* people, the goals relate to "learning; to growth and development"[13, p. 6], and they are "people organizations"; educational managers have to promote those priorities and work within associated constraints. Such distinguishing attributes and requirements call into question the transferability of business management concepts to education.

This article examines the relevance of management in private enterprise for education, by reporting on a school manager/educator's case study of the way in which one firm in the commercial sector was managed. The study was initiated to expose this educator to the commercial world; to provide an opportunity for reflection on the applicability of business management practices to education, as well as to investigate the potential of selected commercial software applications for education.

The Case Study

For six weeks in 1989, the senior author was given leave from his school in Sydney in order to work in a computing software firm. The arrangement was negotiated by the Australian Council for Educational Administration, managers of the firm (in particular, a former head of school

who saw the potential for the firm's products in the education sector), and the university. The firm generously agreed to fund the activity, in the form of a scholarship equivalent to a full-time salary for six weeks. The recipient of the award, a part-time Master of Educational Administration student at the University of New South Wales, also undertook the scholarship as a minor part of his higher degree studies. He worked under joint supervision by the firm and the university, and produced for the firm and the university separate reports to conform with specific requirements of each. From the university's point of view, this experimental exercise in university-business co-operation also provided an opportunity to explore the usefulness of fieldwork placements as a component of administrative preparation programmes.

In the first two weeks of the programme, the student reviewed the firm's development, mode of operation and current and potential uses of a range of software products. In week three, he visited companies in the computer industry which supplied hardware, investigating and comparing their organization structures with those of his base organization. Week four involved visits to some of the firm's competitors, to examine alternative software products and their usefulness for education. In the fifth week the student visited "user sites" where the firm's products were being utilized; he discussed with clients the merits and shortcomings of the firm's products and procedures. The final week of the placement was devoted to conducting final interviews in the firm and working on reports.

Major Findings

Communication. If some educational establishments can be criticized for making excessive use of written communications, the firm in which the observer spent most of his time was at the opposite end of the formal communication continuum. There was little evidence of internal communication in this organization and, when memos were produced they seemed not to be read. For example, most staff members knew nothing of the status of this observer, despite a full explanation having been supplied to them in writing by his supervisor. Management in particular, seemed to put little faith in the exchange of information with subordinates; staff received only sketchy reports of the progress of organizational restructuring discussions, even though their continuing employment was at stake. Formal communication emerged as a significant problem for this organization.

Technology of work. Employees in this industry possessed strong technical skills, but few had an apparent capacity for instruction. This was despite the fact that training in computing software use was one of the major functions of the firms. Possible explanations relate to staff selection criteria (knowledge transfer skills seemed to be valued less than the technical knowledge itself) and the comparative youth and social inexperience of those who worked in the computing industry at the time.

Organizational context. The nature of work in the commercial firm was fundamentally different from that which the observer was accustomed to seeing at school. It was difficult to work without interruption in the firm's office and, no time was specifically his own. In contrast, in a school environment he had always found it possible to organize his day well in advance and to adhere generally to that schedule.

The observer found the pace of work slower in the business offices than at school. All of the offices visited displayed less sense of urgency about the jobs to be done. Tasks were relatively specialized and unchanging; there was no need for the versatility customarily required of teachers. For this reason, business managers found key organization members difficult to replace during absences. Again, this circumstance contrasted with his experience in schools, where teachers must substitute for colleagues in a variety of curriculum areas and grade levels.

In some of the commercial settings, procedures were found to be less efficient than expected. For example, one firm had no system for distributing and dealing with correspondence at all. At times customer enquiries and complaints remained unattended.

Organization structure. The main case study firm suffered from an unclear organization structure and delineation of responsibilities. Staff members often seemed unsure who should carry out specific functions. On the other hand, all other organizations observed had clearly defined structures, and flatter structures than has been the convention in education. Units were organized in work groups, and these seemed to operate in an environment of co-operation and regular liaison.

Obtaining and motivating staff. Managers in the associated organizations commonly viewed people as the key resource in the computer industry, and there was a keen interest in attracting and keeping high quality staff. With spectacular growth in the industry over recent years, companies recognized the need to acquire and train able staff, in order to ensure ongoing customer satisfaction and loyalty. While the business managers emphasized the importance of developing staff members' emotional and social ties to the organization, in most instances they relied on a range of financial incentive schemes, bonus schemes, share-holding options, as well as overseas trips for successful staff, to help maintain commitment to the organization's aims. (Interestingly, the least successful of these organizations seemed to neglect such financial rewards.) Such extrinsic motivators have traditionally been outside the repertoire of many educational organizations; commitment to managers' goals has been elicited by other means.

Managers' goals. The motivation of managers contrasted sharply with the observer's experience in education. Not surprisingly, he found the search for commercial success to be the driving force behind managerial decision making in private enterprise; marketing choices were based more on profitability than the quality of products and support

services that could be provided. It was more surprising to find, then, that some managers seemed to under-rate the importance of accurate and up-to-date financial information.

Management styles. The calibre and style of management varied markedly in these commercial settings, just as in education. For example, a senior executive in one of the firms observed had little apparent capacity to delegate responsibility, and instead dispensed with middle management, in an apparent effort to maintain direct control over a wide range of technical operations. This management style reflected an unwillingness to accept advice and, it was supported by positional rather than expert power[14]. To some extent this managerial approach also justified the executive's preference for avoiding regular meetings with team leaders in that organization.

However, most of the organizations observed exhibited little of the traditional "top down" approach to management. In most instances, managers seemed intent on facilitating work group management of tasks, with day-to-day technical matters being handled by the technical experts. Management's role seemed to be to establish a vision, prescribe overall directions and, establish the environment within which the experts could carry out the work efficiently and creatively.

The observer identified client contact as the major shortcoming of some managers in the main case study organization. It was common for appointments not to be kept, for telephone calls and mail to be unanswered. Indeed, one staff member concluded that some managers "treated [clients] as the enemy", viewing them merely as sources of income.

Implications for Educational Management and Business Management

Education systems around the world are being restructured along new lines. Managers from fields outside education are securing executive positions in education systems, and they are encouraging school leaders to exercise discretion, to focus on efficiency, to act entrepreneurially, to cater to their clients, to establish a niche in their education marketplace. Management structures are becoming less hierarchical; organizational units are being given more autonomy, but with more accountability. Leaders in educational organizations are being challenged to manage their organizations in ways that we have traditionally associated with private enterprise.

The fieldwork placement on which this article is based provided a rare opportunity for an educator to view the management of selected businesses from the inside. Of course, as a case study primarily in one organization, the observer was well aware that his findings could not be generalized from the specific case to the management of private enterprise at large. Indeed, this firm proved to be quite atypical. Towards the end of the fieldwork the firm was placed in the hands of receivers, a scheme of arrangement was entered into with creditors, the chief executive resigned and the direction of business activities

changed radically. At the same time, this case does offer some insights for those entrusted with managerial responsibility in education.

The more successful firms in this study highlighted the potential of flatter organization structures and a culture of collegiality and trust. Where managers promoted such a culture and where staff had power and responsibility, much was accomplished. Likewise, education may benefit from the organization-wide sense of responsibility and the scope for flexibility and creativity that school self-management affords. The challenge will be for educational managers to permit and teachers to take up, the new responsibilities. Moreover, business managers (and their publications and research) may be able to advise educational managers in matters of organizational design; schools may find work group and matrix structures a useful way to apply specialist skills and interests of staff to the solution of specific organizational problems.

School managers may also learn much from their counterparts in respect of practical skills such as financial management, staff selection and forecasting. At the same time, the diversity of management styles and standards that were observed during this case study highlights the need for selectivity in choosing from whom to learn. Educational leaders may find in private enterprise some remarkably valuable guides — and some seriously misleading ones.

While education may have much to learn from business, the reverse is also true: commercial organizations and their managers may have something to learn from education. For example, at least one of the firms discussed here could have benefited from a more client-centred orientation to managerial decisions. Schools exist for purposes other than profit; teachers and school leaders are usually motivated by an interest in the development of children. Managers of these enterprises may have useful advice for business leaders in matters such as formulation of organizational mission statements; development of a positive organization-wide ethos; reflection on the ethical aspects of management; identification of intrinsic rewards for professional effort; and establishment of consultative approaches to work and decision making. Moreover, the educators and managers who work in these human service organizations are often called upon to exercise considerable patience in their dealings with young children, adolescents, parents and others; peers in the commercial world may be able to learn from the human relations expertise of educators. Teaching professionals may also be well placed to inform business managers about acquisition of the instruction skills that industries such as computing require. Educators, who are often called upon to develop new expertise and to manage new curriculum content, may also be good models of adaptability in the workplace; such adaptability, rather than specialization, is of growing importance in the world of commerce.

Closer contact between business and education may also improve the image of teaching and school management. The observer in this case noted a general lack of understanding in business of the demands and regimen in schools. There

was a pervasive impression that teachers did not work hard, that they suffered little of the stress and burdensome responsibility of their counterparts in business, and that they needed to make few quick and important decisions. Yet the business offices visited left the observer with a surprising impression of ease of operation, with little of the time pressure that he saw as afflicting teachers. In the mornings or after lunch, staff members would chat at length, drink coffee and when ready — not at the sound of a bell — commence work. They stopped work whenever they wished and whenever the telephone rang. The observer recalled that, in teaching, the clients are constantly in attendance and expect regular, often immediate, service. Their role requirements change constantly from tutor to disciplinarian to manager to confidante to counsellor. The image of education may be enhanced if the challenging nature of educational work, rather than merely the apparent hours of attendance, could be made known more widely. Another way of achieving this end might be for an educational agency to produce a video depicting "a day in the life of a teacher" — or headteacher, or deputy head.

While commercial and educational organizations obviously have much in common, there are also basic organizational differences that prevent blanket application of managerial practices from one sector to another. For example, it seems unlikely that many educators are lured into their profession by the prospect of major financial gain. We remain uncertain, then, about the usefulness of incentives such as those currently offered to their counterparts in private enterprise. Performance indicators are often readily available to business managers and staff, but the outputs of not-for-profit enterprises such as schools are much harder to identify and quantify; indeed, the long-term educational outcomes may never be seen by the professionals who have striven with students to attain them. As noted earlier, educational organizations also confront several other distinctive challenges that arise out of their legislative, industrial, professional, organizational and environmental context[13].

Each sector has something to learn from the other. Neither has a mortgage on the "truth" about successful organizational management, and neither needs to be held up as a model for other sectors to emulate unreservedly. More generally, this case study offers an important reminder to those in education to remember that business managers, like education managers, are both variable in calibre and fallible. Some ideas are likely to be applicable to education and thus worth trying; others should be treated with more scepticism.

Finally, this case study has implications for the preparation of educational leaders. The notion of co-operative ventures involving aspiring educational managers, higher education institutions and the world of commerce seems a worthy inclusion in management development programmes. As this study revealed, exposure of educators to business management can be a useful and informative exercise. As

the observer in this case remarked in the midst of his placement: "the joint venture is improving my awareness level and expanding my horizons". In a context where those outside education are quick to promote business management as the ideal, educators may also find the experience reassuring.

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