

Un-bundling the School: New options for the way learning is organized and for the way people work

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Summary

The first, most important assumption about the organization of a school is rooted so deep that it usually goes unstated:

All the people will belong to a single organization, whose employees they are; and the equipment they use and the facilities they occupy will be the property of that organization, as well.

Visibly the organization of school does reflect this assumption that the people, facilities and equipment come as a bundle. The district owns the building. And typically the instructional people (classroom teachers, specialists, administrators) and the support staff (clerks, cafeteria workers, maintenance people) are 'staff' of the district: employees. There are exceptions (the self-employed or contract bus driver; sometimes a policeman, social worker or nurse who may be employed by the city or county). But the general model holds. It is characteristic of private as well as of public schools.

The one-organization, all-staff model is now a part of the problem in public education; an important reason why change and improvement are proving so hard and proceeding so slowly.

It is not the only possible model for the organization of a public school (or, for that matter, of a district). Outside education -- even within the public sector -- it is common for the people who come together to do a complex task on a continuing basis to belong to several different organizations. And for some of them not to be employees.

In the effort now to think creatively about new and different ways of organizing learning it would help immensely if we would lay aside the traditional model and begin to think about 'un-bundling' the place we call school.

'One Organization'

A 'given' in public education'

The prevalence of the 'one organization' assumption seems not to be in dispute. The few exceptions (noted above) are mainly in the support services. The principal area of possible change also involves the support services; were county employees to be co-located in the school building to provide social services. (Social services may or may not appear in this form: Education does like to own what it does. **Davis Campbell**, the executive director of the California School Boards Association reports that the Los Angeles Unified School District operates the second largest law-enforcement organization in the state of California.)

In the instructional area, the one-organization model is almost universal. The Exceptions are minor and out of the main stream: courses in Japanese or Russian offered at the high school by the intermediate district; advanced math or science offered by a college under Minnesota's post-secondary option; an occasional visiting teacher in the classroom. Even in Champlin Park, the big new high school in the Anoka-Hennepin district, the four 'houses' are simply administrative units of the school, which is itself one organization headed by a single principal.

People are aware of the alternate model, but say it is not yet really being discussed within education. **Tim Mazzoni** at the University of Minnesota cites a major text on the organization and control of American schools: "The last word in conventional wisdom". Work on alternatives is minimal, he says. "I'm struck by how narrow the base of our discourse has been." [Mazzoni has retired since this article was written, but is still around.]

Karen Seashore is head of education policy and administration at the University of Minnesota and involved with the Center for the Organization and Restructuring of Schools, based at the University of Wisconsin. She mentions Handy's The Age of Unreason. The book contains a chapter about a different model for education. But he is in management consulting, she notes; not in education.

Neal Nickerson, also at the University, says, "We are only beginning to think about this. Some recommendations are coming from outsiders. The insiders are not really on it yet." **John Mauriel** in strategic organization and management in the Carlson School, shares the general view.

The consequences of the 'one organization' model

The unitary organization of the school (and district) has real and serious implications for the performance of the system.

It greatly constrains the ability to improve.

Change is limited to what can be accomplished through the retraining of employees or through the replacement of employees following resignation, retirement or termination. This is slow, difficult and uncertain of success. There is virtually no opportunity to replace a 'part' of the organization — a department or a program — whole. Even the growth of the organization, when enrollments turn up, are within the one-organization, all-employee model. All of the burden of change falls on management . . . in a situation, of course, where

the essential arrangement of public education provides management (as David Cohen says) with “weak incentives for the introduction of innovations that would cause internal stress.”

It broadens greatly the range of questions with which the central policy and executive mechanism must deal.

In the all-staff model questions about personnel — even in the support services — rise to demand time and attention, not infrequently displacing more important problems having to do with instruction. Superintendents and principals are expected to be both administrators and instructional leaders; responsible for teachers and learning and for meals, buses and computers; for custodians, clerks and cafeteria workers. Problems in these areas often take up the time of the board as well. As Campbell noted: The board of LA Unified must spend time on the labor-relations issues in its police force. Contracts and grievances are its responsibility so long as the board is the employer.

Boards and superintendents like to say they try to get for their community “the best possible education”. This is not true in any real sense. They do not . . . they cannot . . . go outside the learning business which together they own and run, and which they can only incrementally and only marginally change. The assertion of excellence through management is an assertion that they can do everything better than anyone else can do *anything*. It defies belief.

Elsewhere: The un-bundled organization

In the alternate model the activity is organized in pieces; a bundle, if you will, of contracts put together by the district. In some of the organizational pieces the people are employees; in some they work for themselves. In either case they may belong to a union.

These various arrangements are reflected in the small case studies that follow.

The first two involve projects. This may seem puzzling: There is a quick impulse to say that education is an ongoing operation. In a real sense, however — from the student’s point of view and even from the teacher’s — school is in fact a series of projects. People move hour by hour from room to room, and semester by semester from subject to subject; teachers and students continually regrouping in a different space for a discrete period of time to master a particular piece of the curriculum.

In all the cases we will be working with a simple six-cell matrix, roughed-in here to describe a public school.

	Owned	Run by Others
Core activity		
Support service		
Facilities		

The arts: producing a record

Core activity — Typically the record company is a large business; perhaps a subsidiary of a still larger firm. It is constantly searching for talent. In popular music the artists are typically individuals joined in some kind of partnership; “doing business as . . .”. They will be at least nominally members of the musicians union; making contributions to the pension fund. They may write the music they perform or have it written for them. They will typically be represented by a manager, or agent.

Getting the music recorded is the responsibility of the producer. S/he is an independent practitioner, selected either by the company or by the artist-group. The job is to get the record made; on time and with quality. Sometimes two individuals may work as a team: They may have a formal partnership relationship, or their relationship may be entirely informal as to duties and as to the division of the fee. Usually half the fee is paid up front; the balance on completion and acceptance of the record.

The producer will in turn retain certain technical people. They may technically have their contract with the record company but in practice they will answer to the producer.

Facilities — The company and the producer will lease space and equipment from a recording studio where the record will be made. Staff of the studio will furnish various **support services** during production; from meals to maintenance and repair of the equipment. Fees to the studio may run \$2,500 a day.

The production of a record is a discrete ‘episode’; it has a defined beginning and end. It is a project. But an album can take up to three years to produce. (Source: Paul Kolderie, an independent producer in Boston.)

Construction

Core activity — A building has to be designed, built and equipped *for a client*. The client may be the company which will occupy the building; or may be a developer building ‘on spec’. The client may itself be the overall coordinator of the work, or may retain an architect to coordinate as well as to design the project. If the client is to be in charge it may retain a person, on contract, as project manager (as the St. Paul Companies retained John Tietz for its new headquarters).

The architectural work is sometimes divided between a local ‘architect of record’ and a ‘design architect’; or (as on the Norwest Tower in Minneapolis) between a firm responsible for creative design (Pelli, in New York) and a firm (in Houston) that does the production drawings. There are often ‘sub—consultants’ brought in at the design stage: for elevators, for the curtain walls, for acoustical, for lighting, for office-planning.

The client retains a general contractor. That firm will be responsible for construction. The general contractor then retains other firms separately for the excavation work, for concrete, for electrical, for mechanical and for the exterior ‘skin’ of the building. Each of these firms has its own employees. It may own, or may lease, major equipment it needs. In a city like St. Paul all will be members of the building trades. If a contractor needs more workers it will go to the union for help. The interior build-out of space may be handled by the client; or if the space is to be occupied by a tenant the tenant may be in charge of the build-out, not only as to design but also as to the contract for construction.

At all stages the work is inspected and 'permitted'. Several departments of city government are typically involved. Sometimes (particularly on public projects) the client will also retain an inspector, to watch the work of the general contractor. (Note the contrast with public education, which operates without 'an inspector' and on the principle that the contractor evaluates its own work.)

A building project can easily span more years than a student spends in high school. The work on the St. Paul Companies project began in late 1987 and is just now winding down.

The key, says Tietz (source for this case), is the chemistry of the parties on the team. Client, architect and contractors must work well together. The job of the owner/client is to make that happen.

The Metrodome

Core activity — Various organizations put on performances for audiences: sports mainly (the Minnesota Vikings, Minnesota Twins and the University of Minnesota football Gophers) but not entirely. The professional teams are themselves complex operations; again a mixture of athletes (the professionals members of a union) and support staff. They buy space/time for their games etc. in the Metrodome; by the season or by the event. The performances are organized on a continuing basis by the Metropolitan Sports Facilities Commission, a public corporation created by the state, supervised by the Metropolitan Council with members (except the chair) named by the city of Minneapolis.

Support services — The commission basically provides support services -to the performing organizations. At the time of a Vikings game there will be about 800 people working in the Metrodome. The commission itself has 36 employees. "We have radically resisted expanding the commission staff," says Bill Lester, its director. There are about 16 in facility/equipment maintenance; union members. There are four in security, two in parking management, two supervisors in housekeeping, a manager for the video control room and various clerks and managers. By contrast the Astrodome in Houston has 150 permanent employees; the Superdome in New Orleans 250.

For most of the support services it provides the commission contracts with others. The food, beverage and catering concession is held by Volume Services, a national firm. Some of its people are its employees. Many of the people working the counters are volunteers there to earn the money for the nonprofit organization of which they are members. There is a contract with Sims for ushers and security people. And a contract with Dolphin Services for the cleaning. The newspapers and radio and television stations send in their people; writers, broadcasters and technical people.

Facilities — The Metrodome is owned by the Commission (whose director, Bill Lester, is the source for this case). The Vikings lease space there for their ticket office. The Twins lease space for their corporate office. The commission owns the enclosed boxes but the Vikings, which financed their construction, handles the leasing of the boxes to users and receives the revenue from those leases. The TV people may rent the Metrodome's control room, or may bring their own trailers.

Dayton's Department Store

People come together in the store to sell goods to customers. This is the **core activity**. Most of the departments of the store are company-owned. But over the years the company has learned that some people can do some things better than it can. And the company would rather have these other operations in the store than across the street, competing. So some of the departments in the store are actually independent businesses. Some are mom-and-pop operations. Some are big international firms; 'leased operations'. Herb Morgenthaler (the source for this case) is the manager of leased operations for Dayton-Hudson Department Store Company.

Currently between six and 10 per cent of the operations are leased, on a broad definition. The 'pure' leases involve area rugs, furs, some lines of luggage, home drapery and carpet installation, books (if they could: At the moment booksellers prefer to sell through free-standing stores). Maybe the hair salon. Sometimes a store owned by a separate company is in the store but not strictly on lease: fine jewelry (J.B. Hudson) in Dayton's, perhaps Toys R Us in the Ward's at Southtown).

The people who work in the leased department may be employees of the store or may be employees-of the lessee (increasingly, the latter). In either case they and the lessee must conform to store policy, which the store manager (like a school principal) is responsible for enforcing.

Support services — The store contracts for some of these operations, to serve both the owned and leased departments. It buys in cleaning service, for example. It buys inventory-taking from a specialist firm. It buys supplemental security, at special events. The design and production of the catalog for the Daisy Sale is contracted to a company in Florida.

The store also provides certain services specifically to the leased departments. They have access to Dayton's credit card. The store provides their accounting services; integrated into the store's overall computer system. They may use the phone system (paying, however, for long-distance use). Employees of leased operations get the company's employee discount on purchases. They may use the company cafeteria and other facilities. Even where the workers are employed by the lessee they may (are, in fact, encouraged) to join in Dayton's training programs. Managers of leased departments sit with the all-department managers group in the store.

Morgenthaler has met at times with superintendents, principals, teachers, union officials and others to describe "what we lease, why we lease, when we lease and how we lease". Immediately everyone thinks about a high school: It could be a mixture of owned and leased departments. The educators always ask about control. "You can control through a lease," Morgenthaler says. "We put in lots of performance measures." They always ask about continuity. "Lessees come and go," Morgenthaler says, "as they wish or as we wish. Employees come and go. Leasing is no more stable or unstable than owning."

Facilities — The company owns the building in which its store is located; downtown or in the shopping center. Originally Dayton-Hudson owned the entire shopping center, but some years ago it decided that property-ownership is a separate and different business. It withdrew its capital and now leases services from the company that owns the mall.

The Mall of America is an especially interesting case. The facility for the retailing is provided by a company owned half by Teachers Insurance and Annuity Association and a quarter each by Simon and Triple Five. There is a contract between the owners and Simon's

management arm to run MOA. On a given day about 10,000 people work at MOA. About 450 people work for Simon management. Camp Snoopy is managed separately, by Knotts Berry Farm. In MOA the stores are owned by the mall; leased to the stores.

Wold-Chamberlain Airport

This is a major 'hub' in the airline system, with people flying to-and-from regional, national and international points. On any given day something like 18,000 people will be working there. Fewer than 400 (currently about 370) are employed by the Metropolitan Airports Commission, which owns and runs the airport. MAC employs its own policemen and firemen; the crews that remove snow, its office staff. Other people belong to other organizations. The airport is a complex package of contracts.

The core activity is provided by the airlines. There are trunk carriers (Northwest, United, Delta, Continental, US Air, America West and American). There are regional carriers, feeding traffic from smaller cities. There are cargo carriers. And charter carriers. There are private planes, at the old terminal on 34th avenue, which sub-lease from Butler Aviation. There is the Navy and the Air National Guard. The more than 1,000 daily flight operations are under the control of a tower staffed by the Federal Aviation Administration.

The management is divided: Much of the responsibility is carried by the airlines. For the discussion and resolution of issues within their industry or with the MAC the airlines are organized into an Airline Managers Council. (The United Airlines manager, Ron Williams, was the source for part of this case.) The council meets monthly. MAC representatives sit in. There is a sub-group for security questions (in which MAC and the FAA participate). United is responsible for security in the blue concourse; Northwest in the other concourses. Currently both airlines contract with International Total Services for baggage inspection and other security. The airlines may prepare food in their own kitchens or buy from contract caterers. The airlines at Wold-Chamberlain do their own de-icing but are considering forming a separate 'consortium' organization to buy this (and perhaps other 'planeside') services. They have their own personnel to staff boarding-and-departure gates. The regional carriers with fewer flights may cover each others' flights (and at some international airports carriers buy gate service from a third-party firm).

Support services — Inside the terminal the gift, food and Beverage concession is let by MAC to Marriott Corporation; except for the Gold Concourse where the concessions are let by Northwest Airlines. Smaller concessions — shoeshine, flowers, ticket pickup, short-term offices, etc. — are let separately by MAC. The skycaps are partly employees of the airlines partly employees of a MAC concessionaire (Allied). Outside Lindbergh Terminal the parking is owned by MAC, with management contracted to APCOA. There are five rental-car companies on-site, each on a contract to MAC. Local firms supply taxis (most leased to their drivers). Taxis are licensed by MAC. MAC contracts with Taxi Starter Services (pat McKenna) to run the taxi rank. There are shuttle services to the Humphrey Terminal and to the airport employee parking lots. MAC owns the buses and contracts with the Metropolitan Transit Commission for drivers.

Facilities — The airlines lease ticket counters, gate areas, hangar space and operating areas from MAC. The gate areas are leased from MAC but the airlines feel they own them because they own the rights to them: They may sell the gates to other carriers; and MAC may acquire them, like other property, by eminent domain.

A community hospital

Jim Rice, vice president of strategy and public affairs with the HealthSpan group (the source here) says: "We have long been committed to letting others do for us what they can do better". The case models a tertiary hospital 'campus', of which Abbott/Northwestern in Minneapolis and United Hospital in Saint Paul are examples.

The medical service is the core activity'. This itself is quite complex. The organization of the core activity is probably more diverse than the organization of the support services. This is true right down to the operating suite (the counterpart of the classroom?) where in the course of something as complex as an open-heart surgery the doctor, the nurses and the specialist physicians may all be working for different organizations; in a facility owned by someone else.

The emergency room may either be staffed by the hospital or contracted to a separate group of emergency-room physicians. The contract emergency physician-group in turn might be controlled by the hospital organization or might be independent of it. Nurses are mainly employees of the hospital, but the nursing staff is supplemented by contract for special services, both on an ongoing and temporary basis. The hospital may contract for these services either with nurses directly or through an organization; a nurse-pool. Anesthetists are typically independent practitioners; working solo or as a member of a specialty group brought in to do a job specified and with standards set by the hospital. (Hospitals are currently moving to employ anesthetists as a way of reducing the cost associated with independent practitioners.)

On any given day a variety of physicians will be in the hospital seeing their private patients. Hospitals in this country have not traditionally employed physicians. Patients affiliate initially with a medical group. . .the clinic. . .rather than with the hospital: The physician group then affiliates with the hospital. (It is interesting to speculate about this last arrangement applying to education: What if students chose the teacher professional group with which they wished to learn, and the teacher-groups then selected the school or district with which they chose to affiliate (based, say, on the quality and cost of services available to them)?

In the arrangement for support services the 'unbundled', contracting, model is also common in hospitals. Increasingly in recent years the management has been purchased. A community hospital corporation may contract with, say, Hospital Corporation of America to manage the institution. Or the management itself may be divided, or subdivided. ServiceMaster is a company that appeared and grew in the 1960s, working on this model. The company's practice was to take over -- subcontract -- the hospital's employees, with whatever contract provisions were in force, and to send in itself just the team to manage the building and grounds work, the cleaning operation, the food service or the maintenance of clinical equipment. In effect the company was selling the management only of the support services only. Many hospitals will also contract in the conventional way for the operation of its cafeteria, or will send out its laundry to be washed by somebody else. Hospitals also — more than many kinds of institutions — often make extensive use of volunteers; as, to staff the information and patient-assistance desks.

Can the Experience Transfer?

The contrast — the absence, within education, of the model so established, so complex and so long-standing in other fields — could not be more striking. It cries out for some explanation.

There are, clearly, partial explanations. But only partial. Some of the cases describe commercial activities. But some describe activities of governmental bodies. Some describe activities that are not 'client-serving professions'. But health care is a client-serving profession. And so forth.

It is hard to escape the conclusion that most of the explanation is simply historic. It is not that the other model could not be applied to education. It could be . . . for certain parts of the core activity and for certain parts of the support services. It simply has not been done. Has not been, really, thought-about. Is not being thought-about, within education at the moment.

It is an aspect of the isolation of public education and of the people in it from the rest of the community. Especially in the Middle West education is very separate. It has its own facilities, its own institutional structure, its own election day, its own policy committees and its even its own finance committee within the Legislature. Many of its people have worked all their lives in this one institution; sometimes in a single district. Most of their meetings are with others in education.

Inevitably, what happens in other fields seems unrelated; not relevant. "Oddball", a superintendent said the other day about some of these ideas; reflecting this peculiar perspective from education. It is a perspective reinforced by the state, which protects districts and schools from the need to change; assuring them (through mandatory attendance, pupil-driven financing, districting and the 'exclusive franchise') that their customers, revenues, jobs and security will be there whether they change or not (and whether or not the students learn).

Little by little, in the discussion about how to improve public education, the thinking is beginning to change. (See especially **Paul Hill's** chapter on education in the Rand Corporation's new book on urban policy, Urban America: Strategies for Los Angeles and for the Nation.) But for most people, still, and certainly for the major establishment groups in the system, the experiments and demonstrations . restructuring', as they like to say . . . occurs within the constraints which the traditional model imposes.

(Asked about the Sizer efforts Fred Newmann said: "It is within what you call the traditional model: one organization; teachers employees. From everything we hear it is putting a severe strain on the people trying to implement the 'essential school'. I don't know how the teachers can sustain this effort." His point is well taken: In the traditional arrangement everything must be argued out . . . consensus must be achieved and sustained . . . within the larger organization. There is no opportunity for smaller groups of teachers who share a common philosophy to shape a piece of the program, which would then be combined with other pieces to form a larger enterprise.)

Conclusion

The assumption of 'one organization' is the mold in which all efforts at improvement are presently cast.

This is the mold that needs to be broken.