

# The Broken Business Model

**Op-Ed Essay** 

by

Gregory Smith
Associate Professor of Education
Lewis & Clark College

## **Education Policy Research Unit (EPRU)**

Education Policy Studies Laboratory
College of Education
Division of Educational Leadership and Policy Studies
Box 872411
Arizona State University
Tempe, AZ 85287-2411

April 2002



EPSL-0204-109-EPRU

**Education Policy Studies Laboratory** 

Division of Educational Leadership and Policy Studies College of Education, Arizona State University P.O. Box 872411, Tempe, AZ 85287-2411 Telephone: (480) 965-1886 Fax: (480) 965-0303

E-mail: epsl@asu.edu

## The Broken Business Model

By Gregory Smith Lewis & Clark College

### Abstract

For the past century, the practices of the shop floor and the corporate office have been exported to other institutions as models of innovation, efficiency, standardization, and accountability. Yet the drive to bring 'business efficiency' to public education, too often prevents teachers and principals from doing good work.

#### The Broken Business Model

By Gregory Smith Lewis & Clark College

Not long ago my neighbor, an elevator repairman, told me what happened when the family-owned firm he worked for was bought out by one of the two largest elevator repair companies in the United States. Given his knowledge of the operation and its clientele, he was offered a management position by the new owners. He took the job, but only on the condition that he remain a member of the union. Because of his expertise, his new employer reluctantly agreed.

As both a manager and a union member, my neighbor could see things generally invisible to people in either position. In the years that followed he watched the erosion of a trusted business whose employees had once taken pride in the quality of work they provided to customers. Corporate mandates upped the weekly quota of service calls and reduced the time per call, thwarting employees from delivering quality service. Ever-increasing goals for profitability forced the company to take on more customers than it could serve, interfered with monthly inspections and repairs for customers with service contracts, and forced the firm to shift its focus from preventive maintenance to emergency repairs. My neighbor left after a supervisor blocked his efforts to make sure that contractual obligations to a particular business were being met. He now works for another small, locally owned elevator repair company able to attract customers with the promise of quality service.

For the past century, the practices of the shop floor and the corporate office have been exported to other institutions as models of innovation, efficiency, standardization, and accountability. They have been held up as the answer to a wide range of social problems, from corrupt local governments to backward school systems. Yet as my neighbor saw first hand, some of the business world's practices have turned out to be less than healthy for business, let alone for other social institutions.

At the elevator repair company, performance standards driven by corporate profit goals prevented employees from doing work worthy of pride and satisfaction. The result was exhaustion, alienation, disaffection, and dishonesty. For a time accounting figures made it appear as though the company was thriving; in fact, however, it had been hollowed out as new policies and practices eroded workers' commitment to customers and to their own integrity.

We are seeing the same story played out in a very different setting: our schools. Diminished resources and deteriorating working conditions, the product of a drive to bring 'business efficiency' to public education, too often prevent teachers and principals from doing good work. As funds for education fail to keep pace with population growth and increased costs, budget shortfalls and belt-tightening are now the norm. Outdated instructional materials, decaying infrastructure, cuts in janitorial and landscaping

services, growing class sizes, and declining support from reduced central office staff have sapped morale.

It's the same in other service professions. An on-line magazine for nurses reports that the health care industry's labor shortage has reached crisis proportions; nurses and other health care workers are simply unwilling to work under the conditions that managers of HMOs and hospitals have created. A trade publication for police officers reports that in the face of long work weeks, low pay, personal risk, and intense public scrutiny, police departments struggle to attract either new recruits or experienced officers for leadership positions.

This is the underside of the wholesome-sounding "standards movement" in education. As resources decline, tighter demands on school employees aren't improving learning; they're putting educators from the classroom to the district office in an untenable position. "Higher standards" deter decision-making and block the innovative practices of individual teachers and administrators. Too many teachers are quitting, and too few talented people are emerging to lead schools or school systems. We are creating conditions in public education that drive people out of the profession.

The threat of international competition and industrial downsizing in the 1980s and early 1990s allowed corporate leaders to discipline workers in ways that, when coupled with the use of computers, dramatically enhanced US economic efficiencies and competitiveness, but sapped workers' authority and ratcheted up job stress. Those same costs now threaten our schools, driving people away from jobs essential to our collective welfare.

The corporate model so widely celebrated in our society does not well fit the requirements for human care and nurture. It may no longer fit the requirements of industry, either.



Division of Educational Leadership and Policy Studies
College of Education, Arizona State University
P.O. Box 872411, Tempe, AZ 85287-2411
Telephone: (480) 965-1886
Fax: (480) 965-0303
E-mail: epsl@asu.edu