

# Business

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# Public Schools

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Applying business principles to education can result in cost-effective programs, empowered teachers, and better schools.

Representatives of business and the public schools, although recognizing the need for greater collaboration, are wary of one another. Business people are concerned about the quality of public schools but are reluctant to enter the arena of public education. They feel they have little expertise to offer, and they would rather not get involved in controversial issues.

Educators, too, are ambivalent. Remembering business's earlier efforts to impose the factory model on the school, they are suspicious of the motives of the business community. On the other hand, they know public schools need a strong, concerned advocacy group.

As coauthor of *Investing in Our Children*, the report of a two-year study by the Committee for Economic Development, I had the opportunity to observe a group of education and business leaders as they confronted these issues. The process and recommendations of that study have suggested to me several observations about the appropriateness and potential significance of business involvement with the public schools.

•The business people I worked with recognize the importance of public education and support the multiple goals of schools: to prepare individuals to be good citizens, to be economically independent, and to live personally fulfilling lives. The modern business view is neither narrow nor vocational.

•The participants in our study believed that an appropriate role for the business community is as an advocate for adequate funding and policies aimed at school improvement. The participation of business in education policy can bring to bear on public education the influence of an effective and powerful constituency.

### **Applicability of Business Practices**

In addition to public advocacy, the business community can apply their own expertise to support schools. The relevance of recent developments and practice in industry should not be discounted.

One such tool, cost/benefit analysis, brings a new perspective to the question of resource allocation. A preferred approach may be, for example, to invest in high-cost early childhood education for at-risk children—which encompasses parent education, small class size, highly skilled teachers, and curriculum designed to build competence and control. Such an investment in young children may provide a high payoff, not only for the children themselves but for society by decreasing social and welfare costs.

The business community does not believe in solving problems by throwing money at them; neither does it shy away from making good investments at considerable cost when the payback is high. Thus, *Investing in our Children* recommends support for the job

Corps, middle school programs, and the teaching profession. Recognizing that the greatest gains in school outcomes will come from changes at the classroom and school building levels, business wants its investments to attract the best people to teaching and school administration.

● Having gone the route of management by objectives, systems strategies, and routinized task orientation, many businesses now realize that managers must find ways to empower the people responsible for quality and productivity. So, too, does quality education require policies that will attract the best people into teaching, environments that will support them, and administrative leadership that will empower, not control, teachers.

● Businesses understand that although there is no best way to be successful, excellent organizations take seriously the values, culture, traditions, and myths of their organization. These elements play a central role in motivating people and supporting them in their work. Studies of schools that work reveal that they, too, take these elements seriously.

**“Extensive survey data collected for the study suggest that the attributes, skills, and attitudes important for success in business are the same as those needed for postsecondary education.”**

● Businesses have come to understand the importance of well-educated and trained people in their organizations, so they invest heavily—upwards of \$40 billion—in human resource development. By contrast, a small portion of most school system budgets goes to teacher inservice, and the development of that effort is relatively primitive compared to that of the industrial sector's commitment.

● Industrial research and development pays off. Built-in incentives encourage heavy investment (approximately one-third of profits) and expeditious application of research findings and development. But expenditures for education research are currently about one percent of the federal budget for elementary and secondary education. At the same time, a growing body of knowledge about effective schools and teaching practices has to get into the hands of practitioners. These efforts will require more money for research and development in education.

● Because business people acknowledge there is no one best way, they tend to encourage diversity and experimentation. In public education, programs and pilot efforts are to frequently doomed to succeed; there are no rewards for taking risks.

● Businesses know that market research results cannot be generalized to variations on a product. Educators, driven by budget constraints, often look for ways to provide services at reduced costs, ignoring the principle that proven programs are worth the high cost of investment, and that watered-down programs do not have the same results.

#### **Enlightened Self-Interest**

The concern of the education community that business involvement is motivated by self-interest is well founded. Much of business's involvement is predicated on enlightened self-interest: a concern for a well-educated citizenry who will support a democratic society; a concern for the quality of life in the community; and a concern for the quality of the current and future workforce.

**“Much of business's involvement is predicated on enlightened self-interest . . . a concern for the quality of the current and future workforce.”**

This last concern does not imply, as it might have earlier in the century, that the business community wants to vocationalize the curriculum. Extensive survey data completed for the study suggest that the attributes, skills, and attitudes that business is looking for are the same ones that are important for success in postsecondary education and that are consistent with the objectives of a liberal education. Communication and interpersonal skills, good work habits, and higher-level thinking skills are top priorities for large and small businesses.

These observations suggest that business-school collaboration has much to offer both sectors. Obviously, not all educators share the views of those who contributed to *Investing in Our Children*; neither does the study reflect the views of all business people. Nevertheless, it can serve as a model of communications-building between business people and educators, helping them focus on their mutual interest: improving the quality of our public schools. □

The opinions expressed here are those of the author and do not reflect the views of the American Enterprise Institute's staff or trustees.

*Investing in Our Children* is available from the Committee for Economic Development, 477 Madison Avenue, New York, NY 10022 (\$9.95).

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