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An Analysis of the Application of Management by Objectives in Selected School Systems of Cook County, Illinois: Based upon Six Principles Established by Peter Drucker for Management of Service Institutions for Performance

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AN ANALYSIS OF THE APPLICATION OF MANAGEMENT
BY OBJECTIVES IN SELECTED SCHOOL SYSTEMS OF
COOK COUNTY, ILLINOIS, BASED UPON SIX
PRINCIPLES ESTABLISHED BY PETER DRUCKER FOR
THE MANAGEMENT OF SERVICE INSTITUTIONS FOR
PERFORMANCE.
LOYOLA UNIVERSITY OF CHICAGO, PH.D., 1979

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An Analysis of the Application of Management by Objectives in Selected School Systems of Cook County, Illinois, Based Upon Six Principles Established by Peter Drucker For the Management of Service Institutions for Performance

A DISSERTATION SUBMITTED TO THE GRADUATE SCHOOL AND THE SCHOOL OF EDUCATION IN PARTIAL FULFILLMENT FOR THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN EDUCATION

DEPARTMENT OF ADMINISTRATION AND SUPERVISION

by

Robert Olcese

Chicago, Illinois
ACKNOWLEDGEMENTS

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Special gratitude is owed to Dr. William Smith, a school superintendent who frequently acted as a "sounding board" for this study as it related to the practicing public school administrator.

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Completing this study while being employed as a school superintendent presented its share of special problems and it was my good fortune to have employed Dr. Donald Johnson, an exceptionally able and insightful administrator, who was more than competent in accepting an extra share of responsibility during this demanding time.

Finally, an eternal debt of gratitude is expressed to my wife Cathrine and my six children, Lydia, Elizabeth, Juliana, Marguerite, Helen and Michael for their superb understanding and support of their father, for their willingness to allow him to share "family time" with this study and for their remarkable ability to grow as individuals and as a family during the course of the study.
VITA

The author Robert Louis Olcese, is the son of Earl M. Olcese and Elizabeth (Niehoff) Olcese. He was born December 12, 1927, in Oak Park, Illinois.

His elementary education was obtained in the public and parochial schools of Oak Park, Illinois, and secondary education at St. Mel High School in Chicago, Illinois for his freshman year and the remaining three years at Oak Park and River Forest Township High School, Oak Park, Illinois, where he graduated in 1945.

In June, 1945, he entered Notre Dame University and in January 1949 received the degree of Bachelor of Music Education. In 1950 he enlisted in the United States Navy where he served for three and one-half years, two years of which were with Commander Cruiser Division Two operating in the Atlantic Ocean and the Mediterranean, Caribbean and Adriatic Seas. He received an honorable discharge in 1954.

He entered Northwestern University in 1961 and was awarded the Master of Arts degree in radio and television in 1964. He taught in the Chicago Public Schools from 1959 to 1971 where he received a commendation from the District Superintendent for a language arts program which he designed for teen-aged boys who were mentally retarded or had a behavior disorder. From 1968 to 1971 he was the Assistant Principal at Moos Elementary School in Chicago. In 1971 he entered
the doctoral program at Loyola University of Chicago where he was accepted as an administrative intern. During his internship he was employed as the administrative assistant to the superintendent in the Ridgeland Public School District 122, Oak Lawn, Illinois. He was appointed Assistant Superintendent in 1972 and Superintendent in 1973 where he has continued in this capacity until the present.

He is a member of the American Association of School Administrators, the Illinois Association of School Administrators, the South Cook County School Administrators' Association and Phi Delta Kappa. He has made a presentation on "Evaluating the Superintendent" to the Study Club of the Superintendents' Roundtable of Northern Illinois, "Understanding and Working With the Open Meetings Law" for the Illinois Association of School Boards, and "Management by Objectives" for the Illinois Association of School Business Officials. He co-authored an article entitled "Zeroing in on District-wide Student Achievement Problems" which appeared in the 1977 July-August issue of the Illinois School Board Journal.
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CHAPTER I

INTRODUCTION

Current trends in educational administration seem to be toward a performance accountability systems approach to the management of schools as indicated in the literature, state departments of education guidelines, and the curricula of schools of education. Basic to the concept of a performance accountability system is the term "Management by Objectives", which is extensively described in the literature of management in both the public and private sectors.

Terrel Bell, former U. S. Commissioner of Education, describes Management by Objectives "as the most modern management system used in education today. It is fully sanctioned by the U. S. Office of Education . . . [It is] . . . a practical and proven system of results oriented management techniques".¹

A foundation for systematizing MBO associated with systems analysis may have been laid as far back as World War I.

Systems analysis, also identified closely with program budgeting, is as old in spirit as logical thinking, although many of the techniques used to sharpen such thought are relatively new. Norick stated that 'probably the great innovations in systems analysis were initiated in the 1920's in the Bell laboratories.' Others contend that the work of the great inventor Thomas Alva Edison was based on principles related to systems analysis. Operations research, however, traces its modern origins to scientific efforts in some British universities during the 1930's, and to the early years of World War II. The weapon systems analysis done for the United States Department of Defense by the RAND Corporation in 1949 was based on the Bell Lab method of analysis of the 1920's and sophisticated improvements of it made during World War II. The RAND publications on Weapons systems analysis appeared in 1949. It is apparent that quantitative analysis approaches were used in selecting alternatives four or five decades before their inclusions within the PPB system.²

In 1973, the State of Illinois, through its Office of the Superintendent of Public Instruction, mandated that each public school district in the state formulate a Program Plan according to specific criteria, and that this plan be a requirement for full recognition.³

References in A-160 to "Planning, Goal Setting, Performance Objectives, and Evaluation" indicated that OSPI intended that the Program Plan be modeled after management by objectives, and authorities, such as Drucker, Mager,


Odiorne and Schleh were cited for reference.  

Definition of Terms

Drucker first used the term "Management by Objectives" in his book: The Practice of Management published in 1954. His most recent description of MBO can be found in his book, Management: Tasks, Responsibilities, Practices published in 1974. His definition of MBO is presented below for purpose of this study.

Management by objectives and self-control makes the commonweal the aim of every manager. It substitutes for control from outside the stricter, more exacting, and more effective control inside. It motivates the manager to action, not because somebody tells him to do something or talks him into doing it, but because the objective task demands it. He acts not because somebody wants him to but because he himself decides that he has to--he acts, in other words, as a free man.

... but management by objectives and self-control may properly be called a philosophy of management. It rests on a concept of the job of management group and the obstacles it faces. It rests on a concept of human action, behavior and motivation. Finally, it applies to any organization whether large or small. It insures performance by converting objective needs into personal goals. And this is genuine freedom.

Basic to an understanding of MBO is a consideration of Drucker's definition of management.

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Drucker suggests that management is the organ of the institution and has no function in itself. Management, according to Drucker, must be defined in and through its tasks.

There are three tasks, equally important but essentially different, which management has to perform to enable the institution in its charge to function and make its contribution:

1. the specific purpose and mission of the institution, whether business enterprise, hospital or university;
2. making work productive and worker achieving;
3. making social impacts and social responsibilities.6

Drucker also states that management must be understood in terms of two dimensions which he does not consider to be tasks of management.

"Time" represents a complexity which is to be reckoned with in problems, decisions and actions.

A second dimension of management is the relationship between administration and entrepreneurship. The manager must administer, i.e., to improve what already exists and what is already known. But he also must be an entrepreneur, one who redirects resources from "areas of low or diminishing results to areas of high or increasing results."7

Management by Objectives is frequently described as a management system in the literature and, therefore, Drucker's definition of system is presented here.


7Ibid., pp. 43-5.
Every system above the most primitive level of development is a "multi-axis" system. Each subsystem of the larger system is autonomous and yet interacts with the other subsystems of the organization. "Each is an axis of the organization."  

The requirements for a system structure to work are stringent. There must be absolute clarity of objectives. Objectives for each member of the system must be derived from the "objective of the whole and directly related to it. In other words, the systems structure can function only if the job of thinking through what is our business and what it should be (is) performed with excellence."

Two additional provisos of the systems structure require not only the intense development of a communications network, but that each managerial unit within the organization "take responsibility far beyond its own assignment."  

A term used in this study is prevalent in the literature of management in both the public and private sectors. PPBS, or Planning, Programming Budgeting System, is not discussed directly in the works of Drucker reviewed for this study. Nevertheless, MBO is regarded by at least one author-

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9Ibid., p. 596.
ity as a subset of PPBS and for these reasons, Knezevich's definition of PPBS is given.

PPBS is a mission-oriented approach, namely a disciplined way of relating activities, or inputs, to objectives. Processes and procedures are relevant only insofar as they contribute to attainment of stated goals. Instead of stressing outcomes, the acronym PPBS emphasizes what the technique seeks to avoid, namely, processes. Planning, programming and budgeting are not ends but means for reaching a goal. The outcome or purposes of the management system are not implied in either the acronym PPBS or the term program budgeting.10

Statement of the Problem

The basic concepts of the MBO model have been clearly defined and established in the literature of management. It should be noted that although Drucker has been credited with the origin of the term "MBO", other management theoreticians such as McGregor11 and Odiorne12 have contributed greatly to the further identification and clarification of the essential features of the MBO process.

Management by Objectives has been described by Odiorne,13 Knezevich14 and others as a process of management

13Ibid., p. 55.
and was considered as such for this study.

The problem for this study was to determine how selected school districts in Cook County, Illinois were applying the MBO process based on the following six principles established by Drucker for the management of public service institutions:

The first principle:

1. (Managers) need to define 'what is our business and what should it be.' They need to bring alternatives of definition into the open, and to think them through carefully, perhaps even to work out . . . the balance of different and perhaps even conflicting definitions of 'what our business is and what it should be.'

The second principle:

2. They need to derive clear objectives and goals from their definition of function and mission.

The third principle:

3. They then have to think through priorities of concentration which enable them to select targets, to set standards of accomplishment and performance, that is, to define the minimum acceptable results; to set deadlines, to go to work on results, and to make someone accountable for results.

The fourth principle:

4. They need to define measurements of performance. . .

The fifth principle:

5. They need to use these measurements to feed back on their efforts, that is, to build self-control from results into their system.

The sixth principle:

6. Finally, they need to organize an audit of objectives and results so as to identify those objectives that no longer serve a useful purpose or have proven
unobtainable. They need to identify unsatisfactory performance, and activities which are obsolete or unproductive, or both. And, they need a mechanism for sloughing off such activities...15

**Importance of Study**

Leading management theoreticians in both the public and private sectors have stated the importance of management for results through Management by Objectives.16

The literature also attests to the demand of the public school constituency for accountability in public education and some authorities see MBO as an ideal system for providing this accountability. Bell suggested that MBO is the "vehicle" by which a university or school system can meet this increasing demand for accountability.17 Lewis stated that while the concept of "educational responsibility" is not new, proper

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implementation of "School MBO" insures educational accountability. 18

By 1974, twenty-six states had enacted legislation with the accountability concepts of Planned Programs Budgeting Systems (PPBS) Management by Objectives (MBO) or Management Information Systems (MIS). A report on the status of accountability and assessment legislation in education as developed through the State Educational Accountability Repository (SEAR), Department of Public Instruction, State of Wisconsin, identifies those states which required PPBS, MBO, or MIS by the year 1974. (Appendix A)

The status of legislation in Illinois relating to accountability in educational administration provided a most specific impetus for this study.


It seemed imperative, therefore, to study MBO, as it related to public school management and determine if the MBO model was actually being applied in school management. There would be serious implications for public school management if there were factors in the MBO model which did not lend themselves to school management and there was a continuing emphasis on MBO by State Departments of Education and universities. On the one hand, if there were serious difficulties in implementing MBO, continued emphasis by State Departments of Education and universities could result in significant problems for school districts attempting to comply. On the other hand, it would be quite significant to public school management if MBO proved to be generally feasible and effective and was not being utilized to its fullest potential. A major goal of this study was to determine whether or not there were serious problems with implementing MBO which were unique to the public school system. Several conclusions of the study were concerned with this factor.

Design and Procedure of the Study

The focus of this study was on a select group of school districts in Cook County, Illinois of varying size, socio-economic status, minority composition and structure whose superintendents indicated they were implementing the MBO model in their school districts. The process and format of this study was that of a modified case study. Sixty-five school superintendents in Cook County, Illinois were randomly
selected for contact from a total of 143 and were invited to participate in the study. They were asked to indicate whether or not they were using MBO. Fifteen superintendents indicated specifically that they were using some form of MBO. Ten superintendents from this group agreed to participate in the study. Forty-one of the sixty-five superintendents contacted responded by completing and returning the return-addressed data postcards.

This study focused on ten school districts for in-depth study which had made a firm commitment to the implementation of the MBO system. It attempted to ascertain whether or not the selected ten school districts were actually meeting principles of management by objectives which have been established by a recognized authority in the field.

For purposes of clarity in identifying management behaviors in the study sample, four principles were subdivided according to the individual criteria suggested. It should be noted that literal adherence to the criteria were not thought to present a true picture of the district's concurrence with the MBO model. Therefore, a narrative analysis utilizing the modified case study approach presented elaborations on similarities and differences. The interview data were further analyzed to determine whether or not the manager had implemented MBO with regard to Drucker's definition of the role of the entrepreneur. Drucker states that a manager in the entrepreneurial style must redirect resources from areas of low or diminishing results and must restate deadlines which proved
to be inaccurate. 19

An analysis was made of the status of districts within the sample with regard to Drucker's principles. Data obtained from status identification were compared and contrasted as they related to the specific administrative functions of decision making. Further analysis of the data was made to identify management trends in school districts within the study sample. Final analysis of the data was completed to identify implications for public school management as the result of trends within the study sample. Status analysis consisted of identification of those principles which were met minimally by school districts, and identification of those principles which were not met by school districts in the study sample.

The most significant contribution to the analytical process of the study resulted from comparing and contrasting data. This part of the analysis was divided into two sections:

1. comparing and contrasting the data with regard to the six principles,

2. comparing and contrasting the data as they relate to the administrative function: decision making.

The superintendent's management of time was an additional factor considered in the analysis.

The process for comparing and contrasting data was implemented in five phases. In the initial phase, data were gathered relative to the manner in which school districts were applying MBO procedures according to Drucker's principles. Next, a descriptive narrative of results according to the format and procedure of a modified case study was provided. In the third phase, the data from school districts in the study sample were compared and contrasted with each of Drucker's six principles. As in the first phase, data were again gathered, but this time the focus was on specific decisions which had been made in the school district surveyed. Finally, an analysis was made of the decision-making process used in each school district at the board, superintendent and middle management levels by comparing and contrasting management decisions made in other school districts within the study sample.

There were six basic procedural components to this study. Sixty-five school districts in Cook County, Illinois were randomly selected for initial contact to determine not only the prevalence of the MBO systems model in Cook County school districts, but also the willingness of school superintendents to participate in a study of this nature. (Appendix B) The initial contact was comprised of a letter explaining the focus of the study and a return addressed postcard which was designed to elicit the necessary information for the selection of ten school districts which
demonstrated the greatest potential for a modified case study. (Appendix C) Ten respondents were contacted for interview per the focus of the study. A follow-up letter confirming appointment times for interviews and requesting an opportunity to peruse certain documents followed. (Appendix D)

In-depth taped interviews based on Drucker's six principles for the management of public service institutions were conducted with each superintendent or his designee and one principal in each school district. (Appendix E) Documents which would help to clarify MBO procedures operating in each district were collected for future analysis or were analyzed on site per criteria established in the Documentary Analysis which was also developed from Drucker's six principles. (Appendix F)

A final analysis was made of the taped interviews and related documents contrasting areas of high and low concurrence to the MBO model, noting specific implications for public school management in the study sample and areas for further study.

This process entailed an analysis of data with the purpose of identifying trends in management within the study sample as they related to the administrative function stated as "the decision-making process."

The implications for public school management were drawn from the five phases of analysis, but particularly
the phases dealing with "comparing and contrasting" data, and the "trends" of management within the study sample.
CHAPTER II

REVIEW OF RELATED LITERATURE AND RESEARCH

Related Literature

The review of related literature and research is classified under each of the six principles established by Peter Drucker for the management of service institutions for performance. Although a definition for "Management by Objectives" was given in Chapter I under the heading, "Definition of Terms", additional material on this concept will be presented prior to a review of selected writings as they relate to Drucker's six principles.

Odiorne is credited by Knezevich with the development of MBO as a system.¹ Odiorne's definition of MBO emphasizes this development.

Thus, in system terms, MBO is a system which begins by defining outputs and applies these (output statements), as criteria to judge the quality of activity (behavior) and to govern the release and effectiveness of the inputs.²

The same author offered a more succinct definition


when he described MBO as a "direct attempt to build into management systems an unremitting attention to purpose". ³

The efficiency and effectiveness of MBO as it applies to the largest of corporations is also noted by Odiorne.

What they (organizers of large corporations) learned and what many modern conglomerates have not learned, is that no individual can direct all the activities of a large organization--but if he can control results, he indeed can manage even the largest. ⁴

Knezevich, one of the leading advocates for the adoption of MBO as a management system for the public schools, described "two major interpretations of MBO".

There are two major and closely related interpretations (of MBO) . . . Varying degrees of overlay will be obvious. One will be called the personnel emphasis of MBO or 'human relations oriented conceptualization'. The second is more comprehensive in scope and is identified as the 'systems management oriented conceptualization'. ⁵

Odiorne, an eminent management theoretician, described MBO in systems terms as a "system which begins by defining outputs and applies these (output statements) as criteria to judge the quality of activity (behavior) and to govern the release and effectiveness of the inputs". ⁶


⁴Ibid., p. 13.


Lahti reinforced the human side of MBO when he described it as follows:

It is a process in which the superior and subordinate managers of a firm periodically identify its common goals together, set their individual goals from these in terms of expected results, and "use these agreed upon measuring guides for operating each department and for assessing the contribution of each manager to . . . the entire company."  

Arnold stated that management by objectives as a "pattern of supervision" whereby the areas of responsibility are delineated for an individual with particular attention given to "results to be achieved". The objectives flow from this process and are not considered "authentic" unless final approval is given by the superior. 

The literature attested to the fact that more and more school districts are turning "to a dynamic, involved, productive method known as management by objectives or MBO." Anderson continued with a comment on the focus of MBO in the school district.

7R. E. Lahti, "Implementing the System Means Learning to Manage Your Objectives", College and University Business (February, 1972), p. 44.


MBO forces administrators to state objectives, methods, implementation and evaluation measures so that performance at every level can be linked to the stated purpose of the school district.\textsuperscript{10}

Kaplan stated that management-like functions operate at all levels of a school district. He defined management in terms of activities associated with "planning, organizing, directing, controlling, reviewing" and argues that some degree of these activities will be found at "virtually every educational level."\textsuperscript{11} Kaplan suggested the compatibility of MBO to the educational system.

It can be allowed that management by objectives is an activity that can be legitimately - and fruitfully cultivated at all rungs of the educational system. Our point . . . is not to generate goals for students but rather to produce overall district (or collective) objectives.\textsuperscript{12}

Support for MBO at the college or university level comes from Boston, a college administrator writing in Educational technology. Here again there is emphasis on the concept that "all levels of personnel can enter into the planning for these areas of responsibility and the management of the organization."\textsuperscript{13}

\textsuperscript{10}Ibid., p. 26


\textsuperscript{12}Ibid., p. 7.

Peter Drucker established six principles for the management of service institutions for performance.\(^\text{14}\) Each principle flows logically from one to the other. These principles provided the focus for the analysis of the data. For this reason, and for the reason that each criterion epitomized the essential components of the MBO process, selected writings were organized as they related to each of the six principles.

The First Principle: (Managers) Need to Define
What is our Business and What Should it Be

Drucker was quite emphatic about the importance of
determining business purpose and business mission; it is the
linch pin which holds together each activity in the manage­
ment for results process. Drucker felt that attention to
this basic determination of the course of an organization is
infrequent.

That business purpose and business mission are
so rarely given adequate thought is perhaps the most
important single cause of business frustration and
business failure.\textsuperscript{15}

Lest anyone should regard the purpose and mission of
a business as obvious, let them heed Drucker.

Nothing may seem simpler or more obvious than
to know what a company's business is. A steel mill makes
steel, a railroad runs trains to carry freight and pass­
engers, an insurance company underwrites fire risks, a
bank lends money. Actually, 'what is our business' is
almost always a difficult question and the right answer
is anything but obvious.\textsuperscript{16}

Business managers, asked to define the purpose and
mission of their business often suggest the goal of profit.
According to Drucker this is not a satisfactory resolution
to the problem of "purpose and mission". In fact, Drucker
stated the purpose of a business is not profit, but "to

\textsuperscript{15}Ibid., p. 77.

\textsuperscript{16}Ibid., p. 77.
create a customer", and upon this premise rests the financial feasibility of business activity, for profit is unobtainable without the creation of a customer. Drucker first suggested the foregoing in 1954 and has continued to reiterate this basic idea in books or articles published since that time. The realities of the market place dictate that "the most important questions about a business are those that try to penetrate the real world of the consumer." In his recent book, Management: Tasks, Responsibilities, Practices, Drucker continued to pose this crucial question to managers and cited examples in which management has worked through this challenging problem to impressive solutions. Sometime ago Sears, Roebuck and Company realized that their business centered around the idea that they were to be "the informed buyer for the American family". Marks and Spencer of London, England determined "to subvert the British class system" and on that basis dramatically develop the scope of their clientele. The Bell Telephone System, facing possible government nationalization of the telephone system in the 1920's came to see their business as "service

17Ibid., p. 61.
to the customer" through the leadership of Vail, an insightful manager. 20

If the first function of business is to penetrate the real world of the consumer, the second function of a business is "innovation -- the provision of different economic satisfactions". According to Drucker, "it is not enough for the business to provide just any economic goods and services; it must provide better and more economic ones. It is not necessary for a business to grow bigger; but it is necessary that it constantly grow better." 21

Drucker proposed three separate dimensions to the economic task of a business which underlies the resolution of the problem: "What is our business?" "What should it be?" "What will it be in the future?" The present business must be made effective, its potential must be identified and it must consider its role for the future. 22

A basic business analysis begins with an examination of the business as it is now, as it has been handed down to its managers, and the results of the past. In this process identification is needed of those areas in a business which


21 Ibid., p. 65.

produces measurable results. To help understand what our business is now, should be, and will be, we need to look for "the right questions, not the right answers".23

Drucker suggested specific questions which managers must consider if they are to understand business purpose and mission.

All the standard questions of a market study should, of course, be asked: Who is the customer? Where is the customer? How does he buy? What does he consider value? What purposes of the customer do our products satisfy? What role in the customer's life and world does our particular product play? How important is it to him? Under what circumstances--age, for instance, or structure of the family--is the purpose most important to the customer? Under what circumstances is it least important to him? Who are the direct and indirect competitors? What are they doing? What might they be doing tomorrow?24

Thoughtful answers to these questions will help the manager to see the things that a business does well and those things which it does poorly. Those things which it does well--"without any sense of great strain"--are basic ingredients in the solution of the question: "What is the purpose and mission of the business?"25

Drucker stated, with great conviction, that the foregoing process to determine what is the "business" of a business is fundamental to the establishment of its goals,

23Ibid., p. 4.
25Ibid., p. 114.
its objectives, its direction, and the determination of meaningful results and appropriate measurements. 26

But of what relevance are the foregoing statements to service institutions—educational systems in particular? It did not seem especially inappropriate to apply many of Drucker's questions to service institutions to help define what is their "business" with the approximate specificity of the business institution. Indeed, Drucker has done this.

The service institution does not differ much from a business enterprise in any area other than its specific mission. It faces very similar—if not the same—challenges to make work productive and the workers achieving. It does not differ significantly from a business in its social responsibility.

The service institution is different fundamentally from a business 'in its business'. It is different in its purpose. It has different values. It needs different objectives and it makes a different contribution to society. Performance and results are quite different in service institutions from what they are in business.

We have no coherent theory of institutions and their managers that would encompass the service institution. We can only attempt a first sketch. 27

In 1969, Drucker suggested that the educational explosion is not primarily concerned with more knowledge, but rather, "postponing the age of entry into the labor force." 28

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26 Ibid., p. 176


Drucker noted the intangibility of the ubiquitous educational goal to "develop the whole personality (of the child) as the objective of the school." He offered a more tangible, measurable statement.

Teaching a child to read by the time he has finished third grade is by no means intangible and can be measured easily and with considerable precision.29

Determining "what is our business?" is as difficult and as controversial for the service institution as it is for a business stated Drucker. The answer to this question requires dissent before a viable definition is found. Service institutions have a large constituency. The school is of vital concern not only to the children and their parents but to the teachers, the taxpayers and the larger community of which they are a part.30

Drucker made incisive comments regarding some commonly held notions in academia which relate directly to the "business" of education. He suggested that what academia calls knowledge "is not knowledge at all." Sixty percent or more of what is taught in class is, at best, information... raw, undigested data."31


30Ibid., p. 140.

More effective management would enable the colleges "to dismantle the enormous apparatus we have now and run the colleges with one-fifth of the present faculty." Drucker implied that there is a "misuse" of faculty which does not make them readily available to students. The traditional Oxford or Cambridge tutor, though he may have known nothing about his pupils' subject matter, could fulfill better the "business" of the educational institution, by being available to students at "critical moments to kindle the spark".

Illustrations of how service institutions are made to perform were given by Drucker. Drucker described the evolution of the modern American university from 1860 to World War I, crediting a small number of college presidents for this development. Each president differed on what the purpose and mission of the university should be. For example, Charles Elliot, president of Harvard University from 1869 to 1910, saw Harvard's purpose and mission to educate "a leadership group with a distinct style"--to restore to Boston the "dominance of a moral elite." 32

Nicholas Murray Butler, president of Columbia University from 1902 to 1945 saw the mission and purpose of that university as "the systematic application of rational thought and analysis to the basic problems of a

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modern society--education, economics, government, foreign affairs", according to Drucker. Similar examples were given by Drucker for Cornell University, Johns Hopkins University, Stanford University and the University of Chicago. Drucker concluded that "these men all had in common one basic thought: the traditional college--essentially an 18th century seminary to train preachers--had become totally obsolete, sterile and unproductive."33

Drucker is not the only authority to suggest that the school system think through its "mission and purpose". James Reusswig, Superintendent of Schools, Vallejo, California stated at a recent AASA convention that we have forgotten why we are communicating. He felt that there was a devastating "absence of purpose" which was the great danger for the future of school administrators. This failure became painfully evident, Reusswig stated, when he interviewed candidates for administrative positions. "Educational purpose determines a management system, management style and personal behavior", he concluded. He proposed two purposes for education: that it "enhance the uniqueness of each child", and that it "assist children and youth in acquiring skills to cope with their various environments and meet

33Ibid., pp. 150-51.
changing skill requirements in the future."

The importance of a mission statement to the educational system and the basis for this statement is put forth in a research document compiled for vocational education in Alabama. It is suggested that the mission statement is usually derived from a mandate, i.e., from a law which created the agency. Herein can be found statements of intent covering a number of years.

"The basic functional process of the educational system is instruction", wrote Boston. "All other functions are related either directly or indirectly to the first classification."

Former United States Commissioner of Education, Terrel Bell, suggested an array of problem areas from which an educational mission and purpose statement must be fashioned if schools are to meet current demands for accountability.

The performance of our schools and colleges is the subject of great concern. More effective teaching of basic skills to low income and minority students, career education, and education for social and citizen-

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ship responsibility all represent great demands upon our schools and colleges. Drug abuse, juvenile delinquency, lack of respect for law and order, coping with environmental damage are all problems with which education must be concerned in this new era of social awareness and public concern for the success and happiness of all.37

In Milwaukee, student performance was at the heart of the needs assessment in order to give priority to student needs and to systematically go about determining other needs.38

The first state ordered requirement that public schools operate under MBO was promulgated to New Jersey schools in 1976, the outcome of a court ordered requirement that the State Board of Education "establish in specific terms, a thorough and efficient system of public schools". The mission statement is specified in this mandate. The purpose of that school system will require separate attention.39


The Second Principle: (Managers) Need to Derive Clear Objectives and Goals From Their Definition of Function & Mission

A plethora of material exists in the literature for the development of goal and objective statements in the Management by Objectives process. It is appropriate to state again that goal and objective statements are valid only insofar as they flow from an institution's definition of its mission and purpose, according to Drucker.

Citations in this section will be organized under the following headings:

A Brief History of the Evaluation and Objective Statements in Business and Social Institutions

Goal and Objective Statements Defined

Criteria for Goal and Objective Statements

Categories of Goal and Objective Statements

Process for Integrating Goal and Objective Statements into the Organization

Objectives of one variety or another have been known and used by managers since biblical times. It remained for Peter Drucker, however, writing in 1954 to propose them as the basis for a management system. He suggested that objectives serve as the vehicle for administering and direct-
ing a systems approach to managing an organization.\(^{40}\)

Howell recorded the development of goal statements in the MBO process.

Initially, almost complete emphasis was devoted to improving the performance of the individual manager by providing him with goals toward which to strive. Next, emphasis switched to the organization as a total entity and the goal was overall organizational effectiveness on a short-range basis. Finally, the long-run future of the organization was emphasized by balancing and directing the results of individual managers to achieve organizational priorities. The third milestone was realized when MBO advanced from a special purpose management tool or technique into a full-fledged management system.\(^{41}\)

Sometime after 1960, a few companies—among them General Mills, Ansul Chemical and General Electric—were experimenting with approaches which involve the individual in goal setting "targets" or objectives for himself and in self-evaluation of performance semi-annually or annually. The superior played an important leadership role in this process, one which, in fact, demanded substantially more competence than the traditional approach to management. This approach to performance appraisal represents "one more innovative idea being explored by a few managements who are moving toward implementation of (McGregor's) Theory Y."\(^{42}\)


Olds, writing in 1977, indicated that a significant development in formulating performance objectives took place fairly recently.

The big breakthrough in designing performance objectives has taken place largely during the past decade. Prior to that time, it was believed generally that the evaluator should provide the evaluatee with objectives which had been devised solely by the evaluator. This still is in the practice (and possibly a major weakness) in quite a few industry developed models, like some MBQ operators which have been carried over into education.43

**Goal and Objective Statements Defined**

While there are many definitions for "goals" and "objectives" in the literature, research has not disclosed any which significantly deviate from a few fundamental concepts. A sampling of authorities in both the public and private sectors will support this statement and provide perspective to this study.

Schleh wrote that management by objectives state "the specific accomplishments expected of each individual in a specific period of time so that the work of the whole management group is soundly blended at a particular moment of time." He specified that objectives are stated in terms of final "measurable results" which create a better understanding and direction.44

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McConkey described objectives as specific descriptions of an end result to be achieved, i.e., states what is to be achieved and when it is to be achieved but not how it is to be achieved. 45

Some authors suggested that performance objectives are behavioral objectives. Pipe defined behavioral objectives as follows:

1. It describes the observable action that is to be evidence of competence.
2. It describes conditions under which the action is to be performed.
3. It describes the criteria by which to judge acceptable performance. 46

The Office of the Superintendent of Public Instruction, State of Illinois, distinguished between substantive goals which are broad statements of long term intentions that deal with desired eventual products of the educational effort and procedural objectives which support the substantive goals, are time specific, product specific and indicate a specific outcome. 47

Olds also wrote a similar distinction between a goal,


which is a general statement of outcome and an objective that is a "planned accomplishment which under specific conditions and in a given time period, can be attained in accordance with predetermined evidences of accomplishment to help fulfill a related goal."48

Olds pointed up the confusion in school districts between statements of educational philosophy ("this we believe") and goal statements adopted by the board for achievement. ("We're going to get from where we are to here").49

Plath and Perry defined objectives as statements which should be "measurable, limited, achieveable and realistic" with at least "a slight stretch toward the ideal."50

A final reference is given which clearly indicates the difference between goals and objectives.

A goal identifies a target and is usually descriptive of a long-range program of from one to five years in scope. Goals are established as guides for action, forming the principal basis for developing more precise objectives to follow. On the other hand, objectives are specific outcomes anticipated as a result of


49Ibid., p. 22.

systematic organization, managerial or instructional activities. When objectives meet precise criteria, they become behavioral objectives... They tell:
1. who the intended performer is,
2. what he is to do,
3. where he is to do it,
4. how well he is to do it,
5. within what period of time he will accomplish it.
Goals are derived from needs: objectives are means for achieving goals.51

Criteria for Goal and Objective Statements

Definitions for goals and objectives imply various criteria for their formulation. Nevertheless, a number of authors have developed specific criteria for measuring sound statements in each category which deserve attention here.

Drucker stated that objectives must be the basis for work assignments. They must "degenerate into work." They should be "clear, unambiguous, measurable results (with) a deadline and a specific assignment of accountability." They should also be based on expectations, not fate. They provide the enterprise with direction.52

Drucker gave five criteria for objective statements.

1. Objectives must be derived from 'what our business is, what it will be, and what it should be.'


They are action commitments... the fundamental strategy of business.

2. Objectives must be operational, that is converted into specific targets and specific assignments.

3. Objectives must make possible concentration of resources and efforts, that is... must be selective rather than encompass everything.

4. There must be multiple objectives rather than a single objective.

5. Objectives are needed in all areas on which the survival of the business depends.

Objectives, therefore, have to be set in these big areas: marketing, innovation, human organization, financial resources, physical resources, productivity, social responsibility and profit requirements. 53

Many of Drucker's basic elements in his criteria are reflected by McConkey who stated that effective objectives must be specific and realistic, consistent with authority, flexible, unmistakable in meaning, provide for "stretch", match experience and capability, be limited to from five to seven in number, be compatible both "vertically" and "horizontally", and be selective. 54

Odiorne, often given credit for the development of MBO as a system, gave just three criteria for acceptable objective statements.

1. It is explicit, results oriented (in outputs), rather than vague activity oriented.

2. It indicates measurable output for a period of time, such as a quarter, six months or a year.

3. It indicates a range within which actual accomplishments must fit--realistic value based on past performance, an optimistic value representing the highest or most desirable output, and a pessimistic value.

53 Ibid., p. 99

which will serve as an indicator of poor or declining performance. 55

Lefton et al included the job description as an essential criterion to be considered in the formulation of objective statements.

A job description (or position description) tells what an employee is supposed to do on the job. It spells out, in general terms, what a job is all about: what activities it comprises and what it's supposed to accomplish.

A job goal is a specific objective. It takes one of the activities listed in the job description and makes it operational. A job goal translates one of the general activities in the position description into specific terms. 56

Lefton also stated that a good way to make behavioral goals specific is to say in the actual wording of the goal, what should happen if the goal is met. A specific element that is always to be included in a behavioral goal is time. "Never make a behavioral goal open-ended. Always state when it should be achieved." 57

"Operational objectives", stated Bell, "should answer these two questions: What is it we must accomplish? How will we know when we have accomplished it?" He goes on to outline


57 Ibid., pp. 117-118.
characteristics of a clearly stated objective.

Be sure to communicate performance intent . . . .

it is good practice to state a performance objective as concisely as possible and then get an interpretation of performance from colleagues. When staff members have given a written objective to others who then can clearly explain how they will know that they have attained the end results specified in the objective, they will know that they have written a clear, concise and unambiguous objective.\(^{58}\)

Lewis listed five essential ingredients of performance objectives. They must be based upon the objectives of the organizational unit of the educator and his personal goals, be necessary and contribute to long-range goals, be measurable as much as possible in terms of a specific unit, or at least in terms of degrees of accomplishment, be realistic and attainable--reasonable yet challenging, and should be relatively few in number.\(^{59}\)

Varney stated most succinctly criteria for performance objectives. "Expected results can be expressed in terms of: 1. Quantity 2. Quality 3. Timeliness 4. Value."\(^{60}\)

A study by the Pennsylvania consortium formed eight questions, the answers to which are suggestive of criteria for writing sound objective statements.


1. What is to be done?
2. How will it be done?
3. Who will do it?
4. What with and at what cost?
5. How well is it to be done?
6. What is to be accomplished?
7. How will it be reported?
8. What new decisions will need to be made? 61

Norman suggested that the manager in assessing his subordinates' goals must ask himself the following questions for each objective:

1. Is it practical?
2. Is the manager capable of achieving it during the indicated time frame?
3. Can he achieve more during the indicated time frame?
4. Are all aspects of the objective stated clearly, unambiguously and precisely?
5. Is the objective compatible and supportive of my objectives?
6. Is the objective compatible and supportive of the companies' over-all objective?
7. Is it within his real of responsibility?
8. Does he have the authority to achieve this objective?
9. How much of my help does he need? 62

Categories of Goal and Objective Statements

A number of authorities have classified performance statements into various categories. For example, Odiorne delineated four categories of objectives--"regular production, 61

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problem solving, innovative, personal development.\textsuperscript{63}

Lewis provided a somewhat different set of categories.

Professional skill objectives are clearly defined statements describing critical aspects of typical administrative or teaching performance.

Program objectives are the bases for programs, projects, etc., which are developed and implemented to reach long-range goals (sometimes called innovative objectives).

Managing objectives are directed toward causing to happen the managing that is necessary to accomplish long-term goals.

Personal development objectives are those of the individual which are directed toward the satisfaction of some personal need or attainment.

Resource objectives are directed toward providing, developing, and improving resources (personnel, money, machines, materials, space, time, etc.) needed for the accomplishment of long-range goals.

Problem-solving objectives are emergency objectives which usually evolve when professional skill objectives are not being met.\textsuperscript{64}

In 1976, the Pennsylvania State consortium specified three types of objectives. These included Project Objectives, those enabling administrators and staff members to work collectively, Individual objectives, those which focus on administrative job responsibility only, and Personal Objectives, those designed for the personal growth of the admin-


A more narrowly defined range for goals and objectives was reported by Harvey from a study by the Advanced Institutional Development Program. The study indicated the following categories of goals and objectives:

Developmental Goals and Objectives - cause growth and bring about change. They tend to focus on innovative or problem-solving tasks.

Educational Impact Goals and Objectives - deal with the impact of the educational process on students.

Educational Program Goals and Objectives - course offerings dealing more with the process itself than the outcomes.

Instructional Objectives - a process that teaches through clearly stated quantifiable objectives.

Maintenance Goals or Objectives - maintains the status quo. Outlines the main functions of an organization or program.

Operational Objectives - focuses on methods or processes an organization will use to carry out activities.


Process For Integrating Goal and Objective Into the Organization

According to Drucker, there are three kinds of balance needed in setting objectives. Objectives have to be balanced against "obtainable profitability". They must be balanced in regard to the "immediate and the distant future". They have to be balanced against each other and "trade offs" have to be established between desired performance in one area and desired performance in others. Setting objectives always requires a decision on "where to take the risks and how much immediate results should be sacrificed for the sake of long-range growth. They (decisions) are risky, entrepreneurial, uncertain--but they must be made."\(^67\)

Odiorne suggested that it would be impossible for an individual manager to set specific objectives if he had not first found out what it is he was responsible for accomplishing.

You would first discuss with your boss what your responsibilities are and how you will be measured with respect to their accomplishment.

1. Define your major areas of responsibility first. This should reflect the general areas or functions for which you are responsible as manager.

2. Define responsibilities or output functions . . . describe your specific job functions as thoroughly and as accurately as you can.

3. For each specific responsibility indicate what measurements were used or can be used . . . to evaluate how well you are fulfilling it. Don't get involved in personal measurement, but rather the measurement of the outputs involved.

Authorities stressed the importance of careful groundwork prior to the actual writing of performance objectives. Schleh saw, as an essential feature of this preparatory period, the need for a clear understanding of the results toward which a person should work. Responsibility is set on the basis of results expected and expectations should have some degree of flexibility.

Varney stipulated four procedures for designing expected results. The first step requires the manager to develop "indicators" which enable him to know if the job is well done. Then he lists out all the ways he can tell when the job is being done well. Now he selects those ways that seem to come closest to giving him an accurate measure which tells when the job is being done properly. Finally, the manager must obtain an agreement between himself and his superiors in regard to the two or three best ways to measure the job.


In setting overall objectives, advised McConkey, the management must exercise care to distinguish between those objectives that are specific in process and those that are more in the nature of credos, i.e., general statements of interest or policy intended to create what some theoreticians call "atmosphere". 71

With a sufficient array of information, the management sets about to determine general objectives for the corporation for short and long-range commitments. These objectives must be framed first before objectives are set at department levels. "It may be meaningful to repeat that overall corporate objectives are applicable, as the term implies, primarily to the company as an entity. They are the responsibility of all management combined." 72

McConkey has suggested an approach for formulating top level objectives, or general corporate objectives. The president of the corporation begins by selecting a team to recommend objectives at each level of the company—as a total entity, but not at the department level at this point. This meeting would normally last from three to five days. At its conclusion, the president should have from six to eight recom-

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72 Ibid., p. 39.
mended "top objectives--broad, but specific". The president, with concurrence of the Board of Directors approves the general objectives. At this point each vice president com­poses a team to recommend departmental objectives. These objectives, of course, must support the general corporate objectives. In this manner, objectives are moved "down the line". The superior now applies the criteria for sound performance objectives as suggested by authors in an earlier part of this chapter.\footnote{Ibid., pp. 42-43.}

In any phase of the procedures outlined here, "individuals may easily get out of touch with the central purpose if the enterprise, a process encouraged by the natural inclination to specify the activities that are required of a man instead of the results", warned Schleh.\footnote{Edmond C. Schleh, Management By Results (New York: McGraw-Hills, Inc., 1961), p. 18.}

Objectives must be "well set" for all management people in the enterprise and it is then, and only then, that each individual becomes "personally and positively involved in the success of the enterprise."\footnote{Ibid., p. 19.}

An interesting contrast in the implementation process of setting objectives was provided by Lasagna, who agrees that
"a top-down" implementation is desirable . . . but he stated that the "momentum for setting and 'owning' objectives should be generated from the bottom up in any particular boss-subordinate dialogue".\textsuperscript{76}

Plath and Perry presented an interesting analysis of the relationships and sequence of "goal development and needs assessment." They suggested that the two are linked because there is no clear consensus on which should come first". They defined goal development as "what should be" and needs assessment as "a delineation of the discrepancy between 'what should be' and 'what is'." They concluded that logic dictates and assessment of needs if prerequisite to the formulation of objections and subsequent steps."\textsuperscript{77}

Lahti made a concluding contribution to the development and implementation of performance objectives.

Mastering the objective-setting process seldom comes easily. Not all managers learn to manage with objectives equally well, and occasionally a manager fails completely. The difficulty is that managers tend to think in terms of work rather than the results of work.\textsuperscript{78}

This statement was amply supported by Drucker, Odiorne, Schleh, McConkey and others in citations found in the section


\textsuperscript{78}Robert E. Lahti, "Implementing The System Means Learning to Manage Your Objectives", College and University Business (February, 1972), p. 45.
of this chapter dealing with criteria for sound performance objectives.

Essential to the understanding of this criterion is an understanding of the relationship of results and resources to the business enterprise. Both exist outside the business, wrote Drucker. "There are no profit centers within the business; there are only cost centers." The business consumes efforts and thereby incurs costs. The task for the manager is to insure that "cost centers contribute to results." 79

Results are obtained by "exploiting opportunities, not by solving problems." (Solving a problem simply restores "normalcy" and attempts to eliminate restrictions on business capacity.) 80

The manager must allocate resources to opportunities to produce results—not to problems.

"Economic results are earned only by leadership", advised Drucker, "and not by mere competence." Any leadership position (in the marketplace) is "transitory and likely to be short lived." Business tends to drift from "a leadership position to mediocrity." Contributing to this problem is the phenomenon that most executives spend their time tackling the problems of yesterday although it is their per-

80Ibid., p. 6.
ception that their efforts are spent meeting the problems of today. 81

The Third Principle: (Managers) Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results And Make Someone Accountable

The selected readings under this criterion will be grouped by author. It will be seen that this criterion overlaps, to a significant degree, much of what was written under the previous section dealing with the goal setting process. This overlapping of principles only seems to point up the inter-relationship between each of Drucker's six principles recommended for the management of service institutions for performance.

Resources are likely to be misallocated. In a "social situation" a very small number of events at one extreme--the first 10 to 20 percent at most--account for 90 percent of all results. 82

Basic to selection of standards of accomplishment and performance is the development of work assignments.

Performance becomes a job for which someone is responsible. If it is to be a real assignment, there

81 Ibid., pp. 7-8.

has to be a real assignment; there has to be a deadline; work without deadlines is not work assigned, but work toyed with.83

Schleh defined procedures for setting performance standards. The supervisor should set both basic and outstanding performance objectives for each result. The manager determines what would be reasonable job performance, i.e., by an experienced man who understood the job well. From this he can set levels for an outstanding performance.84

Schleh's understanding of accountability provided the manager with an insight into failure resulting from its misuse.

Why are management systems antagonistic to cooperation? There is a slavish adherence to unique accountability, which says that you may delegate a responsibility to one man, A, . . . but if you do, you cannot then delegate it to B also and hold A accountable for it.

In our opinion, the principle of unique accountability is fallacious.85

"A staff result is always a line result," stated Schleh. "In other words, every staff job an executive sets up should improve line results." This is crucial in the development of line objectives and their measurement.86

"The thrust of the needs assessment effort is to

83Ibid., p. 218.
86Ibid., p. 84.
gather information critical to setting priorities and making management decision," wrote Bell.87

If objectives are written in quantitative language, they can be measured in terms of results expected and the success level can be understood by the entire staff. This underlies the formulation of performance standards.88

Operational planning, which encompasses all the items in the criterion stated at the beginning of this section, involves analysis of each major objective and the work to be done, an estimate of time and resource requirements, assignment of specific staff members, and the fixing of performance responsibilities within the organization, wrote Bell.89

Knezevich stated that performance criteria should indicate the desired level of performance behavior or the end product to be achieved. Expressed accurately, assessment is facilitated.90

Once the individual manager has drafted and recommended objectives to his superior who then evaluates their


88Ibid., p. 63.

89Ibid., p. 76.

relationship to organizational goals, they become managers "directive of required action and the standards against which he will be measured." 91

McConkey suggested a format for assessing performance in key results areas (KRA) which enables the manager to set priorities.

A SWOT (strengths, weaknesses, opportunities, threats) analysis is completed on each key result area. This brings the manager to the prime purpose of the SWOT analysis: the probable subject matter of his objectives. 92

The Fourth Principle: (Managers) Need to Define Measurements of Performance

Of the six principles suggested by Drucker for the management of service institutions for performance, this one was the most difficult to extract from the literature. There is, indeed, ample material on the subject of performance, but there is some lack of specificity. Drucker noted the difficulty of this problem when he recounted the excellent contribution of Taylor to the analysis of productivity for the manual worker but his lack of same for the industrial engineer. "The productivity of the knowledge worker is primarily a matter not of quantity but of quality. We cannot yet define


In a later work, Drucker stated that few factors are as important to the performance of an organization as measurement. He gave some guidelines for this activity.

Measuring requires, first and foremost, analytical ability. But it also demands that measurement be used to make self-control possible rather than abused to control people from the outside and above. . . 94

Schleh asked, "How do you finally measure man? You do it by the effect of his projects on an organization," he responds. He suggested that you really measure whether or not his project works. This approach he felt develops a much broader person. "He has to make his work worthwhile within the context of the organization. Joint accountability works better the greater the person's impact on the result that is measured." 95

A broader concept of measurement was given by Schleh. He emphasized that crude measurements are serviceable to start out with and, in fact, may be adequate permanently. It is erroneous to assume that there must be completely measurable results and that the measurements must be perfectly

accurate. In many cases this is impossible.\textsuperscript{96}

"(Nevertheless) you cannot have 'results' accountability without measurement!," said Schleh. "Frequently men will say that certain activities are not measurable . . . if they are not measurable . . . the chances are there is very little here to measure . . . measurement is a vital necessity in determining the need for a job."\textsuperscript{97}

Contrary to statements made in this study by other authorities, Schleh stated that it is a misconception of many executives that the purpose of measurement is to measure the performance of a person. "On the contrary," he advised, "the purpose of measurement should be to stimulate the individual toward the results you want to accomplish (and) in many cases measuring what a man accomplished by himself is antagonistic to good results, a prime purpose of measurement.\textsuperscript{98}

Odiorne reported on "how to measure the unmeasurable."

Experts have defined five useful categories which you can use to sharpen your own objectives when your goals are being set in the face of uncertainty.

1. Probability (best estimate based on facts).

\begin{itemize}
  \item \textsuperscript{97}Ibid., pp. 73-74.
\end{itemize}
2. Assumption (based on the most likely thing is the one which will happen).
3. High possible imaginary outcome (everything that could go right will) "Maximax".
4. Goals stated to reduce losses or raise lowest possible level (maintenance of status quo--least risk) "Minimax".
5. Bayes Rule (figure out the largest expected value and choose in favor of that) "Maximizes" results and "minimizes" risks.\(^{99}\)

The subjective factor in measurement was described by Odiorne.

The criteria are those things which we would like to see as the ideal outcome of any action we take. (Contribution is the objectives, cost, feasibility, time, undesirable side effects).

The actual ratings of how each option fits each criterion, it should be emphasized, is a judgement of the person making the rating.\(^{100}\)

McConkey traced the history of managerial appraisal noting that traditional management appraisal measured traits while later approaches measured to what degree managers achieved or failed to achieve objectives. While this was effective, it failed to consider efficiency a good management practice. The most recent understanding of management appraisal emphasizes the effectiveness of achievement by results, but also measures the efficiency of management based upon good management practice.\(^{101}\)


Bell, writing in the area of school management, specified measurement instruments and procedures.

There are many instruments available for use in measuring various aspects of the educational expectations and actual performance of students. In addition to the well-known measures of academic performance, we know much more about measuring ability. What is more, we have wondrous information on persons of various age groups from all kinds of social and economic backgrounds across the nation. The national assessment of educational progress project sponsored by the Educational Commission of the United States is but one example of the great new potential of assessing outcomes. Nationally named tests, inventories and scales of all sorts, are also available from reputable publishers.102

Lewis listed some specific measurement devices or methods which are used to check performance.

1. Personal observations or inspection.
2. Daily, weekly, monthly status reports.
3. Program schedule reports.
4. Daily program meetings.
5. Charts
6. Reports from departments.
7. Written assignment instruction, returned with action taken checked off or annotated.
9. Problem reports, verbal or written.
10. Permanent bar charts.
11. Log books.
12. Control charts.103

"A manager must rely on his own ingenuity in determining the standards by which managerial performance is measured", stated Norman. "Because he must deal with subtle-

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ties of human behavior and creative thought, he will find no convenient scoring systems to use." Some methods that may be used to measure the performance of line managers are: profit center, income before taxes, return on investment, sales volume, marketplace, unit costs. 104

Evaluation criteria are implied by the Pennsylvania State Consortium in the following questions:

1. Are there sufficient resources to accomplish the plan?
2. Are goals and objectives of unit managers considered in the purpose?
3. Are objectives realistic?
4. Are objectives attainable?
5. Will objectives satisfy personal as well as organizational goals? 105

The Fifth Principle: (Managers) Need to Use These Measurements (of Performance) to Feed Back On Their Efforts, That is, to Build Self-Control From Results Into Their System

The concept of "control" as a function of management was suggested by Fayol and Taylor, early management theorists. It was again included in the acronym POSDCORB, developed by Gulick and Urwick and it continues to be an essential feature of management in the MBO process. In fact, some authorities believe that MBO makes effective control of


even the largest corporation possible because of its focus on results—not on activities.

Drucker provided an insight into this management function as it relates to the management of financial resources.

Altogether focusing resources on results is the best and most effective cost control... No matter how cheap or efficient an effort is, it is waste, rather than cost if it is devoid of results and if it was incapable of producing results all along, it was unjustifiable waste from the beginning.

Maximizing opportunities is the principal road to high effort/result ratio... 106

Drucker continued to develop the concept of control by giving some characteristics of controls. He stated that "controls can be neither objective nor neutral." If we measure the rate of a falling stone, we are outside of the event itself. Measuring the event does not change the event itself nor its observers. In other words, measuring physical phenomenon is both objective and neutral. This is quite different in a business enterprise since it is a social system and measurement in a social system "is subjective and biased." 107

"Controls need to focus on results," continued Drucker. Business and every other social institution exists to contribute to society. Results in business exist outside of the of the business itself. We can easily quantify efficiency,


1. e., efforts, but we have very few instruments to "record and quantify effects--what exists outside of the business. This is the area of results."

"Controls are needed for measurable and non-measurable events," stated Drucker. Business, like any other institution, has events that cannot be measured. Nevertheless, they are of great importance. Keeping or attracting capable people is an example of an "event" which has great relevance to any organization but which cannot be reduced to a definitive statement and thus is non-"measurable." Drucker lists some specifications for controls:

They must be economical;
they must be meaningful;
they must be appropriate;
they must be congruent;
they must be timely;
they must be simple; and
they must be operational.

One means of controlling limited resources is to prioritize decisions, wrote Drucker.

No matter how simple and how well ordered a business, there is always a great deal more to be done than there are resources available to do it. The opportunities are always more plentiful than the means to realize them. There have to be priority decisions or nothing will get done.

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108Ibid., p. 497.
109Ibid., pp. 497-98.
110Ibid., p. 498.
Drucker concluded that "few maxims are as wide of the mark as, "If at first you don't succeed, try, try, try, again." Adherence to this maxim would show a complete disregard for management by results; it demonstrates a lack of self-control from results. A better maxim might be, "If at first you don't succeed, try one more time--and then try something else." 112

Odiorne stressed the importance of feedback to management control. He cautioned, however, that certain "social" and business processes may not lend themselves to (automatic control)." It might not be economic, might engender resistance or it might simply be impossible. In these cases the manager can conduct a periodic review to get feedback for corrections. 113

When conducting a performance review, the manager has a valuable opportunity for feedback. He should be careful, however, that only those actions which are under the control of an individual are included in periodic reviews. 114

An approach to analyzing the scope of a problem which will suggest application of resources, is described by Odiorne. He suggested that the manager define the desired level of performance and specify in factual terms what the situation

112Ibid., p. 62.


114Ibid., p. 115.
should be. "The difference is the scope of the problem and determines the effort and money to get it resolved."\(^ {115}\)

Fundamentals of control were set out by Schleh.

... the supervisor should set up a basis for holding the man accountable at the end of the period for accomplishment of these objectives. It is only then that management control comes into prominence. It should be the function of whoever keeps the records to record any deviations ... from a trend in the direction of accomplishments of those objectives with the idea of stimulating corrective action on the part of the man under control ... \(^ {116}\)

Schleh underscored the fact that a management control system ... "should focus on deviations from objectives. ..."\(^ {117}\)

The concept of the use of measurements to build self-control in an educational system is advocated by Bell through a needs assessment program. In a needs assessment program under MBO, many students are examined. "Even in these circumstances," cautioned Bell, "multiple factors must be weighed in providing information that will permit the administration to assess performance priorities and allocate resources."\(^ {118}\)


\(^ {117}\)Ibid., p. 172.

Varney suggested an appraisal process which allows a manager to control performance. First the manager determines where the subordinate is performing. Then the manager diagnoses the reasons for variations in performance above and below the actual targets previously set. Finally, plans are designed on the basis of the diagnosis. 119

Knezevich identified management control through the process of monitoring objectives "or, more specifically, managing for results." He described "monitoring" as gathering data on the progress toward achievement of results. This is done at checkpoints which refer to time intervals as well as work process at a given place or a known point in production. 120

He also advised that monitoring "calls for the establishment of work standards for measuring progress toward achievement of objectives and the quality of performance of personnel." 121

"As noted on the mission profile," stated Plath and Perry, "the concluding activity of each year is feedback and


121 Ibid., p. 51.
the needs assessment on the stated objectives." Herein lies the opportunity for self-control from results.

The Sixth Principle: (Managers) Need an Audit of Objectives and Results to Identify Obsolete Unattainable Objectives, Satisfactory Performance and a Mechanism for Sloughing Off Such Activities

In the previous criterion Drucker suggested using defined measurements to build self-control into the system. A final and most crucial aspect of managing service institutions for performance is the ability of the institution to review selected objectives and progress toward these objectives, and to terminate allocation of limited resources to activities if objectives are unobtainable or performance is poor. This is the essence of entrepreneurship and the point at which many managers fail—especially in the public service institutions. The temptation for a service institution is to misallocate by budget, to increase the number of programs but to terminate none of the programs that have been initiated, regardless of results. Here again, Drucker's rendition of a popular maxim applies: "If at first you don't succeed, try once more—and then try something else is more realistic."


124 Ibid., p. 145.

Norman wrote incisively about action needed following an audit of objectives and programs.

Unless some positive action is taken as a result of a performance review, we might as well forget the whole thing. It is at this time that the supervisor may constructively suggest areas for improvement and perhaps suggest methods of doing so.126

Browder called the audit phase a "rendering of the account."

The final phase of the program deals with taking a close look at our efforts and reporting the results in accordance with the plan adopted. . . . Did the student succeed in reaching the objectives stated for the program? What differences are there between the actual learner behaviors (what is) and the behaviors projected in the performance objectives (what should be).127

The impetus for designing and using various methods for monitoring performance comes from the understanding by the administration that various conditions may exist, wrote Lewis.

1. Maximum effort has not been exerted to improve performance; 2. Planning without proper follow-through does not get the desired results; 3. Once time has elapsed and efforts have been extended, it is usually too late to take corrective action; 4. Each educator needs adequate methods and procedures for checking the progress of objectives; 5. Administrators and supervisors must have adequate methods for checking all activities that contribute to the attainment of objectives; 6. Educational accountability can be implemented effectively only


if there is a method for checking performance and taking necessary corrective action.\textsuperscript{128}

Lewis concluded that the purpose of monitoring performance is to give the school district effective information and guides to decision making, and bases for taking corrective action. Monitoring performance is the final step in the effective operation of the school district.\textsuperscript{129}

As a result of monitoring or auditing programs, advised Knezevich, corrective action may be necessary depending on variance from desired goals. "Crisis action with new strategies or drastic downward revision of expectations may be necessary in extreme cases . . . Evaluation of programs or personnel at the end of a stated operational period is yet another dimension of controlling to insure hitting targets."\textsuperscript{130}

Bell advised that the chief executive have a "monthly review (audit) of major operational objectives, the products of the operational planning effort of the unit he is reviewing, and a chart containing the time-phased action steps to


\textsuperscript{129}Ibid., p. 68.

which the unit has committed itself."\(^{131}\)

At the conclusion of the management review conference, the chief executive is familiar with the performance of a given unit as well as the managers within the unit. Activities which will advance the unit toward its major objectives are identified, and steps to be taken in executing them, as well. Bell noted that some plans may have to be executed to recover lost time and some operational programs may require modification. This could take place in the middle of the year. Also resources may require modifications if they are to be reached.\(^{132}\)

Plath and Perry described an early review of programs and objectives which include feedback and needs assessment activities. The resulting information is the basis for development of a plan for the coming year. This process is cyclical and causes objectives and programs to be refined and continued or terminated, as the case may be, according to results.\(^{133}\)

It should be noted here that the literature reviewed gives ample description of plans for a periodic audit of pro-


\(^{132}\)Ibid., pp. 87-89.

grams to identify unsatisfactory performance and unattainable or obsolete objectives but there appears to be a paucity of readings which describe in any detail a "mechanism for sloughing off" unproductive activities. Authorities agree this must be done and most suggest that this comes logically out of a periodic review of programs and objectives. Drucker was most precise in his description of such a "mechanism" however, which he has developed for the business enterprise and which this writer sees as holding promise, if revised appropriately, for service institutions. By classifying "products, markets, and distributive channels" under a small number of major categories, the audit process is set in motion. The essential feature in this system is the proper identification of the item according to specific criteria—the appropriate decisions then become apparent.134

Unpublished Research

A search of dissertation abstracts disclosed no study project identical to this one. There have been a number of studies conducted on the topic of "MBO and the Schools." Relating MBO to the "school districts" per se, identified only

eight study projects from more than forty included under "MBO and the Schools." The following unpublished dissertations have some relevance to this study and will be reviewed separately:

In 1974, Calzi developed a Management by Objectives model for public schools in the state of New York. He found that educational administrators realized that they lacked systematic and rational procedures for offering solutions to problems posed by critics of educational organization. The purpose of the study was to develop an MBO model which would aid administrators in designing measurable objectives and techniques for evaluating results, i.e., an instrument for accountability. Calzi based his study on seven criteria extracted from the literature. He found that administrators were actually using many of the concepts abstracted from the literature—but not always in the most systematic, rational manner. 135

Roth compared twenty-two school districts using MBO to the same number of school districts not using MBO. Superintendents from each group were asked to evaluate the successful conduct of selected administrative activities and the amount of time spent in performing selected administrative

activities. He found that MBO was being utilized more in the curriculum, personal growth and development, and pupil personnel functions. He also found that when the extent of utilization of MBO was high, the conduction of eight administrative functions was more successful and that those districts where MBO had existed for four years or more experienced more success in conducting eight administrative functions than school districts using MBO for two to four years. 136

Lewis' research focused on the extent to which superintendents and principals agreed with MBO principles, to what degree the principles were being practiced and what plans were being developed relative to initiating or extending the MBO process. The survey encompassed sixty-five school districts in northern Illinois. Lewis found that superintendents and principals agreed with the identified MBO principles but while superintendents gave positive responses to fifteen practice and plan aspects of the study, the principals gave responses to only thirteen practices, and eleven plans. He concluded that it was doubtful that full implementation of the MBO system could take place until there is reconciliation.

An interesting study which utilized the resources of the schools of business administration and education, and practicing school administrators was conducted by Altergott in 1970. This was one of the earliest studies found which concerned itself with MBO and school administration. The purpose of the study was to adopt a system of MBO to public schools. Altergott reviewed related literature and research, interviewed members of the School of Business at Indiana University who had worked with MBO, and selected personnel in organizations who had experience with MBO. The tentative MBO system was reviewed and evaluated by doctoral students, professors of business administration, professors from the Department of Educational Administration and Supervision, and practicing superintendents.

Altergott found that MBO could be of practical use in an educational institution in the following areas: individual motivation, performance appraisal, organization planning, coordination, control, individual development, improvement of supervisory relationships, and as a total system of management. He noted that MBO had its greatest potential if used as a total system of management. He concluded that

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MBO had many advantages to offer school administration and should be considered for use.\textsuperscript{138}

Nightingale's study focused on the extent of implementation of MBO in the business services of school districts in California. His major findings were: 1. the sequence of steps taken in implementing MBO was not substantially different between districts; 2. the most important factors to consider before introducing MBO were personal commitment to the system itself, personal commitment to spend time to implement the system, development of knowledge about MBO, realistic resources, and current level of operation of the division. 3. He also found that subordinates liked the concrete direction MBO develops and the means of judging performance and results, the freedom of operation, better communications, increased motivation and growth, development of team effort and more self-satisfaction.\textsuperscript{139}


CHAPTER III

THE SURVEY:
TYPE OF STUDY; QUESTIONNAIRE;
DESIGN; PROCEDURE

Type of Study

This study was descriptive in nature since it surveyed conditions through the use of a questionnaire-interview. Hillway defined the purpose of the survey or descriptive research as follows:

The survey, or descriptive research, is a process for learning pertinent and precise information about an existing situation. The principal instruments for gathering data from other people through the survey method are the questionnaire and the interview.¹

This study also analyzed documents such as district program plans, evaluation instruments, administrative memoranda, board minutes, and agenda from staff meetings, to give this study additional depth and perspective.

The Questionnaire

Hillway suggested ten criteria for the development of the questionnaire.

1. Is it sponsored by a reputable organization or institution?
2. Is the purpose of the study fully and clearly stated?
3. Does it concern a topic of sufficient interest to support it?
4. Is it carefully and logically organized?
5. Are the questions clearly and briefly worded?
6. Can the questions be answered briefly?
7. Is the information asked for available elsewhere?
8. Is the questionnaire in good mechanical form?
9. Are the demands upon the respondent reasonable ones?
10. Is a summary of the results promised?²

The author of this study was guided by these criteria but it was felt that deviations from criteria 5, 6 and 10 were appropriate because of the modified case-study format of this dissertation.

It was anticipated that a large quantity of data would be elicited through the interview-questionnaire process because of the nature of the questions asked and for this reason the interviews were taped. Although the taped interview of the superintendents averaged more than sixty minutes, considerable time was spent prior to the actual interview itself to establish rapport between the interviewer and interviewee and to advise the interviewee of the nature and format of the study. During this time, a great deal of valuable information about the interviewee and the school district emerged.

²Ibid., p. 210
Each interview was also followed by a post-interview conference, in most cases a continuation of the discussion of MBO as it related to that particular school district. Data from both the pre-interview conference and the post-interview conference was recorded and made a part of this study.

The Design

The focus of this study was on a select group of school districts in Cook County, Illinois of varying size, socio-economic status, minority composition and structure, whose superintendents indicated that they were implementing the management by objectives system of management in their school districts. Sixty-five school superintendents in Cook County, Illinois were randomly selected for contact from a total of 143. Forty-one of these responded, fifteen indicating that they were using MBO in some form. Ten superintendents from the fifteen districts using MBO agreed to participate in the study which fulfilled the original goal of the selection process.

The primary goal of the study was to ascertain whether or not the ten selected school districts were meeting criteria established for management by objectives by a recognized authority in the field. Peter Drucker was selected as the authority because of his preminence in the field of management theory and because he is generally credited with originating the term "Management by Objectives" and the basic concepts from which the system has developed.
Another reason for selecting Drucker as the authority, and an important one, was the fact that he has established six principles for the management of service institutions for performance, each of which nicely classifies the basic components of MBO found in the literature.

For purposes of analysis of management behavior in the study sample, each of the six principles was subdivided according to individual criteria which they suggested. Literal adherence to the criteria was not thought to present a true picture of the school districts' concurrence with the MBO model. Therefore, it was thought appropriate to provide a narrative analysis utilizing the modified case study approach which presented elaborations on similarities and differences.

The interview data were further analyzed to determine whether or not the manager had implemented MBO with regard to Drucker's definition of the role of the entrepreneur.

The focus of the analysis took the following form:

1. The study sample was analyzed to determine the status of districts within the sample in relation to Drucker's six principles which had approximately the same function as study propositions.

2. Data obtained from this analysis of district status were compared and contrasted in relation to the administrative function of decision-making. Special emphasis was placed on the superintendent's consideration of time, both
the present and the future, in his decision-making process which is an important "dimension" of management, according to Drucker.3

3. Further analyses of the data were made to identify management trends in school districts within the study sample.

4. A final analysis of the data was made to identify possible implications for public school management as the result of trends within the study sample.

The process for comparing and contrasting was implemented in five phases:

1. Data were gathered relative to the manner in which school districts in the study sample were applying the MBO system based on Drucker's six principles,

2. a descriptive narrative of results was provided according to the format and procedure of a modified case-study,

3. the data from school districts in the study sample were compared and contrasted with each of Drucker's six principles,

4. the data were again gathered relative to the decision-making process demonstrated in each district in the study sample,

5. An analysis was made of the management decision-making process used in each school district by comparing and contrasting data.

The Procedure

There were nine basic procedural components to this study.

1. Sixty-five school districts were randomly selected from 143 school districts in Cook County, Illinois for initial contact to identify no less than ten districts using MBO and willing to participate in the study.

2. The initial contact of school superintendents by letter which included a return-addressed data card to assist in selection of the study sample. (Appendix C)

3. The study sample was selected on the basis of potential concurrence to Drucker's six criteria.

4. Appointments for the interview of each of the selected respondents in the study sample were made by a telephone call and a confirming letter which not only confirmed the time of the superintendent and principal interviews, but requested that certain documents be available for study. (Appendix D)

5. Taped interviews of the superintendent, or his designee, and one principal were completed based on Drucker's six criteria for the management of public service institutions for performance. (Appendix E)

6. Documents which would help with analysis were
either analyzed on site or collected for future analysis.

7. Data were analyzed for concurrence to Drucker's model and to identify variations in the decision-making process of each school district.

8. Trends were noted in the study sample.

9. Possible implications for public school management were suggested.
CHAPTER IV

PRESENTATION OF DATA FOR INDIVIDUAL SCHOOL DISTRICTS

Chapter four will record the status of each school district with regard to the six principles suggested by Drucker for the management of service institutions for performance. It is emphasized here that no attempt to evaluate the management of a school district is stated or implied. Nevertheless, Drucker has established criteria for four of the six principles and determination of whether or not the school district can be said to be managing according to a given principle will depend on whether or not the appropriate criteria have been met.

Special attention must be given to the first principle of managing service institutions for performance: "What is our business and what should it be?" This is the foundation for the development of the remaining five principles. While Drucker has not established criteria for the service institution for this principle, those he has established for the business enterprise can be revised to give direction to service institutions in resolving this very difficult problem.

Drucker advised that management consider propositions if it is to find a viable definition of "What is our business?".
deciding 'What is our business?' is a genuine decision; and a genuine decision must be based on divergent views to have a chance to be a right and effective decision.¹

Drucker noted that this is "far too important a decision to be made by proclamation." The decisions must be based on a "common choice of alternatives."²

Drucker specified a method for arriving at a definition of "business" as opposed to accepting an opinion.

With respect to the definition of business purpose and business mission, there is one and only one such focus, one starting point. It is the customer. The customer defines the business.³

The first basic assumption for this study was that the "customer" or "customers" should have a major input in determining the business of a school district.

With acceptance of the above proposition, it remains to determine who the customer is. Who is the customer is a fundamental and a crucial question in defining business purpose and mission. It is not easily answered nor is it obvious.

The consumer, that is, the ultimate user of a product or service is always the customer. But he is never the customer. There are usually at least two--sometimes more. Each customer defines a different business, has different expectations and values, buys


²Ibid., p. 79.

³Ibid., p. 79.
something different.  

A second basic assumption for this study was that there are at least two "customers" or consumers of an educational service. They are the student, who is the direct recipient of the educational service, and the parent who directly or indirectly receives the services.

Drucker suggested a final consideration to determine the "business" of an enterprise. The question must be asked, "What is value to the customer? It may be the most important question. Yet it is the one least asked. The customer buys the satisfaction of want."  

The third basic assumption made for this study was that "value" for a public school system is the satisfaction of the "wants" or needs of the student and the parent.

School districts within the study sample were not specifically identified so as to maintain the confidentiality of sensitive data and to encourage the interviewees to be candid. Elementary districts received a general designation through the use of two numerals, the first of which was the numeral "0". High school districts were also given a general designation through the use of two numerals, the first of which was the numeral "1". Data were given relative to some general characteristics of each school district within the

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4Ibid., p. 80.
5Ibid., p. 79.
study sample to provide additional background for the study but this information was quite broad and not meant to be an in-depth census.

Elementary School District 01

Elementary school district 01 is located in a western suburb of Chicago a short distance from its western boundary. The district has an equalized assessed valuation per student of $70,273\(^6\), an enrollment of 1,234\(^7\) students with a slight yearly decline, and a total of fifty-eight\(^8\) certified staff members.

This community has been well established for approximately one hundred years. For most of those years it has been regarded as an upper middle class to upper class community. It is comprised of managers in both the public and private sectors as well as a significant number of doctors, psychologists, teachers and university professors. Parents tend to be quite active in community affairs, particularly in the school system. This community is generally regarded

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\(^7\) Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

as traditional and conservative. In the past the great ma-
ajority of its student population has ultimately enrolled in
college and this factor would seem to be valid for the future.

Presentation of Data With Regard to the First
Principle: Managers Need to Ask What Is
Our Business What Should It Be
What Will it Be

The need for dissent (consideration of divergent
views, choice of alternatives)

The superintendent stated that the "business" of the
district was to "educate the youngster, aged four through
eighth grades, in the fundamental skills." The principal
suggested that the business of the district revolved around
the children's needs, what they are and how we can serve
them." The principal's statement more nearly parallels that
found in the "Policies and Procedures Manual." The state-
ment of "business" presented in the Policies Manual was not
developed from "divergent views" but was presented to the
board by a past administration. The board reviewed the state-
ment which then became a part of the Policy and Procedures
Manual. Both the superintendent and principal expressed the
need to obtain input from the community, board and staff in
defining the "business" of the district.

A method rather than opinions (the consumer
defines the business; answers must come from
the consumer himself.)

The current superintendent and principal defined the
"consumer" as the student and the parent. The former super-
intendent was criticized by parents for being insensitive to them. This resulted in a change of superintendent. The present superintendent had made a concerted attempt to elicit opinions from the community. He was making positive strides to meet this criteria.

Who is the consumer (the consumer is the ultimate user of a product of service; there are at least two—sometimes more)

The child was specified as the "consumer," i.e., the primary beneficiary of the school service. More and more, however, the superintendent saw the parent emerging as the second customer.

What is value to the consumer (the satisfaction of want)

A clear specification of "want" is presently evolving in this district. The superintendent saw the "want" or "need" as the development of fundamental student skills. The principal's definition of "the business" of the district indicates a focus on the "needs of the children." Those needs were seen as fundamental skills, particularly in the areas of reading, writing and computing.

Summary

A statement of the "business" of the district was evolving. At this point the mission and purpose of the district were still in the "credo" or philosophical stage. The existing statements in the "Policies and Procedures Manual"
were developed principally by the administration and approved by the board. There was no record that divergent views were considered.

The student and the parent were regarded as the "consumers" and will have greater input in formulating a definition of the "business" of the district in the future. A concept of the "consumer" was changing from the student alone to the student and the parent.

The needs ("wants") of the child have not yet been clearly stated in statement of mission and purpose. The superintendent was aware of this need and had developed a specific plan to focus on this area.

Based on available planning and a broad interpretation of the criteria, this district has a statement of its "business." Because of its lack of specificity and the way in which it was developed, however, it does not yet provide a suitable basis for execution of the second principle. This district did not meet minimal criteria for the stated principle.

**Presentation of Data With Regard to the Second Principle:** Managers Need to Derive Clear Objectives and Goals from a Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

Both board and superintendent statements of objectives gave evidence that they were action commitments de-
signed to help children develop "fundamental skills". The board and superintendent objectives were related and complimentary. Building objectives were being developed in relation to the board and superintendent objectives and will come from interaction between the staff and the building principal. Objectives for the business office were available as part of the superintendent's objectives. No objective statements were made for special education except that the district "demonstrate compliance with PL 94-142 . . . ."

Instructional objectives were being developed for the coming year based on the format of the state of Illinois Problem Index (IPI). (M)

Objectives must be operative, i.e., converted into specific targets and specific assignments.

Objectives were stated in operative terms utilizing "action verbs". Many of the board objectives, however, were primarily administrative objectives since that was where the assignments have been made for completion of these objectives. Example: "By September 1, 1978, identification of a testing program will be made that will relate test scores to student potential." This was apparently an administrative assignment. In another objective, however, the board had agreed to accept the responsibility to develop plans for life safety improvement for the 1980-81 school year.
At the time of this study, the principal's understanding of an objective statement which is operative differed greatly from the superintendent's because of the vast difference in experience with MBO of each individual. The superintendent had previously worked as a principal and then as an assistant superintendent in two districts employing MBO for a number of years. The superintendent understood well the consequences of failing to incorporate specific targets and assignments into performance objective statements; after a year of orientation to MBO, the principal apparently did not seem to comprehend the need for specificity in these two areas. His incipient plan for building goals and objectives documented this observation.

Objectives must make possible concentration of resources and efforts, i.e., must be selective

Because of the clarity and specificity of each objective at the superintendent's level, concentration of resources and efforts were being made. His objectives gave ample evidence of selectivity.

There must be multiple objectives

Written documents support that this criteria was minimally met.

Objectives are needed in all areas in which the survival of the enterprise depends

Building level objectives were not available but were under development. Objectives for special education were minimal.
Summary

Although the mission and purpose statement needs more careful defining, the objective statements flow logically from the superintendent's statement of mission and purpose.

At this point, assignment of objectives was made exclusively to the superintendent. Assignments were gradually being made for the principals and the staff with the development of objectives at the building level.

Objectives were stated in such a way that concentration of resources and efforts can be made. There are multiple objectives for some goals. Building objectives were not available but under development. The objective statement for special education indicated the general target of complying with PL-94-142.

Based on a review of current administration policies and the intense focus of efforts, it can be said that the district would meet no less than minimal criteria for this stated principle during the 1978-1979 school year. At this point, however, it cannot be said that the district met the criteria for this principle since objectives had not yet been developed and assigned in all essential areas.

Presentation of Data With Regard to the Third Principle:
Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results and Make Someone Accountable
Select targets

The superintendent stated that the administration was still working on priorities of concentration. For now, they will rely on the Illinois Problem Index for selection of targets. The board, however, had set a high priority on development of a gifted program for each school, a more flexible scheduling for the junior high school, and improvement in spelling achievement at each grade level. Clear evidence existed of allocation of financial and human resources to prioritized targets.

Set standards of accomplishment and performance

Examples given indicate specific standards were being set for high priority areas in quantifiable and qualitative terms. For example, responsibility had been assigned to staff members for identifying academically gifted students by a specific test. Standards have been set to measure the results of the gifted program at the end of the academic term. Each program was assigned a coordinator who, together with the superintendent and/or the principal, developed standards of accomplishment and performance for the program.

Set deadlines

Deadlines had been clearly set for high priority objectives. Since building level objectives were still developing, deadlines had not been set. There was, however, a deadline for the development of building objectives and
time frames were clearly spelled out in the board and superintendant objectives.

**Work on results**

Programs were to be evaluated yearly to semi-annually with a concentration on results expected. There was good evidence that the focus of objectives was derived from the results, or lack of results from existing programs.

**Make someone accountable**

There was a coordinator for every objective stated.

**Summary**

There was evidence that objectives had been prioritized at the board and superintendent level and would also be prioritized at the building level when these objectives have been determined. Targets were selective. Standards had been stated in quantifiable and qualitative terms for each objective. Each objective stated had a time frame. Objectives were generally based on the results or lack of results of a program. A coordinator was assigned for every objective stated. The district met the criteria for the stated principle.

**Presentation of Data With Regard to the Fourth Principle: Managers Need to Define Measurements of Performance**

Measuring requires analytical ability. Also, it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.
Measurements of performance were being defined for each area in the district. Instructional programs were evaluated with standardized norm referenced tests. Criterion referenced tests were being developed. An example of measurement of the principal's performance was given by the superintendent. The goal of the superintendent was to improve the public relations program of the district. The principals were given specific tasks for the achievement of this goal. (These will be formed as objectives.) The results were to be measured at the end of the current school year in terms of the superintendent's observation of materials the principal sent home, the principal's rapport with parents in the school, the principal's attendance at caucus or PTA meetings, feedback from parents, articles sent to the local newspaper by the principal, parent attendance at meetings, and parent involvement in the school program.

Summary

There was an awareness of the importance of defining measurements of performance and there was a clear effort to do so. Standardized tests were used and for areas for which these tests were insufficient, criterion referenced tests were being developed. There was evidence that the primary definition of performance measurement for staff members came, and will continue to come from the superintendent. The district met the minimum criteria for the principle stated.
Presentation of Data With Regard to the Fifth Principle: Managers Need to Use These Measurements to Feed Back On Their Efforts, That is, to Build Self-Control From Results Into Their System

There was clear evidence that past measurements were used in a needs assessment which was the basis for existing objectives. One important change in the district's reporting system illustrates the superintendent's commitment to this principle. Example: For the coming year, achievement scores were to be reported not only in grade equivalents or percentiles, but in terms of the expectancy for each student. This would help the administration to identify poor or diminishing results and to control better the disposition of human and material resources. The program plan provided for evaluation of the superintendent by the board, evaluation of the board by the superintendent, evaluation of the principals by the superintendent and so forth down to the student.

Programs were to be "dropped, expanded, implemented or narrowed down" based on results. This strategy was a statement of intention at this point since much of the program was still developing.

Summary

Based on available evidence and the commitment of the superintendent to this principle, it is reasonable to state that the district met the minimum criteria for the stated principle.
Presentation of Data With Regard to the Sixth Principle: Managers Need an Organized Audit of Objectives and Results to Identify Objectives That No Longer Serve a Useful Purpose or are Unattainable, Unsatisfactory Performance, Activities Which Are Obsolete or Unproductive and a Mechanism for Sloughing Off Such Activities

Objectives that no longer serve a useful purpose or are unattainable

The board requested that a RIF policy be developed along with an evaluation program for the teaching staff. This proved to be unobtainable and was restated as an objective for the coming year.

Unsatisfactory performance

As a result of last year's standardized achievement tests, spelling achievement was described as unsatisfactory. This was the basis for an objective for the coming school year. A member of the teaching staff was currently being evaluated who was not meeting expectations. It was anticipated that she would be terminated at the end of this school year. Recently a custodian was terminated because of unsatisfactory performance.

Activities which are obsolete and/or unproductive

This superintendent was relatively new to the district and had not identified obsolete objectives. He suggested as an example that the development of a gifted program would be obsolete next year if, in fact, the objective to develop a gifted program this year was met. He noted that an
objective to develop a team teaching program in another dis-
trict in which he worked became obsolete because "it was not
attainable under existing conditions" and therefore "was a
waste of time and energy."

Mechanisms for sloughing off
such activities

Programs which did not meet expectations were not
funded, not supported. A specific mechanism for sloughing
off undesirable activities had not taken shape at this point
but the superintendent suggested that such a mechanism would
evolve out of the annual program review. The specifics of
this activity were still to be developed.

Summary

There was evidence that an organized audit of objec-
tives was under development and certain aspects of it existed.
Examples of the identification of unobtainable objectives,
unsatisfactory performance and obsolete or unproductive activ-
ities were minimal or missing. The "mechanism" for sloughing
off such activities was still developing. A weakness in this
process was the unsatisfactory teacher evaluation instrument.
The district had not minimum criteria for the stated principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 01

<table>
<thead>
<tr>
<th>PRINCIPLE #1 - Statement of its Business (N = .275)</th>
<th>PRINCIPLE #2 - of Function and Mission (N = .400)</th>
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<tbody>
<tr>
<td>Need for dissent</td>
<td>Objectives - action commitments from</td>
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<td></td>
<td>statement of business</td>
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<td>A method—not an opinion</td>
<td>Specific targets and</td>
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<td>assignments (operative)</td>
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<td>Identification of the &quot;consumer&quot;</td>
<td>Selective: concentration of</td>
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<td>resources and efforts</td>
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<td>Identification of value to the</td>
<td>Multiple objectives</td>
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<td>&quot;consumer&quot;</td>
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<td></td>
<td>Objectives for all</td>
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<tr>
<td></td>
<td>major areas</td>
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<tr>
<td>PRINCIPLE #3 - of Concentration (C = .800)</td>
<td>PRINCIPLE #4 - Defined</td>
</tr>
<tr>
<td>Select targets</td>
<td>Measurements of Performance</td>
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<td></td>
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<tr>
<td>Set standards of accomplishment</td>
<td>An organized audit of</td>
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<tr>
<td>and performance</td>
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<td>Set deadlines</td>
<td>Identify objectives that are no</td>
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<td>longer useful or unattainable</td>
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<td>Work on results</td>
<td>Identify unsatisfactory performance</td>
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<td>Make someone accountable</td>
<td>Identify obsolete and unproductive</td>
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<td></td>
<td>activities</td>
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<td>PRINCIPLE #5 - Build Self-Control (M = .600)</td>
<td>Mechanism to slough off activities</td>
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<td>Use Measurements to</td>
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Elementary School District 02

Elementary school district 02 is located in a far southwest suburb of Chicago. This district had an equalized assessed valuation of $23,380 per student,\(^9\) an enrollment of 3,988 students,\(^{10}\) with a recent enrollment decline of approximately 6% a year, and a total of 168 certified staff members.\(^{11}\)

This district was observed to be a relatively new community with minimal development taking place. The population was middle class with a fairly significant section of the district designated as lower middle class. The general population was made up of manager, professional men, salesmen and a large segment of blue-collar workers. The district had been faced with serious financial problems for approximately five years prior to this study.

Presentation of Data With Regard to the First Principle:
Managers Need to Ask, What is Our Business? What Should it Be? What Will it Be?


\(^{10}\)Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

The need for dissent (consideration of divergent views, choice of alternatives)

The board formulated a philosophy statement, the superintendent "put together" a philosophy of the district, and the principal felt reading and math skills were essential, "all else is secondary." There was valuable dissent here but there was no specific statement for the "business" of the district. The board statement was in the form of a credo. The superintendent notes that there were a variety of statements relative to the "business" of the district throughout the Policy Manual. "I think we could put it together" (a statement of business), he stated. This needed to be done. The principal stated that the "staff doesn't get that involved" with formulation or review of an understanding of the business of the district. The superintendent said there was no "systematic involvement" of the staff in this area.

A method rather opinions (the consumer defines the business; answers must come from the consumer himself)

It was difficult to determine how the student was seen in this district. Evidence indicated that administrators defined the business of the district based on what they perceived to be the needs of the student. Parent input was minimal. The business of the district was seen differently in each school building, according to the principal interviewed.

(No statement of the mission and purpose of the district existed in the most recent Program Plan.)
Who is the consumer? (The consumer is the ultimate user of a product or service. There are at least two--sometimes more.)

Identification of the consumer was not formally made. Stated goals and objectives implied that it was the student.

What is value to the consumer? (The satisfaction of want.)

The needs of the consumer were determined to be the fundamental skills, especially reading and math, according to the superintendent and principal. The principal stated "all else is secondary."

Summary

There was no mission and purpose statement for this district. It was not stated or implied in the Program Plan. There was dissent regarding the "business" but there was no method for developing a consensus on this principle. The superintendent stated that the business of the district was to "educate children"; the principal stated that "it is to provide the student with fundamental skills--especially in reading and math." Statements of the principal indicated that the "business" of the district was interpreted differently by each principal. This district did not meet the stated criteria for this principle.

Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Goals and Objectives From a Definition of Function and Mission
The second principle was analyzed from the standpoint of the superintendent's statement which he later refined to say that the business of the district was to "teach children the fundamental skills." The next principle will be considered as having been derived from this definition of "business."

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

Objectives were developed by a committee consisting of the curriculum director, the superintendent, one principal, president of the teachers' union, one volunteer teacher, nine parents from parent groups and one member of the board. The format of the district Program Plan was one recommended by the Illinois Office of Education document, Circular Series A-160. The categories suggested by A-160 for development of goals and objectives are the following: District Governance and Policy, District Administrative Structure and Practice, District Policy Regarding Rights and Responsibilities of Individuals, the Instructional Program, Support Services, and Staff Development and In-service Training.

While it did not appear that objectives were developed from a consensus statement of the business of the district, it might be said that the categories suggested by A-160 represent the general "business" of a school district. Each performance objective was stated as an action commitment with a specific time frame. Targeted objectives
(short term objectives that fell under each performance objective) were clearly related to the performance objective and were specific.

Objectives must be operative, i.e., converted into specific targets and specific assignments

Objectives stated in the Program Plan had specific targets. In a number of areas, however, assignments had not been made.

Examples:
"The administrators of District ___ will contact district ___ and set up a series of meetings . . . ."
"Four meetings will be established. . . ."
"Following the meetings, pertinent items will be discussed with . . . ."

This was not the case with every objective, but there were enough unassigned objectives or those assigned in a general way that there was significant deviation from the criteria stated here.

Objectives must make possible concentration of resources and efforts, i.e., must be selective

Those objectives which had specific assignments made possible concentration of resources and efforts. They indicated great selectivity. Adherence to the format of A-160 promoted selectivity.

There must be multiple objectives

The Program Plan contained multiple objectives.
These were in the form of targeted objectives which related to performance objectives.

Objectives are needed in all areas in which the survival of the enterprise depends

The format of the Illinois Office of Education document, Circular Series A-160, suggests six broad areas which relate to the survival of a typical school district. Objectives for this district were stated in each area.

Summary

Objectives were developed from committee input, the committee being comprised of many elements of the school community. The committee did not appear to have thought through the "business" of the district. They had relied on the format of the Illinois Office of Education document, Circular Series A-160, to do this. The objectives were action commitments.

Objectives were operative as stated but in many cases lacked specific assignments. Objectives were selective but the lack of specific assignments in a number of areas made a concentration of resources and efforts difficult. Multiple objectives were stated. Objectives had been stated in all areas in which survival of the enterprise depended. This district meets minimal criteria for the stated principle.
Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Deadlines, Work on Results, Make Someone Accountable

Select targets

Priorities of concentration were heavily controlled by budget constraints. Principals had a significant input into the formulation of the budget in major areas. When areas were reduced to the building level (target areas), however, the principal had only two options: to spend the money in a line item or not to spend the money. There was no transfer of funds from one line item to another.

Instructional priorities were tied to budget constraints. Salaries represented eighty percent of expenditures leaving only twenty percent for materials and support systems. Declining enrollment will exacerbate this conflict between financial limitations and quality programs. Support programs were being cut and the number of students per class will grow sharply in the near future.

Set standards of accomplishment and performance

Minimum or optimum standards of accomplishment had not been spelled out for programs, administrators or teachers. Performance standards had been set for students.

Set deadlines

Deadlines had been set in clear and precise terms
for stated objectives.

Work on results

The superintendent felt that the district had not done enough evaluation to enable the administration to examine results accurately. This was to be the basis of a high priority objective for the coming summer.

Some analysis of results of the instructional programs was made possible by a review of standardized achievement tests.

Make someone accountable

In a number of areas there was a lack of specific assignments and therefore a lack of accountability. This deficiency was particularly crucial to performance according to the stated principle.

Summary

There was an attempt to prioritize concentration of efforts but this attempt was constantly inhibited by budget constraints. Standards of accomplishment and performance existed for the students but did not exist for the board, administration or the teaching staff. Deadlines had been clearly and precisely set. There was not enough evaluation in this district to examine results and then to "work on them," according to the superintendent. There was a significant lack of accountability in this district because objectives for many areas did not have specific assignments.
This district did not meet criteria for the stated principle.

Presentation of Data With Regard to the Fourth Principle: Managers Need to Define Measurements of Performance

Measuring requires analytical ability. Also it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.

The superintendent was evaluated this year by the board for the first time according to agreed upon criteria. Principals were evaluated on the basis of a job description in which criteria were identified. Teachers were not evaluated on the basis of criteria developed with the teaching staff. Criteria were stated in general terms and the staff evaluation was based on the principals' observations. The evaluation was primarily subjective. The format of the evaluation instrument provided for a "satisfactory" or "unsatisfactory" rating. The principal could, however, indicate a "commendable" performance if it was appropriate.

The measurements of performance for students were defined in the standardized achievement tests used and on this basis, the measurement of student performance was defined. There was a feeling by the superintendent that the standardized test did not define measurements for all areas of performance of a student which needed to be measured and for this reason he had planned to develop criterion referenced tests to measure these areas.
Summary

Measurements of performance had been defined for the students and the administration but not for the teachers. The evaluation process for the teacher allowed for the greatest subjectivity on the part of the evaluator (principal), and therefore a definition for the measurement of performance in teaching competencies was too broad to be of optimum value. Minimal criteria were met for this stated principle.

Presentation of Data With Regard to the Fifth Principle: Managers Need to Use These Measurements to Feed Back On Their Efforts, that is, to Build Self-Control From Results Into Their System

Consciousness of the importance of ascertaining the results of a program through carefully defined measurements is growing in this district. Some aspects of this principle existed. An item analysis, for example, was made of the results of the achievement tests each year and the results of these tests determined, to the extent possible, the type of program to be designed for the coming year.

There was a concerted effort to take the results of the superintendent and principal evaluations and use them as a basis for the development of managerial goals and objectives for the coming year.

Summary

Minimal criteria for the stated principle had been met.
Presentation of Data With Regard to the Sixth Principle: Managers Need an Organized Audit of Objectives and Results to Identify Objectives that No Longer Have a Useful Purpose or are Unattainable, Unsatisfactory Performance Activities Which Are Obsolete or Unproductive and a Mechanism for Sloughing Off Such Activities

Objectives that no longer serve a useful purpose or are unattainable

Neither the principal nor the superintendent cited specific objectives which "no longer served a useful purpose." Declining enrollment was noted and the reduction in staff which resulted.

Unsatisfactory performance

Several areas of unsatisfactory performance were identified by the superintendent and the principal. These areas were primarily in the performance of teachers.

Activities which are obsolete and/or unproductive

Neither the superintendent nor the principal could identify activities which had become obsolete or unproductive.

Mechanisms for sloughing off such activities

The Program Plan committee was identified as a "mechanism" for sloughing off undesirable objectives and/or activities. No specific examples, however, were given for the effectiveness of the committee in this area.

Termination of programs seemed to come from outside
the system and such terminations were not based so much on poor results as declining enrollment and increasingly limited resources.

Summary

Objectives were not identified that no longer served a useful purpose. Examples of unsatisfactory performance related primarily to poor teaching performance. Obsolete and/or unproductive activities were not specifically identified.

The "mechanism" for sloughing off unproductive activities was identified as the Program Plan committee. Examples of activities or objectives that were "sloughed oof" were not described in the interviews nor did the documents record such action. Criteria for the stated principle had not been met.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 02

<table>
<thead>
<tr>
<th>PRINCIPLE #1 - Statement of its Business (N - .250)</th>
<th>Goals &amp; Objectives From a Def.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for dissent</td>
<td>Objectives - action commitments from statement of business</td>
</tr>
<tr>
<td>A method--not an opinion</td>
<td>Specific targets and assignments (operative)</td>
</tr>
<tr>
<td>Identification of the &quot;consumer&quot;</td>
<td>Selective: concentration of resources and efforts</td>
</tr>
<tr>
<td>Identification of value to the &quot;consumer&quot;</td>
<td>Multiple objectives</td>
</tr>
<tr>
<td>Think Through Priorities</td>
<td>Objectives for all major areas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRINCIPLE #3 - of Concentration (N - .300)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select targets</td>
</tr>
<tr>
<td>Set standards of accomplishment and performance</td>
</tr>
<tr>
<td>Set deadlines</td>
</tr>
<tr>
<td>Work on results</td>
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<tr>
<td>Make someone accountable</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Use Measurements to PRINCIPLE #5 - Build Self-Control (N - .400)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRINCIPLE #2 - of Function and Mission (M - .700)</td>
</tr>
<tr>
<td>Objectives - action commitments from statement of business</td>
</tr>
<tr>
<td>Specific targets and assignments (operative)</td>
</tr>
<tr>
<td>Selective: concentration of resources and efforts</td>
</tr>
</tbody>
</table>

| PRINCIPLE #4 - Defined (N - .300) |
| An organized audit of objectives and results |

| PRINCIPLE #6 - objectives and results (N - .125) |
| Identify objectives that are no longer useful or unattainable |

| Mechanism to slough off activities (m) |

**KEY:**
- **N** = non-compliance (0)
- **M** = minimal compliance (1)
- **C** = compliance (2)
Elementary School District 03

Elementary school district 03 is located in a distant south suburb of Chicago and had an equalized assessed valuation of $74,289 per student, an enrollment of 1691 students and a total of seventy-three certified staff members.

This community has been long established with a socio-economic status classified as middle class and exceptionally stable. Several years prior to this study there was talk of a "white flight" because of a changing population to the east of the suburb. This rumor was unfounded.

Declining enrollment had been a continuing problem for the district. Financial problems had also plagued the district. The district has had a reputation as a leader and innovator in its area. The large number of professionals in the district population have undoubtedly had an influence on those aspects of the school program.

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13Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

Presentation of Data With Regard to the First Principle: Managers Need to Ask "What is our Business?" "What Should it be?" "What Will it Be?"

The need for dissent (consideration of divergent views, choice of alternatives)

The superintendent stated that the business of the district was to provide children "with the best education possible." He noted that this is a philosophical statement. It does not, then, respond well to the need to determine, in a precise way, what is the business of the district.

A method rather than opinions (the consumer defines the business; answers must come from the consumer himself)

Neither the available written documents or the taped statements of the interviewees suggest that a method was used to define the business of the district. In fact, both interviewees stated that this statement of business was a personal opinion.

Who is the consumer? (The consumer is the ultimate user of a product or service. There are at least two--sometimes more.)

The consumer was defined as the child, although the statement of philosophy stated that the district "should be primarily concerned with the importance of the individual" and thus could be interpreted to include more than the child.

What is value to the consumer? (The satisfaction of want)

The following goals expressed, for this district,
a response to the basic needs of the student: self-understanding, understanding others, basic skills ("the use of words and numbers"), interest in school learning, good citizenship, good health habits, creativity, vocational development, understanding human accomplishment and preparation for a changing world. These goals were taken in modified form from "Ten Goals of Quality Education," an ESEA Title II Project of the Pennsylvania Department of Education. There was no evidence that these basic goals, though generally accepted by the school community as fundamental educational goals, developed from an analysis of the unique needs of the district's children. While these goals may well be valid for these children, the criterion suggests that a manager make his own determination of the unique needs of his consumer.

Summary

Divergent views have not been considered in the development of a statement of the business of this district. The statement of the business of this district was philosophical; it was an opinion and did not define precisely the mission and purpose of the school system. The consumer was defined as the child. The needs of the child were not identified from an analysis of the district's children, but were taken from an analysis of other children and modified for use in this district. This district did not meet the criteria for the stated principle.
Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Goals and Objectives From a Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

The statement of the business of this district was philosophical and therefore provided an inadequate basis for derivation of objectives. They were not stated in action form.

Objectives must be operative, i.e., converted into specific targets and specific assignments.

The statement of objectives resembled goal statements rather than performance objectives. They lacked a specific time reference and specific assignments. As they stood, they would have been difficult to convert into specific targets.

Objectives must make possible concentration of resources and efforts, i.e., must be selective.

Because of a lack of specificity, it would have been extremely difficult to commit resources to achieving these objectives. Examples:

"Improve the process by which pupils are grouped for learning activities."

"Improve the contemporary relevance of instruction in the social sciences by developing an objectives based program."

There must be multiple objectives.

Multiple objectives were given.
Objectives are needed in all areas in which the survival of the enterprise depends.

Objectives had been stated for the major areas generally accepted as encompassing the educational enterprise.

Summary

Objectives were not based on a specific mission and purpose statement. The objectives were not stated with specific targets or specific assignments. Because the objectives lacked specific assignment and targets, a lack of concentration of resources and efforts was in evidence. Multiple objectives were given. Objectives were stated in essential areas. This district did not meet the criteria for the stated principles. It should be noted, however, that concurrence to this principle could be found in the math and reading programs.

Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results, Make Someone Accountable

Select targets

There was no clear evidence that there were clear priority efforts or concentration of resources. "Targets" were quite broadly stated and appeared to be of equal importance. Principals could influence budget priorities at the initial stage only where gross figures are developed for
large areas. At the building level, however, the principal could not transfer funds from one account to another. He either spent the money in a line item or it is left unspent for the year.

**Set standards of accomplishment and performance**

Standards of accomplishment "have not been defined as such," according to the superintendent. This was apparent from a review of the evaluation instruments for teachers and principals. The instrument for evaluation of the superintendent more nearly met this criterion.

There was no evidence that standards of accomplishment had been set for district goals and objectives. There were, however, standards of accomplishment set in the instructional program for mathematics and reading. These standards were set for skill development, and often minimum accomplishments were given in percent.

**Set deadlines**

Deadlines were stated for "the 1978-79 school year." This time reference was applied to all of the stated objectives.

**Work on results**

Evaluation at the instructional level enabled staff to work on the results, or the lack of results. This activity was focused that the results of a program were the bases for
control of resources and efforts.

Make someone accountable

The primary accountability in this district fell on the student and the superintendent. Accountability was not spelled out as clearly or with the same detail for principals and teachers. This was especially noticeable in reviewing the district's goals and objectives which made up its program plan.

Summary

Efforts were not clearly prioritized and "targets" were too broadly stated to be selective. Standards of accomplishment had been set for the superintendent and the students in certain areas. They had not been set for principals and teachers. Deadlines were stated for all stated objectives. The results of the instructional program in some areas received analysis and influenced the direction of the instructional program. Accountability was defined for the superintendent and the child; it was not defined for the principal and the teacher. The district did not meet minimum criteria for the stated principle.

Presentation of Data With Regard to the Fourth Principle:
Managers Need to Define Measurements of Performance

Measuring requires analytical ability. Also, it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.
The Stanford Achievement Test was used to evaluate student performance. Additionally, criterion referenced tests were being developed to measure areas in the math, reading and language arts curricula that were not evaluated by a standardized achievement test.

Measurements had been defined for the performance of the superintendent. Measurements for evaluation of the principals, however, had not been defined. Principals evaluate themselves in relation to building goals, but specific criteria or defined measurements of performance had not been identified.

Similarly, each principal evaluated his/her teaching staff "as he saw fit." Defined measurements of teacher performance were not specified. The superintendent regarded this lack of a definition for the measurement of teaching performance as a serious problem for teacher evaluation and was developing an instrument to remedy this situation.

Summary

There were defined measurements of performance for the superintendent and the student. Measurements for evaluation of principals and teachers had not been defined. There were not defined measurements of performance for goals or objectives at the board-superintendent level. Criteria for the stated principle had not been met.
The district used achievement test results to assess student needs in a general way. Areas of weakness were measured by diagnostic tests. The results of this testing was a basis for the design of future programs and curriculum changes.

The results of the superintendent's evaluation provided a basis for the superintendent's goals and objectives for the coming year.

The many other areas of this educational operation remained unmeasured and, to a great extent, uncontrolled. Example: the principal stated that the district rarely turns down any request because "they are determined to have the best possible educational system." The system was in an unstable financial position having dissolved the Working Cash Fund and sold a sizeable amount of Working Cash Fund bonds. After this considerable infusion of money, the superintendent was predicting a similar financial position within a year-and-one-half to two years and at no point had the administration determined that the sizeable expenditure of money was necessarily related to results that had been achieved. There was no evidence that a cost-benefit ratio had been established.

Summary

Criteria for the stated principle had not been met.
Presentation of Data With Regard to the Sixth Principle:
Managers Need an Organized Audit of Objectives and
Results to Identify: Objectives That No Longer Serve a Useful Purpose, Unsatisfactory Performance, Activities Which Are Obsolete or Unproductive, and a Mechanism for Sloughing Off Such Activities

Objectives that no longer serve a useful purpose or are unattainable

A lunchroom aide in each lunchroom was terminated because of declining enrollment.

Unsatisfactory performance

The superintendent had "counseled out" a teacher with twenty-seven years of service because she was unable to perform her teaching responsibilities at a professional level. Two more teachers were to be terminated because of an inability to relate to youngsters at the junior high school level. The Social Studies program was audited and found unsatisfactory because of having been a low priority item for several years.

An audit of the Science Program showed that many teachers were not teaching the program properly.

Activities which are obsolete and/or unproductive

No activities or objectives were identified by the superintendent or principal as obsolete. Evaluation of the social studies program was cited as an objective not attained for the current year. This objective was to be reviewed and
"put on the list" for next year. The evaluation of this program was started too late in the year to complete.

**Mechanism for sloughing off such activities**

There was no specific "mechanism" for sloughing off unproductive activities although a yearly review took place which resulted in a re-assignment of personnel and/or resources. It would be difficult for this district to meet this criterion unless considerable attention was given to a more careful definition of objectives and expected results.

Summary

Some examples of objectives that became unproductive, performance that was unsatisfactory and objectives that were unobtainable, were given. The most essential criterion for this principle, however, was deficient, i.e., a mechanism for sloughing off such activities. The district did not meet minimum criteria set for this principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 03

<table>
<thead>
<tr>
<th>Principle</th>
<th>Goals &amp; Objectives From a Def.</th>
<th>Measurements of Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRINCIPLE #1 - Statement of its Business (N - .250)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need for dissent</td>
<td>(n)</td>
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<td>A method—not an opinion</td>
<td>(n)</td>
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<tr>
<td>Identification of the &quot;consumer&quot;</td>
<td>(m)</td>
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<tr>
<td>Identification of value to the &quot;consumer&quot;</td>
<td>(m)</td>
<td></td>
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<tr>
<td>PRINCIPLE #2 - Statement of its Business (N - .700)</td>
<td></td>
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</tr>
<tr>
<td>Objectives - action commitments from statement of business</td>
<td>(n)</td>
<td></td>
</tr>
<tr>
<td>Specific targets and assignments (operative)</td>
<td>(n)</td>
<td></td>
</tr>
<tr>
<td>Selective: concentration of resources and efforts</td>
<td>(n)</td>
<td></td>
</tr>
<tr>
<td>Multiple objectives</td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>PRINCIPLE #3 - Think Through Priorities (N - .300)</td>
<td>Objectives for all major areas</td>
<td></td>
</tr>
<tr>
<td>Select targets</td>
<td>(n)</td>
<td></td>
</tr>
<tr>
<td>Set standards of accomplishment and performance</td>
<td>(n)</td>
<td></td>
</tr>
<tr>
<td>Set deadlines</td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>Work on results</td>
<td>(m)</td>
<td></td>
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<tr>
<td>Make someone accountable</td>
<td>(n)</td>
<td></td>
</tr>
<tr>
<td>PRINCIPLE #4 - Defined (N - .300)</td>
<td>An organized audit of objectives and results (N - .275)</td>
<td></td>
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<tr>
<td>PRINCIPLE #5 - Build Self-Control (N - .300)</td>
<td>Mechanism to slough off activities</td>
<td></td>
</tr>
<tr>
<td>PRINCIPLE #6 - Identify objectives that are no longer useful or unattainable (m)</td>
<td>Identify unsatisfactory performance (m)</td>
<td>Identify obsolete and unproductive activities (m)</td>
</tr>
</tbody>
</table>
Elementary School District 04

Elementary school district 04 is located in a suburb directly west of Chicago. It had an equalized assessed valuation per student of $59,814, a student enrollment of 2,593, and a total number of 122 certified staff members.

This community has been well established and was relatively stable during the years after World War II. During that time the ethnic make-up of the community was primarily Polish, German and Italian. The community was characterized by small, tidy, brick bungalows and two-story homes found in communities typically made up of blue-collar trade-ment.

Several years prior to this study middle class blacks and those from the lower socio-economic group began to move into this community causing a substantial exodus of whites. Integration had become the major focus of district organization. From the standpoint of the instructional program, a major effort had been made to accommodate minority children with limited academic skills. It should be noted that grade

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level achievements in reading and math were often at the fourth stanine.

Presentation of Data With Regard to the First Principle:
Managers Need to Ask "What is our Business?" "What is our Business?" "What Should it Be?"
"What Will it Be?"

The need for dissent (consideration of divergent views, choice of alternatives)

The superintendent stated that the business of the district was the "education of the child." More specifically, he stated, this involved assisting the child with skill development in reading, writing, arithmetic, social and emotional growth experiences, and an appreciation for the arts. In addition, the business of the superintendent was the governance of the district which provided for the management of its resources. This definition of the business of the district was principally that of the superintendent. Some consideration of divergent views took place in the formulation of the statement. When the superintendent was interviewed for his position, considerable time was spent in defining the business of the district.

A major impetus for the development of a definition of the business of the district grew out of a need to meet state mandated integration requirements because of a significant population changes within the community.
A method rather than opinions (the customer defines the business; answers must come from the customer himself.)

The definition of the business of the district was developed by the board and the superintendent jointly although the superintendent had primary input in its formulation. The child and the parents were regarded as the consumers of the district. To the extent that was possible, input from each source was incorporated into a definition of the district's mission and purpose.

Who is the consumer? (The consumer is the ultimate user of a product or service. There are at least two--sometimes more)

The child was designated as the primary consumer. The parent was also considered as a secondary consumer. This district clearly focused on the child as the consumer and the ultimate user of the educational service.

What is value to the consumer? (The satisfaction of want)

The superintendent and staff had made an extensive effort to identify the needs of the consumer (child) and had organized these needs into the format of minimum competencies for the language arts and mathematics programs. The value to the consumer (in this case, the parent speaking for the child) was determined through an extensive parent survey and a committee of twenty-three people which included the superintendent, principals, teacher representatives and parents.
Summary

Although the definition of the district's business was primarily the superintendent's, considerable review of this definition was given by the board when the superintendent was employed.

The definition of business originated with the superintendent's experience as a "consumer" and a "producer" of education. The board, parents and staff members, however, have had an opportunity to influence the final statement of the district's mission and purpose.

The child was seen as the primary consumer of the district, but the parent is regarded as an indirect consumer. Extensive time had been spent by the superintendent, staff and parents in identifying value for the student. This resulted in minimal competencies articulated for language arts and math at each grade level. The concept of "value" to the consumer was still evolving. This district met the minimum criteria for the stated principle.

Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Goals and Objectives From A Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

The objectives of the superintendent and those stated for the math and reading curricula were well related to a definition of the business of the district.
Objectives must be operative, i.e., converted into specific targets and specific assignments

Objectives in the language arts and math programs were converted into very specific targets. Assignments were clear and time is flexible, being specified for a given academic year rather than a given number of weeks or months.

Development of objectives in other instructional areas was taking place.

The goals and objectives of the superintendent were precisely stated with each objective related to a goal by a numerical system similar to a modified Dewey Decimal System. Some lack of specificity was noted in the objectives. Example: "Prepare classroom and supplies as early as possible." "Visit classes in all schools regularly and often." "Be sensitive to different school-community needs and resources."

Objectives must make possible concentration of resources and efforts, i.e., must be selective

The superintendent's objectives, in general, met this criterion. They were selective but some difficulty was anticipated for the concentration of resources and efforts because objectives were not always stated in quantitative and qualitative terms.

Goals and objectives were now being developed at the building level. These were to be integrated with the superintendent's goals and objectives.
There must be multiple objectives

Two to five objectives were stated for each of six district goals with most performance objectives being supported by target objectives.

Objectives are needed in all areas in which the survival of the enterprise depends

The goals and objectives stated by the superintendent were in major areas of the enterprise. There was a need to develop goals and objectives at the building level; currently, principals of the junior high school and the largest elementary building were developing goals and objectives for the coming year. No objectives were stated for the special education program.

Summary

The goals and objectives stated by the superintendent and those related to the math and reading curricula were derived from a definition of the business of the district. Objectives were operative but specific assignments were not made for all the stated objectives. Some difficulty was anticipated in concentrating resources and efforts on objectives because they were not stated in quantifiable and qualitative terms. They were selective, however. There were multiple objectives. Objectives were stated for all major areas of the enterprise. They had not yet been integrated into individual building programs. The district met minimal criteria for the stated principle.
Presentation of Data With Regard to the Third Principle:
Managers Need To Think Through Priorities of Concentration Which Enable Them to: Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results, and Make Someone Accountable

Select targets

Targets in the instructional program, as spelled out for reading and math, were carefully selected and prioritized. The faculty and principals were extensively involved in the selection process.

The superintendent's objectives were selective and prioritized. The principals had not yet established objectives at the building level.

Set standards of accomplishment and performance

Standards of accomplishment and performance for students and teachers were formulated by a curriculum study committee. They were precisely spelled out for the math and language arts curricula. Standards of accomplishment and performance had not been defined for the superintendent's objectives. (This criterion was not relevant to building goals and objectives since they had not yet been formulated.) Standards of accomplishment and performance had been set for the principals but may not have been clearly understood by each principal, according to the superintendent.

Set deadlines
Deadlines had been indicated in the stated objectives for accomplishment during the 1977-78 school year.

**Work on results**

The thorough development of performance objectives for math and language arts made effective analysis of the results of these programs possible. Results from the superintendent's objective statements would be more difficult to determine because qualitative and quantitative terms were not used. This would become even more of a problem when reviewing building programs because objectives had not been developed there nor have standards been set for the principals' performance.

**Make someone accountable**

Accountability was specified for students and teachers for the math and language arts programs. The superintendent was accountable to the board, in a general way, for performance in critical but broadly stated areas of administration.

Teachers were accountable for the areas in which objectives had been stated.

Criteria for the principals' performance had been developed but were not written nor were they understood by all principals making their accountability assignments difficult.

**Summary**

Criteria were met in specific areas for this stated
principle but were not met for significant areas of the enterprise. The district did not meet minimum criteria for the stated principle.

Presentation of Data with Regard to the Fourth Principle: Managers Need to Define Measurement of Performance

**Measuring requires analytical ability.** Also it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.

Measurements of the math and language arts program had been defined specifically and in great detail for teachers and students. Format for the measurements of the superintendent's and the principals' performance was developing but was not clear. No consideration had been given to measuring the performance of the board.

Summary

Targets had been selected for specific areas of the instructional program, for broad areas of the administrative program at the superintendent level, but not specified for the administrative program at the building level. Standards of performance had been defined for the math and language arts programs. Deadlines had been stated broadly in the superintendent's objectives for accomplishment during the 1977-78 school year. Results could be determined in two areas of the curriculum. This was more difficult for district and building level objectives.
Accountability was stated for students and teachers in specific areas of the curriculum, but not precisely for the superintendent and not at all for the principals. This district met minimum criteria for the stated principle because measurements of performance were not defined for significant areas of the enterprise.

Presentation of Data With Regard to the Fifth Principle:
Managers Need to use These Measurements to Feed Back On Their Efforts, that is, to Build Self-Control From Results into Their System

The measurements defined for the math and language arts program enabled the administration to identify the results of these programs and to use these results as a basis for the application of resources and efforts.

Since defined measurements of performance were lacking in other areas of the organization, especially at the principal and superintendent level, control of efforts were not optimal.

Summary

Defined measurements were not given for all district programs making "control from results" difficult. This district did not meet minimum criteria for the stated principle.
Presentation of Data With Regard to the Sixth Principle: Managers Need an Organized Audit of Objectives and Results to Identify: Objectives that No Longer Serve a Useful Purpose, Unsatisfactory Performance, Activities Which Are Obsolete or Unattainable, a Mechanism for Sloughing Off Such Activities

Objectives that no longer serve a useful purpose or are unattainable

The superintendent cited the department chairmen programs as one which no longer served a useful purpose. The teachers acted as advisors in special areas such as art and music. Other means of supervision were found to be more effective.

Administrative Council meetings were set for every other week by consensus of the council.

Unsatisfactory performance

Two principals were demoted for unsatisfactory performance and a third put on probation. Three letters of remediation were given to members of the teaching staff. There were terminations within the classified staff resulting from unsatisfactory performance. The superintendent felt that he would have to "tolerate the unchangeable" for a while because of these major staff revisions.

Activities which are obsolete and/or unproductive

A considerable number of forms were deleted or modified to reduce the "excessive" reports required by the
past administration. This resulted in an eighty percent reduction of the required administrative forms and was the result of a committee analysis.

Evaluation of principles on a quarterly basis was seen as unobtainable and was to be done semi-annually.

Mechanisms for sloughing off such activities

The superintendent was the primary "mechanism" for sloughing off unproductive activities. He was developing a broader base for this mechanism which would include key members of the teaching and administrative staffs.

Summary

Limited examples of objectives that no longer serve a useful purpose were given. Examples of unsatisfactory performance were cited. The superintendent now acts as the mechanism for sloughing off unproductive activities. This district meets minimum criteria for stated principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 04

<table>
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<th>PRINCIPLE #1 - Statement of its Business (M - .625)</th>
<th>Goals &amp; Objectives From a Def.</th>
<th>PRINCIPLE #2 - of Function and Mission (M - .700)</th>
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</thead>
<tbody>
<tr>
<td>Need for dissent (m)</td>
<td></td>
<td>Objectives - action commitments from statement of business (c)</td>
</tr>
<tr>
<td>A method--not an opinion (m)</td>
<td></td>
<td>Specific targets and assignments (operative) (m)</td>
</tr>
<tr>
<td>Identification of the &quot;consumer&quot; (c)</td>
<td></td>
<td>Selective concentration of resources and efforts (m)</td>
</tr>
<tr>
<td>Identification of value to the &quot;consumer&quot; (m)</td>
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<td>Multiple objectives (c)</td>
</tr>
<tr>
<td>Think Through Priorities</td>
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<td>Objectives for all major areas (m)</td>
</tr>
<tr>
<td>PRINCIPLE #3 - of Concentration (N - .400)</td>
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<td>Measurements of Performance (M - .500)</td>
</tr>
<tr>
<td>Select targets (m)</td>
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<td>PRINCIPLE #4 - Defined (M - .500)</td>
</tr>
<tr>
<td>Set standards of accomplishment and performance (m)</td>
<td></td>
<td>An organized audit of objectives and results (M - .625)</td>
</tr>
<tr>
<td>Set deadlines (c)</td>
<td></td>
<td>Identify objectives that are no longer useful or unattainable (m)</td>
</tr>
<tr>
<td>Work on results (n)</td>
<td></td>
<td>Identify unsatisfactory performance (c)</td>
</tr>
<tr>
<td>Make someone accountable (n)</td>
<td></td>
<td>Identify obsolete and unproductive activities (m)</td>
</tr>
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<td>Use Measurements to</td>
<td></td>
<td>Mechanism to slough off activities (m)</td>
</tr>
<tr>
<td>PRINCIPLE #5 - Build Self-Control (N - .400)</td>
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</tbody>
</table>

KEY:
N = non-compliance (0)
M = minimal compliance (1)
C = compliance (2)
Elementary School District 05

Elementary school district 05 is located in a distant northwest suburb of Chicago. It had an equalized assessed valuation per student of $30,195,\(^1\) a sharply declining enrollment of 7,411 students,\(^2\) and a total of 308 certified staff members.\(^3\)

The assessed valuation per student of this district belied the socio-economic status of its residents since the community was predominantly residential. Its socio-economic status was upper middle class since its residents were primarily professionals and business managers at middle and upper management levels. The major problem for the district over the previous five years had been a sharp decline in student enrollment accentuated by rapid acceleration of housing costs. Large areas of the community had been settled for several generations, but a great deal of home construction took place from the end of World War II up to ten years ago. Prior to this study there was very little room left for further house construction so the community was considered


\(^2\)Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

stable. Some transiency was noted, however, because of the frequent transfers of upwardly mobile management personnel.

Presentation of Data With Regard to the First Principle: Managers Need to Ask "What is our Business?" "What should it be?" "What will it be?"

Need for dissent (consideration of divergent views, choice of alternatives). (The assistant superintendent acted in place of the superintendent for this interview.)

The business of this district "relates to educating kids . . . the kids are our clients." The job of the district was to provide an instructional program for its clients and opportunities to develop within that program.

This statement was not the result of divergent views but was seen by the interviewee as a universal statement for schools. It was based on the opinion of the interviewee and a "feeling of a sense of purpose from the staff and the people." This statement could also be found in the board minutes.

The statement of philosophy of this district gave the following definition of its "business":

"Our schools exist to help each student develop the basic skills, knowledge, and competencies to reach maximum capacity at both academic and personal levels."

A method rather than opinions (the consumer defines the business; answers must come from the customer himself.)

As stated previously, this statement of business
derived from opinion and a "feeling" of the staff for parent views.

Who is the consumer? (The consumer is the ultimate user of a product or service. There are at least two--sometimes more.)

The student was seen as a client or consumer and the ultimate benefactor of the enterprise, and it was the administration's intention that the district's statement of business be based on this concept.

What is value to the consumer? (The satisfaction of want.)

The administration has defined the student's needs but incorporated into this definition is a "feeling" of the sense and purpose of the educational system as understood by the parents.

It was difficult to find specific examples of parental input. Input appeared to come from informal contact with parents by teachers, administrators and board members.

Summary

The district had a statement of purpose and mission. The statement of business was not developed from divergent opinions. An attempt has been made to elicit input from parents in the formulation of the mission and purpose statement. The student was seen as the client, the ultimate user of the educational service of this district. The students' needs were defined as "academic" and "personal".
The district met minimal criteria for the stated principle.

Presentation of Data With Regard to the Second Principle:
Managers Need to Derive Clear Goals and Objectives From a Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, and what it will be. They are action commitments.

Goals and objectives were stated for the Program Plan to meet the legal mandates of the Illinois Office of Education. The assistant superintendent felt, however, that the district's Planning, Programming, Budgeting Systems went far beyond the state mandate in the instructional program. Goal and objectives evolved from the district's statement of its business. The assistant superintendent stated that the district's PPBS "had a major effect on staff and children" and allowed for more focus on the instructional program than the more traditional management systems.

Those goal and objective statement which were made derived from a statement of the district's function and mission.

Objectives must be operative, i.e., converted into specific targets and specific assignments.

Objectives stated for the budget program gave very specific targets, include specific assignments for the principal, department heads and classroom teachers.

Goals stated for individual buildings by the principal and staff tended to be broad with a lack of qualita-
tive and quantitative terms specifying targets and assignments. They were stated in a "Building Program Analysis Memorandum."

Although the memorandum requested "major objectives" for a school term, the statements were goal statements rather than performance objectives.

District goals and objective statements were made in the Program Plan to fulfill a legal mandate and may not be relevant to the operation of the district, according to the assistant superintendent. The superintendent's goals were not written statements conveyed to staff members nor were there operational objective statements which could be converted into specific targets and assignments. Administrative staff members were made aware of problem areas from time to time and were asked to respond to these problems in a general way.

Objectives must make possible concentration of resources and efforts, i.e., must be selective.

The objectives stated for material resource allocation were selective and gave firm evidence of concentration of efforts.

There was also evidence that objectives stated for some aspects of the instructional program enabled concentration of material and human resources. The building level tasks were stated as broad goals making concentration of
resources and efforts more difficult.

The superintendent's goals were broad or unknown by the central office staff. There was an awareness by the assistant superintendent of some concentration of resources toward problem areas. The only goal cited was the superintendent's focus on a reduction in teacher absence two years ago. The superintendent stated his intention to become more involved with evaluation of administrative personnel for the 1978-79 school year.

There must be multiple objectives.

There were multiple goal statements for the building principals, department heads, the teaching staff and multiple objective statements for the budget program.

Objectives are needed in all areas in which the survival of the enterprise depends.

All program statements available for study were goal statements which were identified for major areas of the enterprise except performance objectives stated for the business department.

Summary

Goal and objective statements were related to a statement of the "business" of the district. Objectives for the instructional and budget programs were operative and capable of being converted into specific targets and assignments.
There was a lack of specificity in the superintendent's goals and the goals for building level programs. The objectives for the instructional and budget programs were selective and made possible a concentration of resources. Building level objectives were not as specific nor were district level goal statements, but they would allow for concentration of resources and efforts. Multiple goals and/or objectives were stated for all major areas of the enterprise. The district met minimal criteria for this principal at the building, instructional and budget levels. Therefore, district met minimum criteria for this principle.

Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Deadlines, Work on Results, Make Someone Accountable

Select targets

Specific targets were selected in many areas of the instructional program at the classroom level. Targets were carefully selected for the budget program. Targets selected at the superintendent's level were broad and "not always known by central office staff." Targets selected by the principals and staff at the building level were broadly defined.

Set standards of accomplishment and performance

Standards of accomplishment were stated for those areas measured by a standardized achievement test. None
had been formally set for the superintendent, central office staff or the principals.

Standards of accomplishment had been set with varying degrees of efficiency for the building programs through the Building Program Analysis Memorandum.

Set deadlines

Deadlines were stated for each goal and objective statement made for the conclusion of the current school term.

Work on results

Since standards of accomplishment had not been set for significant areas of the enterprise, results were difficult to identify. For this reason it is expected that it would be difficult to "work on results."

Make someone accountable

Students were accountable for performance on the standardized achievement tests. Teachers were accountable for class performance in areas which they have optionally selected and have identified with statements of student performance on a standardized achievement test.

Principals were broadly accountable for the achievement of building goals. They were also accountable to the superintendent for general management competence but criteria for this competency were not specifically stated and were based exclusively on the superintendent's judgment.
The superintendent was accountable, in a general way, for the resolution of program areas in the stated areas of district programs.

Summary

Specific targets were identified for areas in the instructional program and the budget program but not for the superintendent and central office staff. Targets for the principals and staffs were identified broadly in goals in the building programs. Standards of accomplishment had been set only for areas of the instructional program measured by standardized achievement tests. Deadlines were stated for the goals and objectives formulated and for the superintendent's problem areas. Results for areas of the enterprise were difficult to ascertain because standards of accomplishment were not spelled out. Accountability could be determined with precision only for some areas of the instructional program. The district did not meet minimal criteria for the stated principle.

Presentation of Data With Regard to the Fourth Principle: Managers Need to Define Measurements of Performance

Measuring requires analytical ability. Also it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.

Measurements of performance were defined for large areas of the instructional program but not for the super-
intendent and central office staff.

Building principals were asked to "comment on evaluation criteria used, rating scales, staff reports used, etc." in analyzing the strengths and weaknesses of building programs.

No measurements of performance were defined for the principal as the building manager nor were measurements of performance defined for the teaching staff. The "Building Program Analysis Memorandum" tends to minimize this deficiency.

Summary

This district did not meet minimum criteria for the stated principle.

Presentation of Data With Regard to the Fifth Principle: Managers Need to Use These Measurements to Feed Back On Their Efforts, that is, to Build Self-Control From Results Into Their System

The instructional programs were evaluated by a standardized achievement test and a "Building Program Analysis Memorandum" which suggested the following:

"Comment on evaluation criteria used, rating scales, staff committee reports, etc. Also, comment on any problems or deficiencies resulting from budgetary restraints."

This program evaluation was completed by each principal and a second, similar program evaluation was completed by each member of the teaching staff. While there were areas in the district-wide program for which measure-
ments had not been defined, there was a concentrated effort to use available measurements to build self-control from results into the educational system.

Summary

This district met minimal criteria for the stated principle.

Presentation of Data With Regard to the Sixth Principle: Managers Need an Organized Audit of Objectives and Results to Identify: Objectives That No Longer Serve a Useful Purpose, Unsatisfactory Performance, Activities Which Are Obsolete or Unproductive, and a Mechanism For Sloughing Off Such Activities

Objectives that no longer serve a useful purpose

The interviewees did not identify objectives that no longer served a useful purpose. They did state, however, that objectives of this nature were regularly eliminated through the Building Program Analysis Audit.

Unsatisfactory Performance

The superintendent and the assistant superintendent noted that two principals were demoted during the 1976-77 school year and a third was currently being evaluated for possible demotion at the end of the present school year.

Student performance in spelling, math computation and composition were also noted as areas of unsatisfactory performance.
Activities which are obsolete and/or unproductive

The board and administrative staff were evaluating the need to close two schools because of declining enrollment. Last year a school was closed and rented to a special education cooperative.

No other examples were cited for obsolete or unproductive objectives.

Mechanisms for sloughing off such activities

The Building Program Analysis Memorandum was the mechanism for sloughing off unproductive programs at the building level. The superintendent was the primary mechanism for sloughing off programs at the district level with assistance from the board and the administrative council.

Summary

The district met the criteria for the stated principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 05

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KEY:

N = non-compliance (0)
M = minimal compliance (1)
C = compliance (2)
Elementary School District 06

Elementary school district 06 is located in a suburban community directly west of Chicago. It had an equalized assessed valuation per student of $62,392, a fairly stable enrollment of 1183 students, and a total of 54 certified staff members.

The school district surveyed was considered "upper-middle class" based on the high number of managers and professionals in residence. The community was stable and tightly knit, mostly residential although a sizeable shopping center was located in the northeast section of the community which drew shoppers from a number of surrounding suburbs. The superintendent stated that the district-wide cognitive abilities scores averaged well above average—in the range of 115-116. He estimated that the number of students planning to attend college was above 90%. A superintendent's study showed an enrollment decline from 1974, stabilizing at an ADA of 1000 through 1978-79 and 1979-80. Excess of revenue over expenditures for the years 1976-77 to the year

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22 Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.


Presentation of Data With Regard to the First Principle: Managers Need to Ask "What is Our Business?" "What Should it be?" "What Will it be?"

The need for dissent (consideration of divergent views, choice of alternatives)

The superintendent stated that the board saw his job as the development of the district's educational program and the management of its personnel resources. The superintendent saw his job as one of a "coordinator or facilitator of work" in the departments and service functions of the schools so that teachers could help children "to begin where they were and move as far as they could in the educational process."

These statements were related in a general way but they related more specifically to the "business" of the superintendent rather than the "business" of the school enterprise. A possible interpretation can be made that they were stated as one and the same. The superintendent indicated that his statement was philosophical and moulded by his contact with many authors and teachers, as well as his own experience at all levels of education.

A method rather than opinions (the consumer defines the business; answers must come from the consumer himself)

The superintendent had defined the "business" for
The consumer (child and parent) based on his professional development. He noted that the board, as representatives of the school community, had had considerable input into this statement of business.

The statement of business was based on the needs of the student as the superintendent had determined them to be with the assistance of the board and his professional staff.

Who is the consumer? (The consumer is ultimate user of a product or service. There are at least two—sometimes more.)

The "consumer" for this district was defined as the student, and the parent speaking for the student.

What is value to the consumer? (The satisfaction of want.)

A great deal of emphasis was placed on the "learner" through the formulation of an extensive list of developmental learner objectives for each grade level. These objectives were based on specific needs of the student in reading, learning center use and arithmetic. They were seen as satisfying the wants of the student and the parent.

Summary

Although the statement for the business of the district was based principally on the superintendent's experience and professional development, the board and the staff have had significant input into its development. The statement appeared to have evolved from some divergency
of viewpoints.

The consumer was defined as the child, and the parent speaking for the child. "Value" to the child is satisfaction of his basic needs and these were specifically identified by Development Learner Objectives for each grade level in reading, math and use of the Learning Resource Center. The district met criteria for the stated principle.

Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Objectives From a Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

The superintendent's goals and objectives were stated both in personal and institutional commitments. They derived from the statement of the business of the district as given by the superintendent and as found in the Board Policy Manual. They were described as "Process Objectives or Work Activities" and, as such, could be accepted as action commitments.

The same statement could be made regarding the stated objectives for the instructional program.

Objectives must be operative, i.e., converted into specific targets and specific assignments.

The "Superintendent's Major Objectives for 1977" were precisely stated and effectively met this criterion. Instructional program objectives were fairly specific for each grade level with assignments and time frames being applied.
for the classroom teacher for a given academic year at a given grade level. Some lack of specificity was noted.

Example:
"to react to stories heard and read"
"to recognize vowel letters and sounds"
"to use picture clues."

The addition of qualitative and quantitative terms to these statements would have helped focus on specific targets with more specific assignments.

Objectives must make possible concentration of resources and efforts, i.e., must selective.

The objectives stated for the institution and the instructional program made possible the concentration of resources and efforts. The budget formulation was based on extensive review with the superintendent and principals, and the principals and their staffs.

There must be multiple objectives

This criteria was well met for areas stated. The superintendent quoted Drucker and Schleh who warned that statements of "too many objectives 'take the drive out of an objective program'." The superintendent defended his extensive number of objectives because of the nature of his position as "coordinator and facilitator of personnel and resources" and also his involvement in the "specifics of day-to-day operations of the school system."
Objectives are needed in all areas in which the survival of the enterprise depends.

As previously noted, most objectives were precisely stated for the school system at the board-superintendent level and for the instructional program at the student level in major areas of the curriculum.

There was a need to state objectives at the building level to bridge the gap between broad institutional objectives and those which set targets for student skill development.

Summary

Stated objectives were derived from a minimal definition of the function and mission of the district. Objective statements were converted into specific targets and assignments although some lack of specificity was noted in the developmental learner objectives. Stated objectives made possible a concentration of resources and efforts. There were multiple objectives. The superintendent noted that the number of objectives stated for the board-superintendent were excessive if compared to the guidelines proposed by Schleh and Drucker. A lack of objectives was noted at the building program level creating a gap between institutional objectives and instructional objectives. It should be noted here that there was extensive use of building level and central office staff in development of the broad objectives for the system. Minimum criteria for the
stated principle were met with significant reservation that development of building goals had not been completed.

Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results, Make Someone Accountable

Select targets

Targets were carefully selected for each objective stated. Targets were not stated in priority form.

Set standards of accomplishment and performance

Some lack of specificity was noted because objectives did not always have qualitative and/or quantitative parameters. Full concurrence with this criterion will continue to be difficult because of the lack of specificity. No minimum standards of accomplishments were set.

Set deadlines

Deadlines were identifiable for the stated objectives.

Work on results

The objectives as stated made it possible to analyze results and to work on them.

Make someone accountable

Accountability was well set for the stated objectives although some clarification was needed for the role of the principal in accomplishing the objectives of the instruc-
The superintendent accepted responsibility for all of the "Major Objectives for 1977" as the chief executive officer. Nevertheless, the actual responsibility for implementation of many of the stated objectives lay with principals and other staff members. It should be noted that each teacher was to be required to document in writing, by the end of the school year, how they were individualizing instruction.

Summary

Targets were carefully selected for each objective stated. Lack of specificity was noted for some objective statements making it difficult to set standards of accomplishment for these areas. Deadlines were identifiable. The objectives as stated made it possible to work on results and this was being done in the development of the succeeding year's programs. Accountability was determined with some accuracy for all personnel except principals. The district met the minimum criteria for the stated principle.

Presentation of Data With Regard to the Fourth Principle: Managers Need to Define Measurements of Performance

Measuring requires analytical ability. Also, it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.

Student achievement was measured each year at each grade level, from first through the eighth grades. The
superintendent stated that the district used the Iowa Test of Basic Skills. Kindergarten children were given a cognitive abilities test to determine their potential for performance in the academic skills. The Iowa Test of Basic Skills was chosen because it related well to essential areas of the curriculum. Test results were not accepted only as they related to the norm but also as they related to the expectancy of the students. While student achievement scores were well above average, the superintendent noted that the average student potential was well above average since the "districtwide IQ scores indicated an ability level well above 'high normal'."

Next year the district hoped to develop criterion-referenced tests to measure areas of the curriculum not measured by the standardized achievement test.

The superintendent was developing criteria for self-evaluation of the board.

The board evaluated the superintendent based on stated problem areas and the progress or lack of progress, in resolution of these problems. Criteria had not been specifically stated although the superintendent's objectives stated for this year implied some general measurements of performance. The evaluation was in narrative form and did not evolve from defined measurements of performance.

Teacher evaluation was in narrative form and related to individual principals' concept of performance. General
criteria were stated in board policy and the superintendent's memo of instructions for teacher evaluation to the principals. The union contract also suggested areas for evaluation but did not define measurements of performance.

Principals were now evaluated informally through a conference with the superintendent. Two years ago the superintendent considered using a specific written format for formally evaluating principals but this has not been done. He again planned to develop a format containing mutually agreed upon criteria for a formal, written evaluation of the principals for the coming school year.

Summary

Measurements of performance were defined for students. Measurements of performance were not defined for the superintendent but were implicit from his statement of objectives. Measurements of performance were not defined for the teaching staff nor the principals. The district did not meet minimum criteria for the stated principle.

Presentation of Data With Regard to the Fifth Principle:
Managers Need to Use These Measurements to Feed Back On Their Efforts, That is, to Build Self-Control From Results into Their System

In those areas where measurements were defined, i.e., the instructional programs for reading, arithmetic and the learning resource centers, examples existed where the measured results had had an effect in the development of the programs.
The efforts of the superintendent, however, were measured somewhat imprecisely since there was not an explicit definition for the measurements of his objectives.

The criteria for teacher evaluations were broadly stated and frequently related to traits rather than performance. Therefore, measurement of professional performance was imprecise. The results of the teaching were measured by the performance of the children on a standardized achievement test, but as the superintendent stated, the standardized achievement test did not measure significant areas of the curriculum.

The criteria for principals were also stated broadly, and, for the most part, stated as traits. Evaluation of principals' efforts were not precise since description of traits did not provide a concrete basis upon which to determine results.

Summary

Some areas of the curriculum had been carefully and explicitly measured to identify the results of instructional programs and this had brought about control of these programs.

The performance of the superintendent had been measured broadly and documented by the board in written narrative form, but without specifically stated criteria or measurements of performance making it difficult for the superintendent and the board to identify results and
utilize results to "control" future efforts.

Teacher evaluation was not based on specific criteria or defined measurements of performance. "Results" were difficult to define for teaching performance.

Principal evaluations did not clearly identify results based on specific performance criteria and defined measurements of performance.

This district did not meet minimum criteria for the stated principle in significant areas of the enterprise but the superintendent was aware of this deficiency and was taking steps to remedy this failure.

Presentation of Data With Regard to the Sixth Principle:
Managers Need an Organized Audit of Objectives and Results to Identify: Objectives that No Longer Serve a Useful Purpose, Unsatisfactory Performance, Activities Which Are Obsolete or Unproductive, and a Mechanism for Sloughing Off Such Activities

Objectives that no longer serve a useful purpose

No examples were given by the superintendent of the principal of objectives that no longer served a useful purpose.

Unsatisfactory performance

The superintendent and principal identified general areas of unsatisfactory performance in the instructional program and in teaching performance.

Spelling was cited as a major fault of the in-
structional program by the superintendent based on student performance on the Stanford Achievement Test.

Both the superintendent and principal noted cases of unsatisfactory performance in the teaching staff.

Both administrators indicated that areas of the gifted program were unsatisfactory.

The superintendent also pointed out while student achievement scores were from six months to a year above the norm, there were areas where children were not achieving their grade expectancy.

**Activities which are obsolete and/or unproductive**

The superintendent noted objectives which were accomplished for the prior year and became routine, or maintenance objectives. He regarded them as obsolete in relation to the need to re-introduce them to the system.

The superintendent had set as a goal for the past ten years, the total review of the Board Policy Manual, and this had remained unattainable. He suggested that a possible change in strategy would be to set as a performance objective, the total review of a particular series of the Policy Manual for a given year rather than to attempt a total review. One problem of this plan, he suggested, would be the need to react to other areas of policy as contingencies arose.

**Mechanisms for sloughing off such activities**

The board and the superintendent conducted an annual
review of programs to identify areas of weakness. Programs were again audited by the Administrative Council and these audits resulted in changes to programs. Neither the superintendent nor the principal cited specific examples of activities which were "sloughed off" as a result of these audits but evidence was given of program modifications.

Summary

No examples were given by the superintendent or principal of objectives that no longer serve a useful purpose. Examples of unsatisfactory performance in program areas and staff performance were cited by both the principal and the superintendent. The superintendent regarded activities, or objectives, as obsolete once they are attained and gave examples of these. He also gave specific examples of objectives which were unattainable. The mechanism for "sloughing off" unproductive activities in the yearly audit of programs was the board and the Administrative Council. This district met minimum criteria for the stated principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

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**KEY:**
- N = non-compliance (0)
- M = minimal compliance (1)
- C = compliance (2)
Elementary School District 07

Elementary school district 07 is located in a distant south suburb of Chicago. It had an equalized assessed valuation per student of $39,297, an enrollment of 2,247 students and a total of 99 certified staff members.

This residential community can be described as middle to upper middle class with less than 25 percent of the total population of 23,500 residents being non-white. A considerable number of residents were in professional and managerial position. About 90% of the community's residents owned their own homes, and the remainder lived in apartment buildings which have been constructed during the past decade. Continuing construction of apartment buildings suggested a change in this community over the next few years.

Because there were few businesses and almost no industry in this community, the assessed valuation per pupil was below average for Cook County.

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25 Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

Presentation of Data With Regard to the First Principle:
Managers Need to Ask "What is Our Business?" "What Should it Be?" "What Will it Be?"

Need for dissent (consideration of divergent views, choice of alternatives)

The superintendent stated that the business of this district was "to educate children. This is the only reason for our existence."

The superintendent did not indicate that this definition came from divergent views but he felt that it incorporated the views of both the parents and the various work agencies which are affected by the educational experience of their employees.

The statement was not written in any document and comes, principally, from the superintendent.

A method rather than opinions (the consumer defines the business; answers must come from the consumer himself)

The superintendent saw himself as an advocate of the child . . . "who is the client, or consumer." He acknowledged that the parent and even the "work agencies" are secondary "consumers of education," and that both the parent and the work agencies can effectively mobilize to influence the "business of education." The children, he felt, needed someone to do this for them so that they could have an effective input into the definition of the schools' business.

The statement of business for this district was classified as an opinion statement formulated by the super-
intendent. The superintendent noted that he had avoided defining the business of the district through purpose and mission statements because of a change in the board three years ago, and a general change in the educational direction of the district.

Who is the consumer? (The consumer is the ultimate user of a product or service. There are at least two--sometimes more.)

The consumer was defined as the child. The secondary consumers were defined as the parent and the "work agencies," or institutions in the business world which ultimately employ the student.

What is value to the consumer? (The satisfaction of want)

The satisfaction of the consumer's "want" in this district derived from defined needs of the student, i.e., "the need to develop fundamental skills necessary for maximum realization of their potential, the need to develop a positive view of self, the need to develop responsible attitudes . . . , the need to develop skills and attitudes which are essential to healthy physical and emotional development."

These "needs" were developed through observation of the students and from parent and staff surveys.

Summary

The statement of the district's business was primarily based on the superintendent's opinion. There was not
evidence that the superintendent's statement of the district's business was shared by the board, parents and staff members, although it was broad enough to include a large number of statements about the business of a school system. The primary consumer was defined as the child; the secondary consumers were the parents and the "work agencies." Value to the consumer, the child, was implicit in the district's response to four areas of "need" as stated in the Program Plan. According to the superintendent, the district has avoided a statement of the district's purpose and mission, preferring to let this evolve at a future date. Therefore, the district did not meet minimum criteria for the stated principle.

Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Goals and Objectives From A Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

The objective statements in the district's program plan were not derived from a statement of the business of the district. The superintendent's statement that it was the business of a district "to educate children" was quite broad and was intended to be a basis for its goals and objectives.

Objectives must be operative, i.e., converted into specific targets and specific assignments.
Some of the stated performance objectives were operative and were converted into specific targets. Targets of some of the performance objectives, however, were quite vague. The responsibility for achieving the various goals and objectives were most often assigned to "district #07," rather than to a specific staff member or committee.

Objectives must make possible concentration of resources and efforts, i.e., must be selective.

The stated performance objectives made possible the concentration of resources and efforts but, lacking prioritization, they lacked selectivity.

There must be multiple objectives

Multiple objectives were stated for each goal.

Objectives are needed in all areas in which the survival of the enterprise depends.

Objectives were stated for all major areas of the enterprise.

Summary

Objectives were not derived from a formal statement of the business of the district but could be related to the superintendent's broad statement of the business of a school district. At least half of the stated performance objectives were not operative and capable of being converted into specific targets. Assignments for more than half of the performance objectives were vague. The objectives made
possible concentration of resources, but they lacked prioritization and they were not uniformly selective. Multiple objectives were stated for each goal. Objectives were stated for all major areas of the enterprise. The district met minimum criteria for the stated principle.

Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to: Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results, and Make Someone Accountable

**Select targets**

Targets for many of the stated objectives were vague. Goals were not prioritized. The superintendent was making a concerted effort to re-state goals and objectives in qualitative and quantitative terms to attain more focus on selected targets. Goals under formulation for next year were given "first, second or third priority levels."

**Set standards of accomplishment and performance**

No standards of accomplishment were apparent from a review of the Program Plan, other documents, and analyses of the interviews.

Standards of accomplishment were implicit for the students based on grade equivalent expectancy.

**Set deadlines**

Deadlines were set for almost all of the performance objectives.
Work on results

Since specific standards of accomplishment were not discernible for staff and programs, it was difficult for the manager to work on results. The superintendent indicated that he was aware of this and was currently developing plans to obviate the problem with the formulation of next year's goals and objectives.

Make someone accountable

Most of the performance objectives assigned responsibility to "district #07" although several performance objectives indicated a responsibility for a specific person such as the "Director of Student Support Services" and the "Assistant Superintendent for Business Affairs." Several performance objectives assigned accountability to a group such as the "Board of Education" or the "Administration."

Summary

Goals and objectives were not prioritized nor was there other evidence available that they were selective. Standards of accomplishment were not in evidence. Deadlines were clearly set for almost all of the performance objectives. The process by which the goals and objectives were developed does not indicate a reference to the results of a program or a basis for program development. This may result from the problem of not having set standards of accomplishment which made it difficult to define results. Accounta-
bility, for most goals and objectives, was vague. The district did not meet the criteria for the stated principle.

Measuring requires analytical ability. Also it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.

The district used a standardized achievement test to measure student performance in grades two through eight. Additionally, criterion referenced tests were used in the math program. These tests were developed by the teaching staff according to defined measurements of performance.

No formal evaluation existed for the superintendent and there were no defined measurements for his performance.

The Teacher Evaluation Committee had developed a teacher evaluation process which defined measurements of teaching performance.

Summary

There were defined measurements of performance for teachers, students and the principals. Defined measurements of performance were not apparent for the superintendent, and were broadly defined for the measurement of the principals' performance. This district met minimum criteria for the stated principle.

Presentation of Data With Regard to the Fifth Principle: Managers Need to Use These Measurements to Feed Back On Their Efforts, That is, to Build Self-Control From Results into Their System
There was evidence that measurements of performance had an effect on the development of district programs, particularly at the teacher and student levels. The superintendent planned to pre-test and post-test children in the same academic year to measure growth rather than achievement exclusively. He was now in the process of prioritizing program needs on the basis of measured performance of the programs and the current needs of the students. Declining student enrollment and financial resources had imposed a control on the system which served to reduce the scope of self-control.

The teacher evaluation process met criteria for this principle. No evaluation process existed for the superintendent so this aspect of system evaluation did not meet the criteria for this principle.

Summary

Measurements of teachers and student performance were extensive and serve to control the efforts of the system in the development of its programs. Principals were evaluated by the superintendent on the basis of broadly defined criteria. Some measurements were lacking for the performance of the superintendent and central office staff. The district met minimum criteria for the stated principle.
Presentation of Data With Regard to the Sixth Principle: Managers Need an Organized Audit of Objectives and Results to Identify: Objectives that No Longer Serve a Useful Purpose, Unsatisfactory Performance, Activities Which Are Obsolete or Unattainable, a Mechanism for Sloughing Off Such Activities

Objectives that no longer serve a useful purpose or are unattainable

The superintendent cited examples of programs which no longer served a useful purpose and were therefore dropped. He noted, for example, that a school-home reading program was dropped because the results were minimal and the program was expensive.

Unsatisfactory performance

In the three years the superintendent had been employed by this district, the performance of two teachers was identified as unsatisfactory and they ultimately were terminated.

The performance of teachers in the teaching of math and special problem areas for children was cited by the superintendent to be unsatisfactory and this finding resulted in development of several workshops to correct this problem.

Activities which are obsolete and/or unproductive

The superintendent noted that textbooks became obsolete periodically and were discarded and replaced. Certain areas of the curriculum became obsolete from year to year and were updated.
The handwriting program was recently replaced with a program which better served current student needs.

The superintendent noted that in general, his aspirations for middle management had been unobtainable in the time he specified requiring him to make a major revision of his time frame for the accomplishment of this goal.

Mechanisms for sloughing off such activities

The superintendent and the Administrative Council made up the primary mechanism for sloughing off unproductive activities. Ultimately, the board acted as part of this mechanism and there was evidence that teacher and parent input had considerable impact on the identification of unproductive activities and the decision to terminate them.

Summary

Activities which no longer served a useful purpose were cited. Examples of unsatisfactory program and teacher performance were given. Obsolete and unobtainable activities were noted by the superintendent. There was a mechanism for sloughing off unproductive activities. The district met the criteria for the stated principle.
### SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

**District No. 07**

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<td>A method--not an opinion (n)</td>
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<td>Think Through Priorities (N -.100)</td>
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<td>PRINCIPLE #5 - Build Self-Control (M -.500)</td>
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Elementary School District 08

Elementary school district #08 is located in a south suburb of Chicago. It had an equalized assessed valuation per student of $60,416,\textsuperscript{27} an enrollment of 2005 students,\textsuperscript{28} and a total of 71 certified staff members.\textsuperscript{29}

The residents of this elementary school district could be described as middle class, almost entirely caucasian, the greater majority of whom resided in a home of fairly recent construction and for an average of five years, the latter fact being an indication of stability. At the time of the census developed for the program, a breakdown of occupations was as follows: 18.5 percent professional and manager position; 26.1 clerical and sales positions; 42.5 percent craftsmen or machine operators; 9 percent service occupations; 3.9 percent laborers.

The community still had limited areas for home construction but student enrollment has been declining since 1973.


\textsuperscript{28}Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

\textsuperscript{29}State Board of Education, State of Illinois, Teacher Salary and Policy Study 1977/78.
Loss of state aid and students will cause financial problems for this district in the near future.

Presentation of Data With Regard to the First Principle:
Managers Need to Ask "What is our Business?"
"What Should it be?" "What Will it be?"

Need for dissent (consideration of divergent views, choice of alternatives.)

The superintendent defined the business of this district as providing the best possible educational service to boys and girls so that they acquire the basic academic skills as well as important attitudinal and behavioral skills necessary for a productive and satisfying life. This definition evolved primarily from the superintendent's initiative but it did incorporate divergent views of board members, faculty, parents and the administration.

A method rather than opinions (the consumer defines the business; answers must come from the consumer himself.)

The statement of the district's business derived directly from the consumer--the child. For a number of years this district had surveyed former students when they reached the junior or senior year in high school and again when they had been out of the eighth grade for fifteen years. The purpose of these surveys was to identify "successful" graduates of this elementary school district and to utilize this information to formulate the mission and purpose of the district. The superintendent noted
that many traditional concepts of the business of a school district fail when analyzed in terms of the "product" of education, i.e., the success or failure of its students. High emphasis on academic skills to the exclusion of human relations skills had produced some graduates who read well but had a poor self-image and did not relate effectively to an employer, a spouse or to their children and friends.

Who is the consumer? (The consumer is ultimate user of a product or service. There are at least two--sometimes more.)

The consumer was clearly defined as the child.

What is value to the consumer? (The satisfaction of want.)

Through the extensive and on-going surveys previously described, the value to the consumer (child) was the satisfaction of needs in two areas: the need to acquire basic academic skills; the need to acquire those skills usually associated with the development of human personality.

Summary

This district met the criteria for the stated principle.

Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Goals and Objectives From a Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.
Stated goals and objectives derived from the district statement of its business. Not all objectives were stated as action commitments however.

Objectives must be operative, i.e., converted into specific targets and specific assignments.

Most of the stated objectives in the Program Plan were operative and converted into specific targets and assignments. Several objectives did not show a specific assignment while several others were converted into very broad targets.

Objectives must make possible concentration of resources and efforts, i.e., must be selective.

As stated, objectives made possible concentrations of resources and efforts. Since they were not prioritized, they lacked some degree of selectivity.

The superintendent noted that this was an area of concern for him.

There must be multiple objectives.

Multiple objectives were stated for each goal.

Objectives are needed in all areas in which the survival of the enterprise depends.

Objectives were stated for all major areas of the enterprise.

Summary

Stated goals and objectives were derived from a definition of the business of the school district.
objectives were capable of being converted into specific targets and specific assignments. Although objectives had not been prioritized, they made possible a concentration of resources and efforts as stated. Multiple objectives were stated for each goal. Objectives were stated for all major areas of the enterprise. This district met minimum criteria for the stated principle. Note: There was substantial evidence that the Program Plan was updated yearly.

Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Deadlines, Work on Results, Make Someone Accountable

Select targets

Targets were clearly selected for programs and personnel but prioritizing of objectives had been done only in a few areas. The superintendent stated that he would get a "low score on this" from the standpoint of ranking district efforts according to priority needs.

Set standards of accomplishment and performance

Standards of accomplishment and performance were set for all levels of the school enterprise, from the board of education down to each student.

Set deadlines

Deadlines were clearly stated for most performance objectives.
Work on results

This district had gone to considerable effort to identify the results of its programs through the yearly survey of its recent and distant graduates, the purpose of which is to use these findings to provide extensive input into a yearly appraisal and development of the instructional program.

Make someone accountable

This district could be described as evaluation intensive at all levels which has resulted in very specific accountability assignments.

Summary

Targets were clearly selected for accomplishment but were not prioritized and, therefore, lacked some selectivity. Standards of accomplishment and performance were set for all levels of the school enterprise. Deadlines were clearly stated for most performance objectives. The district had made an extensive effort to identify results and to use these results as the bases for program development. Accountability was clearly set for each level of the enterprise. The district met minimum criteria for the stated principle.

Presentation of Data With Regard to the Fourth Principle: Managers Need to Define Measurements of Performance
Measuring requires analytical ability. Also it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.

The district used standardized achievement tests which had defined measurements of performance. The district had also developed extensive teacher-made tests for math and health programs based on clearly stated criteria.

The performance standards and measurements set by the AAU were used to measure the performance of children in physical education.

The survey of district graduates indicated that children who performed well both academically and socially identified with their school. Therefore, this district had defined, as a measurement of performance, the students' involvement in a variety of special programs such as sports, music, the school newspaper and the yearly play.

The grades of each class of high school freshmen were analyzed, one of the purposes of which was to define measurements of performance for the elementary programs.

Measurements for the performance of the board, superintendent, principals and staff members were precisely stated in the form of a performance review which was conducted, yearly on a formal basis.

Summary

Numerous examples existed of defined measurements of performance. The district met the criteria for this stated
principle.

Presentation of Data With Regard to the Fifth Principle: Managers Need to Use These Measurements to Feed Back On Their Efforts, That Is, to Build Self-Control From Results Into Their System

The extensive survey of graduates as well as continuing surveys conducted at each grade level identified results, or lack of results, and generated information which directly affected the design of the system's programs. This pattern extended to each level of the system, from the superintendent to the student in the classroom.

Declining enrollment and reduced financial resources had imposed external control on the system.

Extensive use of managerial and staff performance evaluations existed.

Summary

This school district met the criteria for the stated principle.

Presentation of Data With Regard to the Sixth Principle: Managers Need an Organized Audit of Objectives and Results to Identify: Objectives That No Longer Serve a Useful Purpose, Unsatisfactory Performance, Activities Which Are Obsolete or Unproductive, and a Mechanism for Sloughing Off Such Activities

Objectives that no longer serve a useful purpose

Recent emphasis on environmentally oriented programs led to over-emphasis in this area. The superintendent
stated that study of the environment was still essential but had suggested to his teaching staff that it was to be incorporated into other areas of the curriculum.

**Unsatisfactory performance**

Last year a special effort was made to develop the student ability to write in the essay form. The program was poorly monitored by the teachers and standards of accomplishment were set too low.

While there were no teachers currently who were unsatisfactory in their positions, there were areas of teaching performance which had been identified as "in need of improvement."

Evaluations of the superintendent and principal regularly showed areas of needed improvement.

**Activities which are obsolete and/or unattainable**

Obsolescence was identified by the superintendent in the areas of science and social studies. These programs fell into obsolescence almost yearly. The superintendent noted, however, that he would score the district low in this area since it did not monitor all programs for obsolescence, but rather those programs which had a high priority status.

Last year minimum achievement levels were set for students in math and reading for grades six through eight. Because the slow learner and the student in the learning
disabilities resource programs were not taken into considera-
tion, the district failed to achieve this objective.

Mechanisms for sloughing off such activities

The superintendent, three principals and four teachers comprised the Educational Development Committee which acted as a mechanism for sloughing off unproductive activities. Additional input was provided from all staff members, but the ultimate termination of major activities was reserved for the board which regularly exercises this authority. Recently the position of assistant superintendent was vacated and subsequently eliminated and several years ago two custodial positions were eliminated--all with no loss of performance. The same process eliminated two reading consultants three years ago and district reading achievement scores had remained high.

Summary

Objectives were cited that no longer served a useful purpose. Areas of unsatisfactory performance in programs and personnel were identified. Obsolete and unproductive activities were described. The Educational Development Committee and the Board of Education act as a mechanism for sloughing off unproductive activities. This district met the criteria for the stated principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 08

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<th>PRINCIPLE #2 - of Function and Mission (M - .700)</th>
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KEY:
- N = non-compliance (0)
- M = minimal compliance (1)
- C = compliance (2)
High School District 11

High school district 11 is located in a distant south suburb of Chicago. It had an equalized assessed valuation per student of $44,256, 30 an enrollment of 3,595 students, 31 and a total of 154 certified staff members. 32

This high school district is located in an area which could be described as residential and middle to upper middle class with a considerable sample of professionals and managers in residence. Ninety percent of the residents owned their own homes. For several years this district has had to face the problem of declining enrollment and reduced financial resources faced several years earlier by its elementary feeder district. For years the district enjoyed a reputation for academic excellence. Several years ago, scores on a standardized achievement test recorded student achievement below the national norm in reading. An intensive accountability program beginning with the Board of Education and extending down to the student in the classroom had reversed this trend to a point where reading achievement


31 Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

scores were at, or slightly above, the national norm.

Presentation of Data With Regard to the First Principle: Managers Need to Ask "What is our Business?" "What Should it be?" "What Will it Be?"

Need for dissent (consideration of divergent views, choice of alternatives.)

The development of the district mission statement evolved over a two-year period beginning with board and superintendent interaction and culminating in a year-long analysis by the faculty. Modifications were made to the original statement by the faculty. The superintendent stated that the business of the district was "to teach students how to learn." This definition was the distillation of divergent views. The superintendent noted that there was parental input into this statement through parent meetings and school-home questionnaires.

A method rather than opinions (the consumer defines the business; answers must come from the consumer himself.)

The extent to which parent and/or student involvement took place in formulation of the district's mission statement was not discernible from interview tapes nor the documents but it was apparent that involvement of both took place. The needs of the consumer were defined as the need to learn throughout a lifetime. The business of the district, then, was to provide the consumer with the skills for learning which would extend beyond the formal school program.
Who is the consumer? (The consumer is the ultimate user of a product or service. There are at least two--sometimes more.)

The consumer for this district was defined as the student, exclusively.

What is value to the consumer? (The satisfaction of want)

The value to the consumer of education in this district was the satisfaction of his need for life-long learning skills.

Summary

The district had a statement of business which derived from divergent opinions, which defined who the consumer was, and which defined what was "value" to the consumer. The district met the criteria for the stated principle.

Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Goals and Objectives From a Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

Goals and objectives of the board (Instructional System Goals), the superintendent, and those of department chairmen derived from the district's statement of its business.

Objectives must be operative, i.e., converted into specific targets and specific assignments.
The board goals, or Instructional System Goals, were broad statements of the intent of the enterprise. The superintendent's goals were related to board goals and, although called "goals," were more specifically stated in the manner of performance objectives which were converted into specific targets and assignments.

The objectives stated at the department levels were related to the superintendent's goals and were more specific tasks to be accomplished within a given time frame. Assignments were indicated as a departmental responsibility. Two, three, four and five-year goals were also stated. Specific targets were indicated for some objectives but not for others.

Objectives must make possible concentration of resources and efforts, i.e., must be selective.

Board, superintendent and department goals and objectives were stated in a way that made possible concentration of resources and efforts. The board goals were prioritized which aided in their selectivity.

There must be multiple objectives.

Multiple objectives were stated at each level of the enterprise.

Objectives are needed in all areas in which the survival of the enterprise depends.

Objectives were stated for all major areas of the enterprise except for the business department.
Summary

Stated goals and objectives derived from a statement of the business of the enterprise. The ultimate conversion of board goals into specific targets and assignments was accomplished through the superintendent's goals down to those stated for each department. Some vagueness was noted in setting targets and assignments at the department level. Objectives at the superintendent and department levels made concentration of resources possible. Multiple objectives were stated at the superintendent and department levels. With the exception of the business department, objectives were stated for all major areas of the enterprise. Because some vagueness was found in selection of targets and assignment of responsibilities and because goals and objectives were not stated for the business department, this district met minimal criteria for the stated principle.

Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Deadlines, Work on Results, Make Someone Accountable

Select targets

Goals and objective statements for the superintendent and board were noted as "first priority, second priority, etc." and therefore selected targets according to a priority system. Although the board goals were broad statements which did not specify targets, the superintendent's
goals reiterated the board goals in a more specific way enabling the staff to identify the targets selected.

Targets were more vaguely defined at the department levels which inhibited selectivity.

Set standards of accomplishment and performance

The goals for the superintendent suggested specific standards of accomplishment. This was not done for departmental level objectives nor for board goals. As stated earlier, the superintendent's goals flowed directly from the board goals and he had precise standards of accomplishment for each of his stated goals. For this reason, it could be said that standards of accomplishment were set for the board goals.

The department objectives presented a problem for evaluation since they had not been stated to include standards of accomplishment.

Set deadlines

Deadlines were clearly stated for the superintendent's goals and for department level objectives. They were not specified as the board goals, but rather as "Instructional System Goals."

Work on results

Comparison of the superintendent's evaluation of prior year goals and objectives to those formulated for the current year gave evidence that a concerted effort was
being made to work on the results of each program at the superintendent's level. Specific standards of accomplishment were not specified at the board and department levels except in broad terms and therefore results could only be vaguely defined.

Example: "The instructional system will emphasize maximum proficiency in communication; . . ."  

Make someone accountable

Accountability assignments were broadly stated as departmental assignments or implied as the responsibility of the superintendent. In practice, however, the superintendent stated that specific assignments were identified and were made.

Summary

Targets were clearly selected for the superintendent's goals and more generally selected for board goals and department objectives. Standards of accomplishment were set for the superintendent's goals only but reflected standards for board goals since the superintendent's goals parallel those of the board. Deadlines were stated for the superintendent's goals and for the department level objectives. Results could be defined for the superintendent's goals and for the department level objectives. Results could be defined for the superintendent's goals and for the Instructional System Goals but not for the department
level goals. Accountability is defined specifically for the superintendent but somewhat vaguely for levels below the superintendent. This district does not meet minimum criteria for the stated principle.

Presentation of Data With Regard to the Fourth Principle: Managers Need to Define Measurements of Performance

Measuring requires analytical ability. Also, it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.

The superintendent's goals included a definition of measurement for each goal. No other measurements of performance were found for stated goals and objectives.

A standardized achievement test was used for one definition of the measurement of performance in areas specified in the superintendent's goals. Other measurements of performance were defined.

The performance of the board, superintendent, department chairmen and teaching staff were evaluated according to specific criteria on an annual basis.

Summary

The superintendent's goals had included defined measures of performance which satisfied criteria for this principle. Because of the relationship between the superintendent's goals and the board goals, it could be said that measurements of performance were stated for board goals.
There were no definitions for the measurement of performance for the department goals.

This district met minimal criteria for the stated principle.

Presentation of Data With Regard to the Fifth Principle:
Managers Need to Use These Measurements to Feed Back On Their Efforts, That Is, to Build Self-Control From Results Into Their System

There was substantial evidence that programs were measured, as indicated for each of the superintendent's goals, and that these measurements provided a basis for the design of future programs. The yearly evaluation of the superintendent's goals which was submitted to the board showed goals which were achieved, those partially achieved with estimates in percent of achievement, and those which remained substantially not achieved. On the bases of these evaluations, the superintendent made recommendations to terminate program goals or to continue program goals which have not been met and he provided additional resources to assist in full implementation of these goals.

Summary

A substantial effort was made to build self-control into this system from the results of the programs measured. Since there was provision to measure the superintendent's goals and a significant portion of the instructional program as well, and since there was clear evidence that the results of these measurements affected planning for succeed-
ing goal and objective statements, it could be said that
this district met minimum criteria for the stated principle.

Presentation of Data With Regard to the Sixth Principle:
Managers Need an Organized Audit of Objectives and
Results to Identify: Objectives That No longer
Serve a Useful Purpose, Unsatisfactory
Performance, Activities Which Are
Obsolete or Unproductive, and
a Mechanism for Sloughing Off
Such Activities

Objectives that no longer serve
a useful purpose

A yearly review of goals and objectives were con­
ducted at the board, superintendent and department levels
in March of each year. This audit was not completed at the
time of this interview but several objectives were suggested
by the superintendent as ones which have already been iden­
tified as not serving a useful purpose. These related to
elective course offerings which are no longer selected by
students.

Unsatisfactory performance

The superintendent cited examples of unsatisfactory
performance by two tenure members of the teaching staff and
the disposition of these problems which resulted in termi­
nation of employment. He also noted course offerings
which were not satisfactory in meeting current demands of
the students and therefore were dropped from the curriculum.
Activities which are obsolete and/or unproductive

One of the superintendent's goals for the previous school term was to expand the administrative staff to accommodate areas of the instructional program which needed more supervision. Because of declining enrollment and increasingly limited resources, this goal became obsolete.

A second goal stating that a special education program would be provided for all juniors who had not attained a growth of two years since their freshman year in specified areas of the instructional program as measured by a standardized achievement test was restated to include only those juniors who had achieved below the 30 percentile in the specified areas as incoming freshmen.

Mechanisms for sloughing off such activities

The superintendent, department chairmen, the teaching staff and students all made up the mechanism for sloughing off unproductive activities. The board, too, provided additional input into this process as shown by the reduction of two administrative positions last year because of declining enrollment.

Summary

Objectives were identified which no longer served a useful purpose. Several examples of unsatisfactory performance in program areas and by staff members were given.
Obsolete activities were not identified by the superintendent. Several examples of unattainable goals were cited. A well-defined mechanism was identified for sloughing off activities. This district met the criteria for the stated principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 11

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<td>Use Measurements to PRINCIPLE #5 - Build Self-Control (M - .500)</td>
<td>Mechanism to slough off activities (c)</td>
</tr>
</tbody>
</table>

KEY:
- N = non-compliance (0)
- M = minimal compliance (1)
- C = compliance (2)
High School District 12

High school district 12 is located in a south suburb of Chicago. It had an equalized assessed valuation per student of $61,544, an enrollment of 5,793 students and a total of 275 certified staff members.

This high school district was unusual in the fact that it had been facing increasing enrollments yearly and, until the completion of a third high school, had students on triple shifts.

In 1973 it was estimated that 75 percent of the developable land areas was not developed and the average enrollment growth of 450 students yearly would continue for an indefinite period.

The curriculum in the early years was college prep with more than 65 percent of the graduates attending college or the university. Because of a changing community which brought about "white flight to more distant suburbs," an increasing emphasis has been added to career education.

Development of land in this school district was

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34Educational Service Region of Cook County, Ill., Research Report #1014 on Cook County Suburban Public School Enrollment, Year Ending June 30, 1977.

shifting rapidly from strictly residential to more commercial and industrial.

Presentation of Data With Regard to the First Principle: Managers Need to Ask "What is our Business?" "What should it be?" "What will it be?"

Need for dissent (consideration of divergent views, choice of alternatives.)

The assistant superintendent acted in placed of the superintendent for this interview. He stated that the business of this high school district "is to educate students and provide the resources of staff and money to make the education possible." This statement represented the basic philosophy of the district and was derived from "years with advisory committees" made up of parents, staff members, and the board of education. The assistant superintendent stated that this definition of the district's business could be found in the board policy manual and the program plan. Review of these documents did not disclose a statement of the district's business.

A method rather than opinions (the consumer defines the business; answers must come from the consumer himself.)

It is difficult to discern the method by which the statement of business was developed for this district. It appeared to represent the combined opinions of a number of committee inputs although review of the documents did not give specific evidence for this conclusion. The principal's
definition of the business of his building was broadly related to the statement of the business of the district but he suggested that his definition derived from his experience "in the school business" and was the by-product of the working out of the program plan objectives with staff members. Both the assistant superintendent and the principal indicated that the needs of the student were the foundation for the district's definition of its business.

Who is the consumer? (The consumer is the ultimate user of a product or service. There are at least two--sometimes more.)

A survey of parents was conducted to elicit parent opinions regarding the priority of tentative objectives which were to make up the program plan. In this process, the parents were speaking for the "consumer", i.e., the student. Various curriculum committees also provided input into definitions of student needs.

A student group was randomly selected from each community served by the school district to rate the goals developed by the administration and to comment on the goals.

The same process used for generating student input into the program plan was used to elicit parental input.

The primary consumer was the student and the secondary consumer was the parent for this school district.

What is value to the consumer? (The satisfaction of want.)
"Value" to the consumer was described as the basic needs of the students, and these needs were seen to have changed from acquiring fundamental academic skills for college preparation exclusively to those skills which related to career preparation.

Parental "needs" were also considered in determining value to the consumer.

Presentation of Data With Regard to the Second Principle: Managers Need to Derive Clear Goals and Objectives From a Definition of Function and Mission

Objectives must be derived from what our business is, what it should be, what it will be. They are action commitments.

One or two goals were stated for each of seven major categories, suggested by the Office of the Superintendent of Public Instruction for the mandated program plan, and were found in "Part Two" as follows: School Governance, Administration Structure and Practice, Rights and Responsibilities of Individuals, Instructional Program, Support Services, In-service.

"Student Goals" were stated in the first section of the Program Plan.

District goals related to the business of the district and were stated as action commitments.

Objectives must be operative, i.e., converted into specific targets and specific assignments.

Stated objectives were operative, indicating specific
targets and assignments.

Objectives must make possible concentration of resources and efforts, i.e., must be selective.

The stated objectives were prioritized and made possible a concentration of resources and efforts. One objective was stated for each goal. However, for a number of goals, further direction would be needed to enable concentration of resources and efforts.

Example:

"Goal: The written curriculum of School District 12 through a variety of courses, shall reflect the needs and uniqueness of its students.

"Objective: During the 1973-74 school year a committee in each high school shall be established to maintain a continual review of the total instructional program and recommend appropriate changes."

Evidently student needs were the essential focus of this goal but no objective was stated for specific identification of these needs via such devices as SAT scores, interest inventories, feedback from group discussion, analysis of questionnaires, etc.

There was extensive development of course objectives by each department.

There must be multiple objectives

Each goal stated had one performance objective. "Target" objectives were implied in the program formulated for the goal but they were not clearly stated.

Extensive development of objective statements at the
course offering level was documented.

Objectives are needed in all areas in which the survival of the enterprise depends.

In the program plan an objective was stated for all major areas of the school system. This was minimal concurrence to this criterion.

Summary

Objective statements were usually action commitments and were related to the business of the district. Objectives were operative, indicating specific targets and assignments. Objectives were selective, but only one was stated for each goal making possible concentration of resources and efforts minimal. There were not multiple objectives for each goal. One objective was stated in all major areas of the school enterprise. (This was minimal compliance to this criterion.) The district met minimal criteria for the stated principle.

Presentation of Data With Regard to the Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Deadlines, Work on Results, Make Someone Accountable

Targets for the instructional program goals were carefully prioritized as a result of analyzing student, parent and staff questionnaires.

Targets for other areas of the system had not been formally prioritized but had been selected.
Set standards of accomplishment and performance

Standards of accomplishment were clearly spelled out within each performance objective stated for the course offerings.

Standards of accomplishment were not in evidence for six of the seven areas of the program plan.

Standards of performance were not in evidence for teachers, principals or the superintendent although each receives a formal written evaluation yearly. Criteria for each evaluation were suggested and the evaluations were narrative in form.

Set deadlines

Deadlines were indicated for all stated objectives.

Work on results

The results of the instructional program could be ascertained from the stated objectives since they were stated quantitatively and qualitatively providing for accurate measurement.

For six areas of the enterprise for which goal and objectives were stated but did not include standards of accomplishment, results were more difficult to determine.

There was evidence that a committee comprised of parents, teachers, and administrators reviewed the results of the instructional program yearly. There was also evidence that the results of the various program affected the
design and the teaching of the courses for the coming year.

This same relationship was not noted in other major areas of the enterprise since standards of accomplishment were not in evidence.

Make someone accountable

Accountability was set for each performance objective, both at the administration level and at the instructional program level.

Summary

Targets for all major areas of the enterprise had been selected, but only those in the instructional program area had been prioritized. Standards of accomplishment had been set for student performance in each course offering, but not for the remaining system objectives. Deadlines were shown for all stated objectives. The system had used the results from previous course offerings to modify content and teaching style in the instructional program. There was less evidence that this was being done in the other system goals. Accountability was set for each performance objective stated. This district met minimum criteria for the stated principle

Presentation of Data With Regard to the Fourth Principle: Managers Need to Define Measurements of Performance

Measuring requires analytical ability. Also, it demands that measurement be used to make self-control possible rather than abused to control people from the outside and above.
While standards of performance were clearly set for each aspect of the instructional program, no measurements of performance were defined. The same was true for other system goals.

The assistant superintendent noted that this was an area of deficiency for this system.

The standardized achievement test was used to measure some areas of the instructional program but the nature of the performance objectives in this area was such that it was necessary to define measurements of performance for those areas not measured by SAT.

Summary

The system did not meet criteria for this principle.

Presentation of Data With Regard to the Fifth Principle: Managers Need to Use These Measurements to Feed Back On Their Efforts, That Is, to Build Self-Control From Results Into Their System

Since there were large areas of the system for which there were no defined measures of performance, the district did not comply with this stated principle.

Presentation of Data With Regard to the Sixth Principle: Managers Need an Organized Audit of Objectives and Results to Identify: Objectives that No Longer Serve a Useful Purpose, Unsatisfactory Performance, Activities Which Are Obsolete or Unproductive, and a Mechanism for Sloughing Off Such Activities
Objectives that no longer serve a useful purpose

A foreign language program which dealt with this subject on a very basic level for students who anticipated traveling to a foreign country was cited as an example of a program that no longer served a useful purpose. Both teacher and students recommended that it be dropped as a course offering.

Examples of activities were given. The assistant superintendent noted that a third high school had not been completed by the anticipated deadline. A study of the needs of students several years ago disclosed the need for an alternative educational program. The administration had hoped to implement such a program by the current year but final plans have not been made for this project.

Unsatisfactory performance

The health and P. E. programs proved to be unsatisfactory because health was integrated into the physical education program. The result was a loss of effectiveness for each program.

No examples of unsatisfactory performance of staff personnel were cited. However, the increasing number of student suspensions had indicated an unsatisfaction performance, the significance of which had yet to be determined by the board and administration.
Activities which are obsolete and/or unproductive

The assistant superintendent cited the revised health program as an example of obsolescence. Formerly, health was integrated into the physical education program, but the State Visitation cited this area for non-compliance. The program was redesigned so that health education was taught to freshmen and sophomores as a nine-week course. Other examples of obsolescence or lack of productivity were cited.

Mechanism for sloughing off such activities

The curriculum committee, in cooperation with the administration, acted as a mechanism for sloughing off unproductive activities in the instructional program area. The administration also acted unilaterally in deletion of programs at times, and some deletions were made unilaterally by the board of education. Because deletions were made unilaterally by several agencies, there was some confusion in the total process of deleting unproductive programs.

Summary

Objectives which no longer served a useful purpose were identified. Examples of unsatisfactory performance were given. Activities which were obsolete and unproductive were cited. The mechanism for sloughing off undesirable activities is fragmented and frequently causes confusion. This district met minimum criteria for the stated principle.
SUMMARY OF DATA COLLECTED FROM SELECTED SCHOOL DISTRICTS IN COOK COUNTY ILLINOIS SHOWING COMPLIANCE, MINIMAL COMPLIANCE OR NON-COMPLIANCE TO SIX PRINCIPLES STATED BY PETER F. DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

District No. 12

<table>
<thead>
<tr>
<th>PRINCIPLE #1 - Statement of its Business (N - .500)</th>
<th>PRINCIPLE #2 - of Function and Mission (C - .900)</th>
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<tbody>
<tr>
<td>Need for dissent</td>
<td>Objectives - action commitments from statement of business (c)</td>
</tr>
<tr>
<td>A method--not an opinion</td>
<td>Specific targets and assignments (operative) (c)</td>
</tr>
<tr>
<td>Identification of the &quot;consumer&quot;</td>
<td>Selective: concentration of resources and efforts (m)</td>
</tr>
<tr>
<td>Identification of value to the &quot;consumer&quot;</td>
<td>Multiple objectives (c)</td>
</tr>
<tr>
<td>Think Through Priorities</td>
<td>Objectives for all major areas (c)</td>
</tr>
<tr>
<td>PRINCIPLE #3 - of Concentration (N - .600)</td>
<td>Measurements of Performance (N - .400)</td>
</tr>
<tr>
<td>Select targets</td>
<td>An organized audit of objectives and results (M - .625)</td>
</tr>
<tr>
<td>Set standards of accomplishment</td>
<td>Identify objectives that are no longer useful or unattainable (c)</td>
</tr>
<tr>
<td>and performance</td>
<td>Identify unsatisfactory performance (m)</td>
</tr>
<tr>
<td>Set deadlines</td>
<td>Identify obsolete and unproductive activities (c)</td>
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<td>Work on results</td>
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<td>Make someone accountable</td>
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</tr>
<tr>
<td>Use Measurements to</td>
<td>Mechanism to slough off activities (n)</td>
</tr>
<tr>
<td>PRINCIPLE #5 - Build Self-Control (N - .400)</td>
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</tr>
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CHAPTER V

ANALYSIS OF DATA

Introduction

Chapter IV presented a descriptive narrative of results of the study for each school district in the study sample with regard to the six principles established by Drucker for the management of public service institutions for performance. In this chapter the data for each school district in the study sample are compared and contrasted in relation to each of the six principles to identify similarities and differences in the implementation of MBO in the study sample. A separate analysis of the data was made as it related to the administrative function of decision-making to provide additional insight into the implementation of each of the principles. A special effort was made to determine whether or not failure to comply with a principle was the result of something unique about the structure of a public school system. Such a uniqueness, if it should exist, was thought to have serious implications for public school administration if state departments of education, and the universities continued to emphasize the effectiveness of the MBO model for the administration of public schools. Since all of the school districts in the study sample stated that they were managing according to the concepts of MBO, the
disparity between what each district interpreted as compliance to the principles of MBO and actual practice was especially significant to this study, and for that matter, for any school administrator contemplating the use of MBO.

**Format of the Analysis**

Chapter I emphasized the fact that literal adherence to the criteria of each principle was not thought to present a true picture of a district's concurrence to the MBO model. For this reason provision was made in the analysis not only for compliance or non-compliance to the principle but minimal compliance as well. Principles one, two, three and six were sub-divided by Drucker into four or five criteria, each one of which identified a major component of the MBO system.

**Compliance to the Principle**

A school system was recorded to be in compliance to the principle if data drawn from the interviews and the documents supported substantial implementation of the principle in each major area of the system. Major areas of the system are described as follows: the instructional program (which includes student goals, curriculum development, media services, and special programs), management structure and practice (which begins with board policy and extends to the implementation of this policy by the administration), support services (which includes the pupil personnel services, the business office, health services, food and transportation,
and care of buildings and grounds), and staff development and in-service training.

A principle was considered to have been "implemented" if there was firm evidence to show that the majority of the criteria for that principle was met. For principles with four criteria, this meant compliance to three criteria and for principles with five criteria, compliance was given when four of the five criteria were met. This implies a weighing of criteria since compliance to four out of five criteria meant eighty percent compliance to the principle while compliance to three out of five criteria meant seventy-five percent compliance. No weighting of criteria was intended, however, since Drucker, neither explicitly nor implicitly weighted criteria for any principle.

Minimal Compliance to the Principle

One purpose of this reporting system was to identify efforts made by school systems in the study sample which did not meet compliance to various criteria but were, nevertheless, significant enough to warrant identification in the study. These efforts were termed "minimal compliance" and usually indicated progress, or a trend toward "compliance."

Non-compliance to the Principle

Where less than half of the criteria for a principle were met, the district was in "non-compliance."

Compliance, "minimal compliance" and "non-compliance"
were recorded for principles for which Drucker did not formulate specific criteria as he did for principles I, II, III and VI. These terms as applied to principles IV and V are based on the judgement of the researcher after study of the taped interviews and documents.

**Numerical Values Assigned to Criteria**

Non-compliance = 0  
Minimum compliance = 1 point  
Compliance = 2 points

**Rating Scale for Principles**

Principles for which there were specified criteria were assigned values based on the number of criteria met. The scale for such assignment is given below.

**Principles I and VI - four criteria (eight points maximum possible score)**

- 8 out of 8 points = 1.00  
- 7 out of 8 points = .875  
- 6 out of 8 points = .75  
- 5 out of 8 points = .625  
- 4 out of 8 points = .50  
- 3 out of 8 points = .275  
- 2 out of 8 points = .25  
- 1 out of 8 points = .125

Compliance  
Minimal Compliance  
Non-compliance
### Principles II and III - five criteria (10 points maximum possible score)

<table>
<thead>
<tr>
<th>Points Out of 10</th>
<th>Numerical Value</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>0.90</td>
<td>Compliance</td>
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<td>8</td>
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<td>7</td>
<td>0.70</td>
<td>Minimal compliance</td>
</tr>
<tr>
<td>6</td>
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<td>Non-compliance</td>
</tr>
<tr>
<td>2</td>
<td>0.20</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>0.10</td>
<td></td>
</tr>
</tbody>
</table>

### Principles IV and V - no criteria specified

Numerical values were given to principles IV and V to be consistent with the rating of the other principles. The numerical values are given as a general indication of the district's status with regard to the principle.

#### Criteria for Analysis of the Administrative Function of Decision-Making

There was a plethora of information in the literature with regard to the decision-making process. For purposes of continuity, guidelines for analyses of decision-making within the study sample were limited to those of Peter Drucker.

Facts or opinions
Drucker described the making of an effective decision as the "first managerial skill." A decision is a judgement, a choice between alternatives and rarely a choice between right and wrong. "It is at best a choice between 'almost right' and 'probably wrong'--but more often a choice between two courses of action neither of which is provably more nearly right than the other." Drucker further noted that the effective decision-maker knows that he begins with opinions--untested hypotheses--which he must test against reality to arrive at something tenable, or factual. The manager, then, avoids the fallacy of beginning with a conclusion and looking for the facts to support this conclusion.

Need for dissent

"The first rule in decision-making is that one does not make a decision unless there is a disagreement," says Drucker and he emphasizes that divergent opinions are essential to creative solutions.

Trap of being right

The goal of an effective decision-maker is to find out why people disagree, to achieve an understanding of each

2Ibid., p. 470
3Ibid., pp. 471-2.
4Ibid., p. 475.
course of action. 5 "He uses conflict of opinions as his tool to make sure all major aspects of an important matter are looked at carefully." 6

Is a decision necessary?

A viable alternative to making a decision, according to Drucker, is not to make a decision and if there is good indication that the situation will take care of itself, "one does not interfere." 7 In this context, the manager must weigh the effort and risk of inaction to that of action.

Who has to do the work?

"An effective decision is a commitment to action and results," writes Drucker. 8 Everyone who will have something to do with implementing the decision should have a responsible part in its formulation. Ultimately, action commitments must be built into each decision in the form of work assignments and responsibilities. To convert a decision into action, the manager must answer these questions:

"Who has to know of this decision?" "What action has to be taken?" "Who is to take it?" "And what does the

5 Ibid., p. 474.
6 Ibid., p. 475.
7 Ibid., p. 475.
8 Ibid., p. 476.
action have to be so that the people who have to do it can
do it?"9

Right and wrong compromise

While a compromise is necessary in the end, the man­
ger has to discover what is right rather than who is right
and base his compromise on this premise. To do otherwise
results in the "wrong compromise."10

The feedback

Feedback must be built into a decision "to provide
continuous testing" of the decision and this feedback system
must be built around "direct exposure to reality."11

The essential features of Drucker's approach to
decision-making are summarized as follows:

1. The manager begins the decision-making process
   by eliciting opinions, by testing hypotheses for validity.

2. The manager does not make a decision unless there
   is disagreement. This leads to creative solutions.

3. He then attempts to understand divergent opinions
   rather than look for the "perfect" decision.

4. Next, he makes a judgement on whether or not a
decision is required.

5. He must now determine who is to do the work and

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9Ibid., p. 477.
10Ibid., p. 480.
11Ibid., p. 480.
assure that each subordinate concerned with the decision has a responsible part in its making.

6. The point, or formulation of the decision is now reached which is ultimately a compromise but it is a compromise based on what is the right course of action rather than appeasement.

7. The final step in the decision-making process is the development of an effective feedback system to test the efficacy of the decision and this requires personal observation by the manager.

The First Principle: What is the Business of a School System?

Chapter IV documented the importance of Drucker's first principle to his model of management. The other five principles flow logically from this first principle. Since Drucker did not define a procedure for determining the "business" of a public service institution, the procedure he outlined for the business institution was used. The procedure adapted well to public service institutions which supports Drucker's comment that "the service institution" does not differ much from a business enterprise in any area other than its specific mission."12 Internally, from a standpoint of the manager's work, organization design and structure, differences between the service institution and

12Ibid., p. 135.
business tend to be differences in terminology. The fundamental difference between the two institutions is the "business" of each. There are differences in purpose and value. The service institutions need different objectives and they make a different contribution to society. "Performance results are quite different in a service institution from what they are in business," says Drucker. But "we have no coherent theory of institutions and their management that would encompass the service institution. All we can do is attempt a first sketch."

The four-step procedure for identifying the "business" of a business will serve as a model for evaluating the compliance of school systems in the study sample to Drucker's first principle for the management of service institutions for performance. This, with minor adaptations, is as follows:

1. The manager needs to encourage dissent, to consider divergent views.

2. The manager must define "who is the consumer."
   (He is the ultimate user of a product or service. There are at least two; sometimes more.)

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13 Ibid., p. 136
14 Ibid., p. 136
15 Ibid., p. 136
3. A method should be developed whereby the "consumer" defines the "business" of a service institution rather than relying on "opinions" of management.

4. Finally, the manager must determine what is value to the consumer. (For the consumer of a business enterprise, value is the "satisfaction of want," or need.)

This study assumes that the "consumers" of a school system include no less than the parents and the students and, as such, they should have a major input in determining the "business" of a school system. The study also assumes that "value" for the "consumer" is the satisfaction of student and parent needs. Analysis of the first principle is based on these assumptions.

Additional analysis is also provided for the decision-making process, a function of administration, as it relates to each principle. Analysis of the decision-making process yielded revealing insights into the reasons for compliance or non-compliance of a school district to each of the six principles.

Summary of the Data for the First Principle

Three districts were seen to be in full compliance with the principle, three in minimal compliance, and four in non-compliance. Each of the four steps of the procedure for determining the business of the school district was evaluated to produce these summary findings. Because of the significance of each step in the procedure, they will be
analyzed separately.

Five of the ten districts gave little evidence that the superintendent and/or the board of education had encouraged dissent, or divergence of opinion from staff or parents as a procedure for developing a statement of the business of the school system. A predominant understanding of this criterion by school managers was that it is incumbent upon the superintendent to demonstrate his leadership role by providing a specific focus to the board of education statement of philosophy, and that this process produces a clear statement of "business." Invariably, superintendents justified this practice which they felt was legitimately based upon their extensive experience and academic preparation, both as a teacher and as an administrator.

Analysis of Data For the First Principle

This section will analyze data with regard to the four criteria defined for the first principle by Drucker.

Need for dissent

There were a number of problems identified in the study which related to the avoidance of dissent in formulating a statement of business for a school system. A most basic problem stemmed from the significant evidence that parents and staff members formulated individual definitions of the school's business according to personal needs of the moment and these definitions frequently did not parallel the
superintendent's statement of business. In at least three instances, the superintendent's statement of business could not be readily identified with a board policy statement. In all cases examined, there was divergence of opinion evident but rarely was this divergence managed to that a coherent identifiable statement of the system's business was developed. According to two interviewees, failure to understand the significance of managing divergent opinions regarding the business of the school system led to a change of superintendents in two of the school systems studied. Failure to deal constructively with divergent opinions has also led to a general lack of a focused direction for five of the school systems in the study sample. Because of this reluctance to accept and manage divergent opinions, superintendents in this group apparently felt the need to resort to statements of business so broad that they could incorporate almost any point of view. This resulted in statements of business that articulated no clear point of view or direction. For example, one superintendent said the business of a school system is "to provide children with the best education possible." It is difficult to fault the intent of this statement but the statement allows for an extremely wide range of interpretations and, in fact, while the principal's statement of business echoed the superintendent's, his interpretation of the "best education possible" differed significantly from that of the superintendent. The superintendent took a rather
global view of education suggesting that the system should respond to the needs of the "whole child." The principal, however, defined "the best education possible" as one which emphasized cognitive skills—especially those needed for reading, writing and computing. He felt that schools were unable to deal with the social development problems of a youngster and that this should be the province of the parent in any case.

A major consequence of the failure to manage divergent opinions of a school system's business in a way that results in a clear, comprehensive concept has brought about the formulation of district goals and performance objectives in half of the districts that are imprecise since there is no firm base upon which to develop goals and performance objectives. There was evidence that the administrators in at least half of the study sample regularly react, for the moment, to the ill winds that buffet them, be they a disgruntled community, student unrest, the teacher's union or problems of racial integration. Lacking a firm purpose and mission statement, the "business" of the system becomes the placation of the group that applies the greatest pressure at the time.

Several superintendents felt that broad statements of purpose and mission attempting to serve all viewpoints permitted them to keep "a low profile," which was an expedient means of survival. To invite disagreement among
the system's various agents was seen as something which pro-
vokes confusion and dissatisfaction within the school com-
munity rather than an essential step of a process designed
to coalesce divergent opinions into something functionally
sound and giving clear direction to the school community.

Four other superintendents, however, stated that the
concept of eliciting divergent views was excellent and, in
fact, had informally incorporated a number of divergent
statements into their own statement of the business of the
system. The mission statement for these districts took shape
from divergent views of board members and administrators,
faculty and residents of the community who responded to
mailed surveys or met as ad hoc committees to provide input
into its formulation. From a practical standpoint, however,
they indicated that it was difficult to get meaningful com-
munity input into a process of this kind.

For these districts in compliance with the criteria,
it is noted that there was not complete satisfaction with
community input on this point. In the two districts where
racial integration was an issue, the overriding concern of
parents centered on a smooth transition from a racially seg-
regated school community to an integrated one. This was
the basic purpose and mission of the districts for that
time. Board minutes reflected this strong community feeling.
The superintendent and principals, however, felt that the
purpose and mission of the school district must continue to
provide children with "the best education possible." When an analysis was made of the allocation of resources, the importance of a smooth transition to integrated school community was the primary purpose and mission of the district which underscores the importance of dealing with divergent viewpoints of the business of the school system. Ultimately, divergent views were impacting on the five districts in non-compliance to the principle, in terms of whether to allocate financial and/or human resources to educating the child in the cognitive affective and psycho-motor domains or limiting allocation of resources to a narrower scope of education in the child the "basics" which many parents see as the fundamental cognitive skills.

Who is the consumer?

Evaluation of the second criterion related to this principle indicated a slightly better compliance within the sample. Six superintendents identified the "consumer" as the primary determinator of the business of the school system. In this respect, there was compliance to this criterion with the reservation that there was not a consensus among the five superintendents on who the "consumer" is. All superintendents in the study sample saw the child as the principle consumer of the school system but at least five of the superintendents stated that the parent was also an important consumer acting as the child's agent with this role becoming less prevalent as the youngster progresses
into high school. Two superintendents suggested that the business institutions are a third consumer of the school system and that these institutions have impact on the curriculum of the educational system.

A method—not management opinion: the consumer defines the business of the institution

From these views, it would be accurate to say that the student-consumer is involved in formulating the business of all systems in the study sample, the parent-consumer in five of these systems with two superintendents identifying many consumers as participants in the identification of the system's business. Just who the customer is defined to be, however, has a profound influence on the school system's definition of its business. Although each school system regarded the student as the primary consumer, either the administration or the parents acted as the agent of the student-consumer and it was not always discernible whether or not either agent spoke accurately for the student-consumer. A study of board minutes, administrative memos, agenda from administrative council meetings and records or negotiations with teachers unions provides strong evidence that these groups must realistically be called "consumers" since they influence significantly the "business" of each school system in the study sample. This study suggests, then that the consumers of the school systems in the study sample include the child, the parent, the administration,
the teacher, the business institution and the university. Each has a part in defining the business of the school system. Management that was unaware of this reality operated in a vacuum and was minimally effective.

Value to the consumer, satisfaction of want

"Value to the consumer" is the final step in the process of defining the business of a school system. It was apparent from the interviews and the documents that the sharp divergence of opinion regarding the business of a school district stemmed from what each consumer held to be "value."

For example, all superintendents in the study sample noted that parents' attitudes reflected the nation-wide "back-to-basics" trend. There was a consensus among the administrators that the apparent lack of basic language arts and computational skills among many young people today has resulted in the parent, business institution, and even the university "consumers" of the educational system to re-define the business of the school system in terms of a "back-to-basics" educational program. It is interesting to note, however, that only one superintendent in the study has actually made a formal effort to survey the primary consumer of his school system--the child. He is an elementary superintendent and regularly surveys his graduates at the end of their senior year in high school. He supplements these data with an informal fifteen-year reunion survey and he can conclude from this data that basic language arts and computational
skills are seen as important to his former student-consumer, but his primary consumers also regard the development of social skills with at least as much importance. He asks the question, "does the 'back-to-basics' movement come from what the parent perceives as an inadequacy in his own education, a deterioration in the effectiveness of the school system over the past two decades or the identified needs of the student himself who looks back on his own education and is now mature enough to articulate changes in the educational system based on an understanding of his current needs?"

The "satisfaction of want" is the basis of extremely divergent opinions among school administrators because of their understanding of who are the many consumers of public education. This great variety of consumers and their understanding of the business of a school system makes it imperative that the school manager plumb each consumer's understanding of the business of a school system to whatever degree possible and to help facilitate a purpose and mission statement which grows out of "the clash and conflict of divergent opinions and out of the serious consideration of competing alternatives." Superintendents in the study sample who failed to elicit and manage divergent views or failed to understand that there are many consumers of a school system gave evidence of crisis management or the

16 Ibid., p. 471
avoidance of management decisions wherever possible. Communications tended to be unilateral and formal. Value to the consumer tended to be the superintendent's interpretation of "value" based on his experience as a consumer and "producer" of education. Failing to actively solicit each consumer's concept of the value of the system resulted in a communication system which disseminated material or directives but which provided minimal feedback. This failure of the communications system to provide feedback has exacerbated the condition of crisis management and is now laying the groundwork for serious management problems for two superintendents in the study sample.

All superintendents in the study sample indicated that the parent-consumer is becoming more vociferous in his attempt to communicate to boards of education and administrations his understanding of value as it relates to his school system. There is a plethora of evidence in the study sample that the parent-consumer has not clearly defined this value for himself and this vagueness has put the administrators of the study sample districts in the position of occasionally attempting to respond to apparent rather than real problems. Parent-consumers then became increasingly frustrated and dissatisfied with various aspects of their public school system.

One important basis for this attitude was the fact that they were expressing opinions on what they see to be
the value of a school system rather than facts upon which they could expect an effective management response. Where the school management has taken decisive action to help the consumer articulate his specific needs and a way in which the school system can satisfy these needs, or "wants", the lines of communication to each principle consumer are open and responsive enabling the administration to manage the system by deliberate planning rather than by crisis.

Analysis of Data for the First Principle With Regard to the Decision-Making Process

Eliciting Opinions, Testing for Validity, Encouraging Disagreement

Analysis of the superintendents' behavior during the interview disclosed a feeling on the part of at least five of the superintendents that acceptance of divergent views as to the business and purpose of the school system could result in a loss of the superintendent's power, status, and/or control. They saw their role as the decision-maker, the one primarily responsible for the direction of the school system. They felt the need to keep board input within "manageable limits." Three superintendents stated that divergent views would ultimately be reconciled to the universal purpose and mission of any school system: "to educate children." Superintendents with this perspective of divergent views demonstrated some insecurity in their position by delegating little responsibility to subordinates,
employing subordinates who seemed content not to challenge practices when problems arose, and appeasing school community groups such as teachers, parents or board members who were regarded as a threat to the superintendent.

**Understanding divergent opinions**

Five superintendents were patently in non-compliance with the first two steps of Drucker's decision-making process. Rather than elicit opinions regarding the purpose and mission of the system from various groups within the system, test these opinions for validity, and encourage disagreement as a vehicle for creative decision-making to develop a statement of mission and purpose, they consciously sought to avoid this approach to decision-making. They arbitrarily decided on a statement of the system's business from an elitist point of view, feeling that they were the best qualified to determine "what was best" for the students. With this approach to decision-making, few divergent opinions surfaced which required management "understanding."

**Is a decision required?**

Superintendents in four of the school systems in the study sample felt no need to make a decision relating to the formulation of a statement of the system's business. As noted above, this decision not to act in the face of divergent views of the school system's purpose and mission has resulted in increased risk for the manager and there is no
evidence in the research that the school community will, by itself, coalesce its thinking to develop a focused understanding of the business of its school system without a decision from management to elicit divergent opinions, understand each opinion and guide this process to a comprehensible statement of business.

**Involvement of subordinates**

Involvement of subordinates in the decision-making process in one-half of the school systems in the study sample was generally limited to their understanding of the superintendent's statement of the systems' business rather than assisting in its formulation. The consequences of this approach to decision-making will be fully explored in the analysis of Drucker's second principle for the management of service institutions for performance.

**The "right" compromise**

Decisions for districts which had not defined a statement of business according to Drucker's criteria tended to accommodate an expediency rather than to respond objectively to a well defined statement of the business of the system. For example, two superintendents in the group admitted that the system could not financially support the small class sizes prevalent nor could they support a variety of collateral services provided in each case. Nevertheless, neither superintendent indicated that he would actively
campaign for fiscal responsibility since this could offend groups with vested interests in the system, particularly the teachers' union which sought to minimize reductions in force and the board of education which had shown a reluctance to support policies which were unpopular with a segment of their constituency. One would conclude from this behavior that a basic tenet of the "business" of these two districts is held to be the employment of teachers. If the primary consumer of the two districts is the child, as is stated by the superintendents, there is a conflict between this statement of business and a lack of action to make the staffing pattern more commensurate with the system's financial ability. The data suggest that the "compromise" in many of the decisions made in one-half of the systems studied was based on appeasement, rather than on the "right" decision.

Feedback

In general, feedback was poor for seven of the ten systems surveyed as it relates to this principle. Those three systems which had a well defined concept of the business of the system had rather sophisticated feedback systems. These administrations felt the need to continuously monitor the mood of its constituency for shifts in an understanding of this basic principle. This process contributed to the overall stability and concentration of resources for these three districts. For the remaining seven districts, the phenomenon of management by crisis was the common result of
an ineffective feedback system, where the administration had one understanding of the business of the school system, and the various school community agents another, and where this non-concurrence of understanding was not brought to light via an effective feedback system. Management accepted the untested premise that the staff was doing an excellent job of educating children and that the parent and student consumers were satisfied with the performance of the system.

The Second Principle: To Derive Clear Goals and Objectives From a Definition of Function and Mission of the Institution

Summary of Data

Two districts were in non-compliance, seven were in minimal compliance and one was in compliance to this principle. It must be emphasized here that this principle was evaluated separately from the first principle for theoretical purposes, a procedure followed for each of the remaining principles. From a practical standpoint, however, a statement of the institution's business according to the criteria set down by Drucker for the first principle, is essential to the development of goals and objectives, an observation which holds for the other principles as well. This procedure allows for a district to be in full compliance with the first criterion of the second principle, i.e., objectives are action commitments derived from a statement of business, although the statement of business per se did not meet
minimal compliance to the first principle.

Although eight of the ten districts in the study sample could be said to have formulated objectives in which were action commitments based on a statement of business, three districts did not specify targets and assignments and six others did this only minimally. Two districts did not demonstrate selectivity in their performance objectives and five districts did this minimally so making a concentration of resources and efforts extremely difficult, if not impossible. Only one district did not have multiple objectives but at least one district did not have objectives stated for all major areas of the institution while three other districts met this criteria minimally.

Analysis of Data for the Second Principle

Objectives are action commitments derived from a statement of the institutions' business

If effective statements of the institution's objectives are the very core of MBO, then it is highly significant that none of the districts in the study sample accomplished this task to the satisfaction of all of the criteria stated by Drucker for this principle. One should not assume that meeting Drucker's criteria is especially unique. Reference to Schleh, McConkey, Bell, Odiorne and other authorities in the field of MBO will show that Drucker's criteria for stating goals and objectives are basic and repeated in sub-
stantially the same form by these authors. This makes the lack of full compliance to this principle by districts within the study sample difficult to explain. The consequences of this failing are many, most of them rather evident and will be discussed below.

Objectives state specific targets and assignments

For this criterion, the two districts that did not relate their objectives to a statement, or did not do this well, demonstrated a lack of direction and commitment. Boards of education seemed to be following one course, the superintendent another, and the building staffs a course according to individual preference. In fact, this consequence holds for several of the districts that did comply with this criterion on paper, but not in practice.

In the three systems where the superintendent had assigned goals and objectives to himself only, there was the strong implication that he would have to achieve these goals and objectives himself. Of course, this was not the intention of these superintendents. Since there was minimal staff participation in the formulation of these goals and objectives, there was minimal communication to the staff regarding specific targets, concentration of resources and specific assignments. An obvious prerequisite to the assignment of any task is that it be clearly understood by both the superior and the subordinate. Interviews with the principals in over half of the districts surveyed indicated
that they did not have a clear understanding of the system's (or the superintendent's) goals, as the case might be. It was the intention of these superintendents to promulgate these goals and objectives to appropriate staff members in the form of a directive. The problems Drucker sees for this procedure will be analyzed below with reference to the decision-making process. Suffice to say now that the lack of specific assignments for objectives in nine of the ten case studies would do much to insure that the objectives would not be met, and in fact, for this and for other reasons, it was often difficult to determine to what degree, if any, districts had achieved past objectives.

Selectivity, concentration of resources and efforts

A basic motivation for utilizing the management system known as MBO is the concentration of resources to provide optimal results. Seven of the ten districts in the study sample gave evidence of minimal selectivity or none at all which resulted in a dilution of resources and indicated a major failure in the implementation of MBO. Part of this problem came from the inability of these districts to comply fully to a valid statement of the systems business as defined in the first principle. There was a universal feeling among all superintendents interviewed that school resources were limited and would continue to be so for the foreseeable future. Nevertheless, in three of the systems surveyed, scarce resources were being applied
to a variety of problem areas with no clear concentration of effort apparent. This lack of concentration of resources was true, to some degree, for the five districts in minimal compliance to this criterion. As a consequence of this dispersal of resources, these districts seem to be "just holding their own," or even losing some ground in the almost daily challenge of problems that confront a typical school system today. Prospects for the development of a viable school system over the next few years seems dim indeed for these districts. The pattern so often repeated in school districts in this area follows this format: resources are dispersed to solve many needs unselectively, which soon requires serious deficit financing which, then, leads to a sharp cutback in programs, often indiscriminately. Once the districts arrive at some semblance of stability, the pattern begins again.

Multiple objectives

All districts but one had stated multiple objectives which related to goals of the system. The exception offered an interesting case for study. Each one of a long list of goals was accompanied by just one objective for each goal. Analysis of the list of goals indicated many of the goals might have been better stated as performance objectives reducing the long list of goals to four or five broad statements of the system's expectations. This would have provided the system with a more integrated and cohesive plan.
Objectives for all major areas

This criterion was interpreted rather broadly since superintendents saw "major areas" of the system somewhat differently. Terms that describe the major areas of a school system are suggested as follows: the instructional program, management structure and practice, support services, and staff development and in-service training. Six systems had formulated goals and objectives for each of these areas while four did not. Those districts which compiled minimally to this principle stated goals and objectives for six of the seven areas or incorporated several major areas under one category.

The four districts which had not complied fully to this criterion left significant areas of the system without clear direction. In several instances where the pupil personnel staff (special education) were not included in the districts' program plan, there was reliance on the state guidelines for direction. This attitude assumes that there is nothing unique about the student population of these two districts and implies a willingness to surrender local control to the state.

In two other systems in the study sample, objectives were not stated for the business office with the rationale that this office served the needs of the instructional program and its direction merely paralleled that of the instructional program. The problem for analysis arises
when one attempts to determine, from evidence, specifically how this is done. Had either district utilized program accounting, or some similar method for monitoring system resources, for example, this rationale might have been tested for validity. Interviews with the principals in each district disclosed the fact that instructional program objectives were frequently subservient to a line item in the building or district budgets, quite contrary to the stated rationale. This conflict is one effect that resulted when objectives were not stated for each area of an enterprise and carefully integrated into a total district program.

Analysis of Data for the Second Principle With Regard to the Decision-Making Process

Eliciting opinions, testing for validity, encouraging disagreement

A pattern that reoccurred continuously in the decision-making process of districts within the study sample was the dominance of the superintendent in formulating goals and objectives. In three of the districts this dominance appeared to be providing leadership which coalesced substantial input from subordinates into fairly well thought-out expectations for the district programs. In the remaining seven districts, relationships between the superintendents and subordinates were characterized by paternalism or autocracy. A superintendent who was paternalistic towards his subordinates elicited their opinions at various times
using these opportunities to demonstrate a benevolent attitude toward a subordinate rather than to test the validity of the opinions or to encourage disagreement. On the other hand, those superintendents who tended to be autocratic in style, either rarely elicited subordinate divergent opinions or did so as a test of their control of subordinates. Several superintendents described administrative council meetings or performance reviews in which a subordinate challenge was met and successfully resolved. "Resolution" was described by several superintendents as showing the subordinate the error of his thinking rather than to test the subordinate's hypothesis with the possibility that it had the potential of making a significant contribution to an effective decision. These attitudes by the chief administrators tended to discourage expressions of divergent opinions by subordinates. Goals and objectives were handed down the line of authority. Principals accepted these goals and objectives, of course, but did not demonstrate the same enthusiasm, understanding and commitment to achieving these goals and objectives as those principals who had been deeply involved in a goal development process which elicited divergent thinking.

A second pattern was identified where the goal development process tended to be unilateral. Principals accepted district goals as a necessary "duty" to be accomplished with a minimum of inconvenience while putting their major efforts toward areas which they felt to be
more relevant to their needs as they saw them.

**Understanding divergent opinions**

Where the formulation process of district goals and objectives took place primarily with the superintendent, there appeared to be little attempt to understand divergent opinions except as they threatened the status or authority of the superintendent. In the four districts where divergent thinking was a significant part of the decision-making process, the subordinates demonstrated a good understanding of district goals and had integrated building level goals into district goals.

**Is a decision required?**

The question of whether or not a decision was needed with regard to the various aspects of goal implementation was frequently referred back to the superintendent in districts where decisions were handed down from the top. Several superintendents who demonstrated an authoritarian management style complained that they continually had to make decisions which should have been made at the building level. The basis for determining the need for a decision according to Drucker, is to determine whether or not a situation will deteriorate if a decision is not made. Principals employed in districts where goals were generated exclusively from the top down, tended to avoid decisions thereby allowing situations to degenerate seriously before
they sought help from the superintendent. This failure to involve the principal in goal-setting, on occasion, led to the principal's demotion. For example, in elementary school district 04, two principals had been demoted in the two-year tenure of the superintendent and a third was under consideration for demotion. This district employs a total of five elementary school principals and one junior high school principal. In elementary school district 05, three elementary principals have been demoted "in the last few years" and two others were being considered for demotion. There are a total of 17 principals employed there. Each superintendent complained that a major factor in the demotion of these principals was the principal's inability to make decisions, their attempt to avoid problems by "letting things ride." Yet there was little evidence that they had been deeply involved in setting goals for the district or had a thorough knowledge of and commitment to these goals.

Involvement of subordinates

The seven districts which met minimal criteria for establishing goals and objectives tended to employ subordinates in the decision-making process more than the three which were in non-compliance to this principle. There was involvement of subordinates roughly in proportion to the number of criteria which were met for the principle. When goals were formulated at the top of the management structure and not integrated with middle management goals, involvement
of subordinates was perfunctory. Lack of carefully defined goals at the building level usually disclosed less than optimal involvement of subordinates in the overall goal-setting process of the district. More than half of the principals interviewed did not demonstrate an enthusiastic commitment to the achievement of district goals. The goals represented a high level decision for action and results but where there was minimal involvement of the subordinates in the goal-setting process, their commitment was likewise minimal, if courteous.

The right compromise

All goals studied for districts in the study sample can be said to be the result of the "right compromise," whether they were formulated exclusively by the superintendent, or jointly with other agents of the school community. This is to say that although the goals were compromises which responded to various factions within each district, there was no evidence to support the statement that a goal was merely an appeasement of a faction.

Feedback

In districts where formulation of goals was unilaterally, from the superintendent down, the feedback appeared to be extremely poor. In at least half of the systems in the study sample, there were major differences of interpretation between the superintendent and the principal regard-
ing district goals. If the superintendent was aware of this, he did not convey this awareness at any time, either during the formal interview, or the informal interview that followed. Several districts required principals to make status reports of progress toward district goals at the end of the school year. In only half of the district surveyed did the superintendent indicate he made regular and frequent visits to each school building to personally survey the status of progress toward district goals. This was much less a problem for superintendents of high schools where there was a single building. The most prevalent form of feedback was the administrative council meeting, usually held weekly or twice a month. An additional source of feedback was the annual or semi-annual performance review for principals conducted in at least half of the districts surveyed. The efficacy of this source of feedback depended upon the candor with which the performance review was conducted. To analyze, with some precision, the effectiveness of feedback for each district in the sample, additional data would have to be generated from a much more lengthy survey of individual district communication processes.

The Third Principle: Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results and Make Someone Accountable

Summary of Data
Six districts in the study sample were in non-compliance, three were in minimal compliance and one was in full compliance to this principle. Of the five criteria related to this principle, the one which required the institution to make someone accountable was least often met. Only three districts made precise assignments for selected targets. One district did not set standards of accomplishment and performance and five districts have not carefully identified results for each major area of endeavor and used these results as a basis for the development of future programs.

Analysis of Data for the Third Principle

Managers need to think through priorities of concentration which enable them to select targets.

Three districts in the study sample failed to select specific targets for management effort. Six districts did this minimally so. This seriously reduced the ability of these districts to prioritize targets since they were either not specified or so broadly stated as to be somewhat nebulous. One possible reason for this failure to state targets specifically may have been related to the extreme pressure by the public for accountability; identification of failure is heightened when targets are clearly specified and more precisely measured. Also, the nature of the educational enterprise at this time is such that targets for each area cannot be stated with the same degree of specificity. If the business of a school district is to educate the "whole
child," as so often stated, defining specific psycho-educational targets, an aspect of this concept, is extremely difficult. All districts in the study sample indicated in the district's philosophy statement or elsewhere that the psychological and sociological development of the student was a school responsibility. Although the standardized achievement test offered greater opportunity for stating specific targets, only one district related achievement scores to the potential achievement of its student population. (Expectancy) This superintendent noted that although his student population achieved slightly above the norm in spelling, it was significantly below expectancy for this group. As a result, his target for achievement in spelling for the coming year was quite specific and vaguely defined in most of the sample districts although several of the leading standardized achievement tests provide for measuring students against their potential and thus provide a fairly specific basic achievement target. This study was unable to determine why this policy was not prevalent in districts which have indicated their intention to be highly goal-oriented. Two districts, on the other hand, specified student competencies in great detail. The problems encountered by these two districts may provide a key to the lack of specificity of student achievement targets in the others. One principal noted that up to 80% of the children at a given grade level had not met specific competency targets but he was in a quandry as to the disposition
of these students. He also noted that a large number of these children could be classified as slow learners who could not be expected to meet the stated competency standards but who did not qualify for special education classes in which a different set of competencies were set.

In the second district where targets were quite specific for programs as they related to PPBS, the interviewee complained that the paperwork related to this degree of specificity often interfered with performance. A third district that had spent several years implementing a highly individualized instruction program for students was abandoning their attempt to specify the array of skills (targets) involved in reading and math and to precisely monitor this array of skills for each student since this required each teacher to spend a disproportionate amount of time managing data.

Targets for superintendents and principals were much less specific than those set for students. No organized body of knowledge was discovered from which these districts specified managerial targets for middle and upper management. Only two of the superintendents interviewed used familiar, measurable and fairly specific management behaviors often stated for industrial managers.

The district which stated fairly precise targets for each area of the system arrived at a balance between the extremes of specifying targets for every level of behavior or setting targets for broad areas of the system in terms
so general that they gave indistinct direction to the system and also defied valid evaluation of the system's progress which was the case for at least half of the districts surveyed.

Managers need to think through priorities of concentration which enable them to set standards of accomplishment and performance.

While standards of accomplishment were set, they were set primarily for students and frequently limited to areas measured by the standardized achievement test. The fact that five districts were not in compliance to this criterion suggests that the task of setting specific standards of accomplishment and performance for all major areas of the organization is a difficult one even though the organization goal-oriented such as those systems in the study sample.

Norm-referenced tests for students readily lend themselves to setting standards of accomplishment and performance. In districts where a large segment of the parents were employed in professions, student achievement scores were well above the norm. Of the three districts in this category, only one attempted to set performance standards related to the expectancies of the student population. On the other hand, in one district in which the student achievement was significantly below the norm, the superintendent had made a careful analysis of student achievement as compared to the expectancy for each student. The superintendent noted that many parents feel their child is average or above average
and have difficulty accepting the idea that their child's expectancy is below the norm. This may account for the reluctance of most of the districts in the study sample to compare student achievement scores with their potential or, for that matter, to even publish student achievement scores.

Standards of accomplishment and performance for teachers were rarely specified in measurable terms. Once again the problem of specificity arose from the difficulty of describing human behavior in measurable terms. Standards for teaching were implied in three districts that had rather meticulously spelled out student performance standards in behavioral language.

Standards for principals were still less specific than those set for teachers, and again, for the same reasons with other considerations as well. Only three evaluation instruments were uncovered which specified management behaviors, and evaluated those behaviors by some means which could be said to have been based on clearly set standards of accomplishment and performance. One superintendent replied, when asked whether he had set standards to measure the performance of his principals, "That stuff is nonsense, you know when someone is doing the job or not."

The result of non-compliance to this criterion was confusion on the part of some principals as to the quality of performance required of them and their specific areas of responsibility.
Of the ten districts in the study sample, three had formal, yearly evaluations of the superintendent based upon standards of accomplishment and performance. Each superintendent agreed that the most difficult aspect of their evaluation process was that of setting standards of accomplishment and performance in such a way that both the board and the superintendent had the same relative understanding of the quality of accomplishment and performance. Targets could be agreed upon and set relative to a specific time line but descriptions of the degree of accomplishment in terms of "unsatisfactory," "minimal," "excellent," "meets professional standards," etc. were seen as much more difficult to specify in a way that achieved a consensus of all concerned. Each of the three noted that the yearly, formal evaluation of the superintendent created a record of performance which was more valuable in creating job security than a written contract. They also suggested that many boards of education do not perform this type of evaluation since it is so time consuming and demanding of individual board members.

The remaining seven superintendents were either not evaluated at all, or were given a narrative evaluation which represented the thinking of the board for "areas of concern" or "areas of commendation."

Two boards of education evaluated their own performance yearly, and in one instance requested that the
administrative staff evaluate the board's performance based on specific criteria with suggested standards for performance and accomplishment. School districts utilizing the MBO model of management espoused the concept of accountability. For this reason, several principal and superintendent interviewees indicated a polite, but open dissatisfaction with the fact that everyone but the board was evaluated for accountability. In the two districts where board members evaluated their performance both as individual board members and as a board, the superintendent and principals evinced great pride in this fact and suggested that self-evaluation by the board demonstrated leadership and enhanced the esprit de corps within the district staff members.

Managers need to think through priorities of concentration which enable them to set deadlines

All of the districts in the study sample were in minimal or full compliance to this criterion. Most performance objectives were stated for completion in the next school term. Some vagueness was noted where goals and objectives were developed for a five-year plan or where the stated objectives might have been accomplished some time within the school year.

Managers need to think through priorities of concentration which enable them to work on results

A prerequisite to working on the results of a program is the establishment of clear standards of performance and accomplishment for that program so that results can be
accurately measured. The five districts which did not set standards of accomplishment and performance for programs did not give significant evidence of identifying specific results of programs and working from these results to develop future programs. In several instances, objectives were not stated in quantitative and qualitative terms which made accurate identification of results difficult. For those districts which attempted to identify the specific results of programs the focus was on student achievement scores with lesser attention given to student attitudes. Results for areas of the instructional program not measured by the standardized achievement test were felt by administrators to be extremely difficult to measure. Several districts have developed or were developing criterion referenced tests to evaluate areas not measured by the standardized achievement test, but identification of results for teaching performance and for middle and upper management was quite scarce. A problem which came from this failure to focus on the results of teaching and management as separate disciplines within the systems was the difficulty of identifying the cause for poor performance of a program since evaluation was limited to the performance of students in a limited area of the instructional program. If the results of a program were good, it was assumed that teachers and administrators were doing an effective job; if results were poor, it was difficult to pinpoint the problem area.
One elementary district makes an extensive effort to identify the long term results of their educational program by surveying the progress of high school freshmen, seniors, and graduates who have been out of the elementary school for fifteen years. This process has enabled them to make significant changes in their educational program based on long term results as expressed by former students in various stages of their lives.

Districts within the study sample, then, had not uniformly identified the results of efforts for each level of the system and therefore were not able to consistently utilize the results of a program to modify future efforts. This failure resulted in a lack of continuity within the organization when it was viewed as a total system. The data showed that much of the failure to identify results for programs not measured by the typical norm-referenced test could be attributed to the extreme difficulty of devising valid, workable measures for each effort within a school system. Another consequence of this failure to clearly determine the results of an organizational effort for each area was the observation that such areas were quite often the focus of great activity but lacked clear direction.

Managers need to think through priorities of concentration which enable them to make someone accountable.

The concept of MBO is such that any system involved in a goal-intensive model of management such as MBO would be
expected to be most meticulous in establishing accountability at each level of the organization. It was surprising, then, to discover that six of the ten districts in the study sample did not comply with this criterion and one additional district did this only minimally so. Some explanation for this might be found in the observation that all ten districts relied on the line and staff mode of organization and the traditional understanding of this mode suggests that decisions and directions flow from the top down with the bulk of the responsibility resting at the "top" to see that a program is implemented. For example, in at least two of the study sample districts, the district goals and objectives were the superintendent's, and it was assumed, or implied, that these automatically became the responsibility of staff members at each level of the system even though specific areas of responsibility were not delineated. There were several major problems resulting from this understanding of accountability. Drucker emphasizes the need for specific accountability assignments which are essential to the analysis of program progress in any system. He also emphasizes the need to communicate the specifications and expectations of a program to those who have the responsibility for implementing it and suggests that unilateral communication frequently results in a lack of commitment to a program by a subordinate who has a poor understanding of his role in
Several principal interviewees demonstrated a polite compliance to the "new" system of management and an understanding of their responsibility for implementing a goal but understood this responsibility with much less precision than that stated by the superintendent. In each district, according to the superintendent, several principals had been demoted within the last two years and the data suggest that they may not have had a clear understanding of their specific areas of accountability. There was less evidence to analyze the cause of the recent change of superintendents in three districts in the study sample but it seems fair to conclude from the data that some bases for these changes resulted from the frustrations of boards of education which were attempting to define and analyze accountability, or the lack of it. Where the superintendent attempted to be accountable for every activity in the district, the result was management by crises and an attenuation of his management effectiveness. His specific actions were directed at controlling a multitude of activities rather than holding subordinates responsible for results of activities--(something which he could more easily monitor). Of course, some subordinates, according to the superintendent, did not accept clearly defined responsibilities and therefore invited demotion.

17 Ibid., pp. 436-37.
A significant fact for analysis of this criterion was the dearth of clear job descriptions for each classified and certified position for employees of districts within the study sample. This would seem to be a basic requisite for establishing accountability. Especially crucial information for the analysis of the management of a district are job descriptions for the superintendent and the principal, and these were most often missing in the study sample. Two districts were in the process of formulating job descriptions for the superintendent and principals.

Additional motives for the failure of many of the districts in the study sample "to make someone accountable" is explored in the analysis of the decision-making process.

Analysis of Data for the Third Principle
With Regard to the Decision-Making Process

Eliciting opinions, testing hypotheses for validity, encouraging disagreement

Establishing priorities of concentration of resources and efforts would seem to require extensive input from all levels of an organization. The sheer complexity of even a small school district would mandate a multi-level input approach to establishing priorities of concentration, and thinking through priorities of concentration is the premise on which the third principle is founded. Six districts were not in compliance to this principle and three districts were only minimally so. A review of the data
indicates that there is great diffusion of effort within the study sample and the basis for this diffusion of efforts is the failure of school managers to elicit subordinate opinions, test these opinions for validity and to encourage subordinates to voice divergent opinions. Several subordinates complained that the superintendent had set priorities for them that were quite different from those which they would like to have set for themselves.

Because the superintendent did not incorporate divergent thinking into the prioritization of district goals and objectives, some principals tended to set their own priorities based on immediate needs as they saw them, while, in several other cases, principals demonstrated not only a lack of commitment to district priorities but also a lack of careful thought to prioritizing the efforts of their own building programs. The result of this was a periodic diffusion of resources, and a lack of clear direction and firm commitment of staff efforts.

**Understanding divergent opinions**

As noted above, a predominant factor in the failure of six study sample districts to comply to Drucker's third principle of managing for performance, was the failure of the chief executive officer to elicit divergent opinions from subordinates and to test these opinions for validity. Those districts which demonstrated compliance to this criterion for decision-making also gave evidence that a con-
certain effort was made to understand divergent opinions. This elicited greater commitment by the principals to the success of district programs and it also enhanced communications at each level of the organization. Principals tended to extend this process decision-making to their building staff if it was the process used by their superintendent.

Is a decision required?

More than half of the study sample districts did not clearly prioritize goals and objectives and there was little evidence that the superintendents felt a decision was needed. Characteristic of these districts was the "hidden agenda," or the prioritizing of efforts based on the day-to-day exigencies that develop within an organization. Prioritization of efforts was related to the pressure that could be applied within the organization by a board member, teachers' group, or a parent group. Unless sufficient pressure was applied, the problems were allowed to "work themselves out."

There were two basic problems with this approach to decision-making:

1. Management was primarily reacting to a plethora of unanticipated problems, thereby reducing, if not eliminating the efficiency and effectiveness of management planning and strategy.

2. Frequently, excessive application of resources and/or efforts resulted when control of a decision came from outside of the organization rather than from within.
Involvement of subordinates

Involvement of subordinates in prioritizing district programs was not in evidence for over one-half of the districts surveyed. Consequently, subordinates had differing views on what were top priorities for the district. In districts where subordinates were involved in the prioritization of district efforts, there was evidence that they had a strong commitment to the success of these efforts and understood quite well the strategies that were being employed to achieve success.

The right compromise

Since over half of the districts in the study sample did not prioritize efforts according to Drucker's criteria for the third principle, compromises inherent in the prioritization process were not evidence for these districts. Evidence exists that some prioritization was being done for the "wrong reason", i.e., who was right rather than what was right, such as the demands of a short term need for a special interest group.

Feedback

Drucker is most explicit when describing the procedure for obtaining valid feedback within the organization: "to go oneself and look is the only reliable feedback."18

18Ibid., p. 480.
Prevalent within the study sample was the practice of allowing contingencies to prioritize the efforts of management or for the superintendent to completely dominate the setting of priorities either as a result of obtaining minimal feedback or ignoring feedback when it was given. There was significant evidence that a trend in public school management is toward more frequent on-site evaluation of individual school programs so that a good analysis of the effect of a decision can be made by the chief executive officer. Superintendents frequently complained, however, that the plethora of administrative duties concerned with completion of state and government forms, analyses of special education guidelines, the continual changes in the state financial support formula, accommodation of the public relations responsibilities within the organization, and the study time necessary to comprehend and comply with recent laws and court decisions relating to civil rights, all sharply reduced the time necessary for the superintendent to obtain essential feedback. Many administrative decisions are being made with less than optimal feedback which is another factor contributing to ineffective and inefficient distribution of limited resources to a greater or lesser degree for districts within the study sample.

**The Fourth Principle: The Need to Define**

**Measurements of Performance**

**Summary of Data**
Four of the districts in the study sample were in non-compliance to this principle while five districts were in minimal compliance. It is apparent that evaluation becomes extremely difficult when measurement is not clearly defined and yet only one district within the study sample of districts managing according to the precepts of an accountability system fully met this criteria. Most of the districts had made serious efforts to define measurements of performance for students, either through the use of norm-referenced tests such as the standardized achievement test, or by formulating criterion referred tests which attempted to measure those areas not measured by the SAT. Less frequent were attempts to define measurements of performance for the superintendent and the teacher. Least evident were attempts to define measurements of performance of principals.

Analysis of Data for the Fourth Principle

The ubiquitous press nationally for accountability through competency-based education has provided the motivation for many of the school managers to attempt to define both acceptable student performance and the measurements necessary to evaluate this performance. All of the superintendents and principals interviewed agreed that the standardized achievement test measured what it purported to measure but did not measure significant areas of the instructional program. Most of these administrators were concerned that the wave of conservatism throughout the nation
embodied in the "back-to-basics" movement would lead to an undue reliance on the SAT because of the convenience and simplicity of its administration. They felt that a comparison of a student's performance in various areas of the instructional program with a national sample of students his own age, while useful, was limited to evaluating specific skills in the cognitive domain. Social development and the attitudes of students, they noted, were much more poorly defined and evaluated and currently appear to be of less importance to many parents and the communities.

Consequently, administrators on the one hand were re-emphasizing the development of basic academic skills, the teaching of those skills and their measurement, while on the other hand they were attempting to re-define the concept of personality growth, the social skills and the definition of the measurement of these concepts as well. This attempt was largely unaccomplished in the study sample. Since both elementary and high school superintendents emphasized the importance "of a proper mental attitude" for "success in school" and decried the lack of this attitude in large numbers of students in recent years, a careful description of a "proper mental attitude" and a viable means of measuring it was felt to be needed but was not generally available.

If it was difficult for school managers in the study sample to define measurements of performance for major areas of student behavior, it was more difficult still for school
managers to do this for major areas of middle and upper management levels. Four systems had carefully defined measurements of performance for the superintendent and had reasonably well defined measurements of performance for the principal and the teacher.

(No evaluation is made here of the quality of these measurements.)

Three districts evaluate principals based on the "administrative experience" of the superintendent with a definition of these measurements being almost exclusively in the mind of the superintendent. These evaluations were in narrative form with no apparent delineation of what constitutes a "good" or a "poor" performance, nor were specific areas of management performance described. On the other hand, one superintendent had carefully defined areas of management behavior for principals and rated these behaviors on a scale from 1 to 9. He described performance in the 1 to 3 range as "unsatisfactory," 4 to 6 as an "average" performance and a range wherein most of his ratings are given, 7 as a "good" performance and not accomplished with great frequency, 8 as reserved for an "exceptional" performance and rarely achieved, and 9 as given to a performance of extremely high caliber and almost never achieved.

As a consequence of poorly defining measurements for middle and upper management in the study sample, most
of the managers had a poor understanding of what was specifically required of them to achieve a sound professional performance nor were they able to delineate those areas of strength and weakness which must be thoroughly analyzed in order to develop a plan for professional growth. In fact, there is evidence that although some school managers feel insecurity in the evaluation process because areas for performance and the measurement of that performance are quite nebulous, they consciously resist clarification, feeling that a careful definition of management performance and its measurement would seriously threaten their tenure. There was also some evidence that several superintendents saw this process as a threat to their power if the performance of principals was more objectively centered in carefully defined written criteria rather than subjective, and somewhat recondite criteria which existed almost exclusively in the superintendent's mind. When one superintendent was asked on what basis he evaluated his principals or in what manner he developed his recommendations for salary adjustments, he stated, "You know when someone's doing the job." He did not define what "doing the job" meant or how it is measured.

One might reasonably conclude, that measurements of management performance in the study sample has been largely ill-defined because of the difficulty of accomplishing the task and also because some superintendents and principals
see this as a threat to their security.

Lengthy interviews with four superintendents terminated during the course of this study (not included in this study) and discussion of this subject with principals and superintendents in the study sample confirms the following conclusion: that measurements of performance are poorly defined for all levels of the school system except for that specific area of performance measured by the achievement test and even this area was subject to misinterpretation by both professionals and parents. None of the four superintendents recently terminated could refer to a written evaluation which incorporated carefully defined measurements of performance as a basis for their termination. The same can be said of three superintendents in the study sample who were asked to evaluate the performance of their predecessor as they understood the board of educations' basis for terminating them. These superintendents in the study sample were very careful to make every effort to develop measurements of performance for their own tenure with the board of education. Apparently, the lessons of their predecessors' failures were not lost. But the consequences of ill-defined measurements of performance were not limited to the superintendent or principals' performances.

Two cases of teacher dismissals in separate districts in the study sample were poorly supported by evaluations and required those districts to retain the teachers who the
administration felt were incompetent. A major cause of the failure to substantiate these two teachers' poor performance was the lack of defined measurements of performance. Even at the student level, poorly defined measurements of performance caused problems.

Two districts had meticulously developed measurements of performance for students in terms of skill competencies for major areas of the instructional program. Evaluators were able to measure, with some proficiency, the success or failure of students in these areas, but a significant number of students classified as "slow learners" were assigned to a limbo, the description of which was a source of frustration for the administration. Apparently, defining measurements of performance for each level of the system and dealing with the consequences of such an effort is something that will not be achieved in the near future for all districts in the study sample.

Analysis of Data for the Fourth Principle With Regard to the Decision-Making Process

Eliciting opinions, testing for validity, encouraging disagreement

Previous analysis has pointed to the fact that both superintendents and principals in several of the districts in the study sample have consciously avoided defining measurements of management performance seeing it as a threat to their tenure or as a process which generates some very
serious consequences.

For the five districts that have accomplished this task, either minimally or fully, there is a continual process of revising their definitions of measurement as their understanding of management, teacher and student performance changes. These revisions are being accomplished through adherence to this first criterion of decision-making.

Understanding divergent opinions

The superintendents in the four districts in non-compliance to the previous criterion were also in non-compliance to this criterion. However, all of those superintendents who elicited divergent opinions from subordinates attempted to understand their opinions and make them a part of the measurement process. Characteristically, the continuous flow of divergent opinions affected an almost constant revision of the measurement process.

Is a decision required?

It is interesting to note that continuous pressure from the public for accountability in the schools has led six of the study sample districts to decide that defined measurements of performance are inevitable and quite desirable, while the remaining four districts have either decided not to respond to this pressure or to make no decision at all with regard to it.
Involvement of subordinates

Districts which have achieved compliance to the fourth principle give evidence of involvement of subordinates at each level of the organization. This is less true, of course, for students when defining measurements of student performance. In several cases, however, students were involved in defining measurements of performance for teachers, teachers for principals, and principals for superintendents. In two cases, central office administrators were involved in developing measurements of performance for the board of education.

The right compromise

Where the decision was made to avoid defining measurements of performance because of a perceived challenge to authority control and/or security it is concluded that the wrong compromise was made. The bases for these conclusions are two-fold: there is evidence that a lack of defined measurements of performance in five districts has stifled opportunities for communication between teachers and school managers, and there is further evidence that such a condition, if it persists, will result in definitions of measurement being formulated for all levels of the organization by those who do not have the appropriate background and experience to do this.

Feedback

The four districts which are not in compliance to
the fourth principle have no need to get feedback with reference to non-existing definitions of the measurement of performance. As one might expect, however, where definitions of performance have been developed through the participation of subordinates, a fairly effective feedback process has been developed which affects the continuous development of the various evaluation instruments. This has enabled the evaluation instruments to respond to continually changing demands.

The Fifth Principle: The Need to Use Measurements of Performance to Build Self-Control

Summary of Data

One district was in compliance and five were in minimal compliance to this principle. These districts used the measurements of performance to control the use of resources and to set the direction of various programs at each level of the organization with varying degrees of effectiveness. It must be emphasized here, however, that for these districts which were in minimal compliance to the fifth principle, significant areas of the organization were not being controlled since there was an absence of defined measurements for those areas. This was particularly apparent for the performance of the principal and for building goals and objectives.

Analysis of Data for the Fifth Principle
Most of the control for districts in non-compliance to this principle was imposed from the superintendent's office or the office of the business manager. Several principals complained, for example, that the only discretion they had within their building budget was to spend to the limit of the allotment in a particular category (program function). They were not allowed to transfer funds from one category to another, the result of which was either a surplus of funds for a particular kind of equipment or software while areas of the instructional program were left wanting. Instead of defining measurements for performance at the building level and using these measurements as a means of imposing self-control at the building level, superintendents in non-compliance to the fifth principle tended to manage a variety of activities at the building levels directly rather than to hold the principal responsible for carefully prescribed results as determined by mutually agreed upon measurements. Once again, for districts in non-compliance, and to a lesser degree those districts in minimal compliance to the fourth and fifth principles, control was externally imposed by contingencies or by the superintendent and/or the board of education resulting in decisions being made at an unnecessary distance from the problem. The district in full compliance to the fourth and fifth principles allowed the greatest autonomy of management at the building level. Principals had a primary role in setting district goals and objectives,
in the disposition of human and material resources and in the selection and development of personnel.

Districts which lacked defined measurements of performance and the use of these measurements to build self-control evinced certain characteristics in their decision-making process. This is analyzed next.

Analysis of Data for the Fifth Principle With Regard to the Decision-Making Process

Eliciting opinions, testing for validity, encouraging disagreement

Four districts which had not defined measurements of performance and therefore could not impose self-control by this process were characterized by an intensely authoritarian "chain of command." Superintendents and principals in these districts appeared to have consciously avoided defining measurements of performance, seeing this procedure as something which could limit their control. These superintendents brooked few disagreements--particularly in the process of defining measurements of performance for management and supervisory personnel. They felt that the use of defined measurements of performance was superfluous since the criteria were universally established and easily understood by any manager. Testing opinions for validity was the act of determining to what degree the opinion concurred with that stated by the superintendent.
A characteristic of principals interviewed in two of these districts was their lack of candor; statements were tentative, broad and not controversial. There was evidence that these systems emphasized the needs of the organization over individual needs. On the other hand, the remaining two districts that did not comply to the fifth principle did so because of a failure to do so rather than a decision not to comply to the principle. Management in these two districts was characterized by dissention, extreme diversity of unresolved thought, leading to amorphous administrative policies and a failure to test opinions for validity. Consequently, principals managed buildings according to personal preference, programs continued from year to year without a comprehensive testing for validity, and budgets were constructed based on "a cost of living" increase for each line item as opposed to a "zero-based" budget construction which demands that each program be analyzed for its validity in terms of carefully defined measurements of performance and the use of these measurements for self-control, which regularly results in termination of a program. In all four districts, programs were retained to avoid divergence of opinions and the resulting problem of testing potentially influential opinions for validity. This is seen to be at least one of the factors which has contributed to the financial instability of these districts.
Understanding divergent opinions

There was no motivation to understand divergent opinions with regard to the use of defined measurements of performance to develop control for four of the ten districts in the study sample since there was a lack of effort to elicit them. It appeared that a concerted effort was made to understand the divergent opinions of subordinates in each district where encouragement was given to their expression. One might hypothesize that a failure to understand divergent opinions of subordinates, once elicited, could lead to serious problems of credibility between the superior and the subordinate.

Is a decision required?

As previously noted, two superintendents in non-compliance to the principle gave no evidence of feeling need to use defined measurements of performance to impose self-control on the organization. The other two superintendents in non-compliance to the principle appeared to have made a conscious decision not to comply to the fourth and fifth principle, seeing this as a possible infringement of their management prerogative. There were signs that this lack of decision would engender efforts by the various constituencies to force a decision to use defined measurements of performance as the basis for district-wide accountability.
Involvement of subordinates

For districts in minimal compliance to the fifth principle and especially for the district in full compliance, there was good evidence of extensive use of subordinates in both the development and use of definitions of performance for district programs and personnel. Because of this continuous infusion of ideas, both the definitions of performance and their manner of application were in continuous revision, apparently responding to the changing needs of these districts.

The right compromise

It is difficult to make a valid analysis of the kind of compromises made by the four districts in non-compliance since the "right" compromise rests, to some degree, on a value judgement. For two of the districts in non-compliance to this criterion, there appeared to be a conscious decision to avoid the use of defined measurements of performance to build self-control because of a possible negative reaction of the staff to this strict accountability factor. Several administrators also regarded the use of defined measurements of performance as a factor which limited management control and flexibility of decisions. The difficulty of defining measurements of performance for each area of the system also seems to have been another factor. Neither of the foregoing reasons would seem to qualify this compromise as the "right" compromise according to Drucker's
The remaining two districts also appeared to have made a conscious decision not to define measurements of performance, particularly at the teaching and management levels, because it was felt that these concepts are universal and inately known to both teachers and supervisors as a result of common sense and professional experience.

The consequence of avoiding a decision to define measurements of performance because of anticipated hostility by the staff to this essential accountability factor is the obfuscation of the performance of the professional staff and the children of the district, making it extremely difficult for management to react appropriately to problems which arise.

If defined measurements of performance are universal and "inately known by the teachers and management," it was not evident from this study. Those few examples of defined measurements of performance identified in the study were the result of extensive efforts by both superintendents and subordinates. It seems reasonable to conclude that the two superintendents who cited the above reasons for an absence of written, defined measurements of performance had not made a "compromise" based on objectivity. The consequences for these two systems are the same as for the other two systems in non-compliance: the progress of professional

\[19\text{Ibid., p. 479.}\]
staff and the children is extremely difficult to evaluate.

The feedback

Crucial to the effective use of measurements of performance is the feedback process which provides the school manager with continuous evaluations. In districts complying to this criterion of the decision-making process, there is ample evidence that this aspect of evaluation constantly stimulates revision of the evaluation process as the needs of the system change. Even in systems where the evaluation format has remained unchanged, the interpretation of definitions for measurements of performance is the subject of continuing review. A basic weakness in the feedback process was found to be the limited availability of the superintendent to directly view the application of measurements of performance at all levels of the system. This limited availability was seen as particularly crucial when superintendents evaluated principals. In several districts, the superintendent accepted the principal's evaluation of a building program as "successful" without reference to mutually agreed upon definitions of the measurement of "success." They felt comfortable with this evaluation since they noted that the principal was closest to the program and therefore had the best vantage point to evaluate it. These superintendents relied heavily on reports, both narrative and statistical. The effectiveness of communications in districts where the
superintendent and principals invested large amounts of time to personally elicit feedback from lower levels of the system stood in sharp contrast to their counterparts in districts where there was almost total reliance on subordinates to report on the effective use of measurements of performance. Subordinates tended not to recommend termination of obsolete programs since they were reluctant to apply objective measurements of performance which would have shown a program to be obsolete.

One of the most serious consequences for a superintendent who relied on reports for feedback rather than on his own on-site evaluation was the limited perspective reports provided of programs since the reports frequently represented the thinking of only one evaluator. Then, too, the communication process itself presented the superintendent with a limited picture of programs since the superintendent was not available to personally interact with the staff and students involved.

The Sixth Principle: The Need For An Organized Audit of Objectives and Results

Summary of Data

Three districts were in non-compliance and four districts were in minimal compliance to this principle. Again it must be emphasized that the analysis of this and the other principles was not based on a literal adherence to the criteria. "Organized" is a word that could be
subject to some interpretations when applied to "audit."

It was determined that all districts within the study sample had the capability to perform an organized audit of objectives and results through regular meetings of the board of education, administrative council meetings and negotiations with the professional and non-professional unions.

**Analysis of Data for the Sixth Principle**

**Identify objectives that are no longer useful or are unobtainable**

Four districts made extensive efforts to identify objectives that were no longer useful while four districts did this minimally. In districts where no effort, or minimal effort was given to this criterion, there was evidence that programs of undetermined value were being supported even though a superintendent or principal felt unsure about their contribution to the system. For example, one elementary district had supported individually guided education for all of its students but was becoming increasingly aware that the management responsibilities incumbent upon the classroom teacher to implement the program required the teacher to spend a disproportionate amount of time managing the system rather than relating to children.

Lack of adherence to this criterion even on a minimal basis was seen as one of the most serious failures of the MBO programs in the districts surveyed. Although a financial audit was not a part of the district survey, at
least three of the districts were in such an untenable financial state that they were required to pass the next school year budget early so that the boards of education could borrow the necessary money to complete the current school year. And yet, these districts were the most serious offenders of this criterion in terms of supporting programs which were no longer useful or were unobtainable. (The general failure of four districts in the study sample to define measurements of performance and to use these measurements to identify unobtainable or useless objectives almost insured their support of useless programs.) One of the most serious criticisms leveled at public service institutions today, not only by Drucker, but by the general public, is their inability to achieve self-control, i.e., their propensity for expanding the system through the acquisition of programs, which once acquired, are rarely terminated for lack of performance. This statement can be applied to half of the districts in the study sample and yet there appeared to be nothing inherent in the make-up of a school system that impeded a policy of accountability. As a matter of fact, the political considerations which are said to inhibit accountability in governmental agencies seemed to be less of an inhibiting factor for performance accountability in school systems in the study sample. The problem may lie more in the preparation and experience of the school administrators in these districts. No clear basis could be found to justify a total lack of compliance
Identify unsatisfactory performance

One district was in non-compliance, one in minimal compliance and eight in full compliance to this criterion. Most superintendents could readily cite examples of unsatisfactory performance for principals, teachers and students although the unsatisfactory performance of students was stated as being limited to fairly narrow areas of the instructional program and was generally felt to be compensated by exceptional performance in other areas. In the case of teachers and principals, however, several superintendents indicated that a concerted effort to remediate poor performance had led to termination of teachers or demotion of principals. One must not assume, however, that identification of unsatisfactory performance always resulted in remediation or termination -- particularly as this concerns the teacher or the principal. For example, one superintendent indicated that the performance of one, and possibly two, of his principals was unsatisfactory and probably not remediable. He had demoted two principals within the last two years and was now reluctant to demote two more because the severity of this action would cause great trauma to the system.

At the opposite end of this continuum was the superintendent who had had difficulties with the junior high school in terms of organization and student behavior but was
reluctant to place this responsibility on the principal. Delay in conducting a candid, effective performance appraisal with the principal may be the cause for future community action to close the junior high school and to return to the K-8 organization. (He was continuing the failure of his predecessor.)

In general, districts in the study sample do identify unsatisfactory behavior at all levels of the organization, although this identification is much less systematic and precise at the teacher, principal and superintendent levels. The range of action in regard to unsatisfactory performance was extreme; at least three superintendents gave evidence that they moved with great dispatch when reacting to unsatisfactory performance while at least three others gave evidence of procrastination in this matter. Evidence from the remaining four districts in regard to action taken relating to unsatisfactory performance was difficult to analyze. Several examples were found where administrative personnel were either transferred laterally to another administrative position or transferred to a central office position which appeared to be a promotion. If these observations are valid, it is reasonable to conclude that identification of unsatisfactory performance within the study sample may not have resulted in actions which led to the termination of that behavior in each instance. It was interesting to note that over half of the superintendent interviewed felt that more
was needed to be done by their colleagues to terminate unsatisfactory performance in both the teaching and administrative ranks. This would suggest that the consequences of this failure to deal conclusively with poor performance at various levels of the organization have resulted in the continued employment of incompetent people, and a service to children that is not all that it can be.

Identify obsolete and unproductive activities

Although four districts complied fully to this criterion and four minimally so, less than half of the nine could cite obsolete activities. Superintendents and principals were more readily able to identify activities which were unproductive. This is significant when seen against the background of the 1960's from which spanned a plethora of innovations for public schools. As a matter of fact, the interviewees appeared to have more difficulty relating obsolescence to the public schools than with any other relationship required of them by the interview. One concludes either that very little that took place in these public school systems became obsolete or that obsolescence was somewhat difficult to deal with. Their highly structured organization could be a contributing factor to this problem. Another possible explanation for the phenomenon may lie in the fact that a great effort was usually expended to "sell" new programs in each of the sample districts and when those programs became obsolete, because
they had become so thoroughly incorporated into the system, and because the staff and parents became so personally identified with them, they were extremely difficult to terminate.

The ramifications of this failure to identify obsolescence in each of the sample districts could be serious for school managers if the continuing push for accountability by their constituents results in a wholesale identification of programs which they regard as obsolete. In several districts, where a number of board members had experience as business managers, the major impetus for MBO came from the board rather than the superintendent and these managers clearly regarded traditional public school administration as obsolete. It is surprising, then, that this background of experience in the board did not motivate administrators to be more meticulous in their identification of obsolete objectives.

A mechanism for sloughing off unproductive and obsolete activities

Eight of the sample districts had at least three mechanisms for sloughing off unproductive and obsolete activities. The board of education and the superintendent, of course, represented the ultimate mechanism for terminating programs, but other mechanisms, such as the administrative council, the building principal and various teacher committees also functioned as a mechanism for disposing of unproductive programs. This type of thing was
continually being done at the classroom level with varying degrees of effectiveness.

Drucker emphasizes the importance of this requirement for the public service institution.

The absence of a market test removes from the service institution the discipline that forces a business eventually to abandon yesterday—or else go bankrupt. Assessing and abandoning low-performance activities in service institutions, outside and inside business, would be the most painful but also the most salutary innovation.20

One may not assume that identification of the various mechanisms within the districts in the study sample suggests that these mechanisms are being optimally used. A clue to the fact that unproductive and/or obsolete activities are not generally being sloughed off in any great numbers and with regularity is the minimal effort the sample districts have made to identify such activities. Had the effectiveness of the terminating processes within each district been evaluated with regard to the significance of those activities identified and terminated, the number of districts complying fully or minimally to the first and third criteria for this principle would have been sharply reduced. This, of course, would have shown the mechanisms for sloughing off objectives which are obsolete or no longer useful or productive to be less effective than recorded by the data herein. However, not only did this study avoid literal adherence to the criteria, but it also refrained from eval-

20Ibid., p. 159.
Eliciting opinions, testing for validity, encouraging disagreement.

The range of adherence to this criterion was extreme, from the behavior of several superintendents who gave cursory attention to input from subordinates into the audit process, to at least three superintendents who made extensive efforts to incorporate the divergent contributions of their subordinates into this process. Analysis of the data supports the statement that six of the districts in the sample made consistent use of input into at least a yearly, comprehensive audit of district programs and objectives.

For those districts where the audit was conducted principally by the superintendent, or not conducted minimally, the lack of communication between subordinate and superior was evident. There was also a tendency for principals in these districts to evaluate programs and personnel in terms which were extremely broad, or in some cases, not at all. This seems to present a paradox for three of these districts where the superintendents received minimal input from subordinates. These superintendents demonstrated an authoritarian management style and indicated that a constant audit of programs was going on throughout the district.
The interview with the principals did not support this view, however.

Understanding divergent opinions

As expected, for those three districts where subordinate input was an essential part of the audit process, a determined effort was made to understand divergent opinions. This was done cursorily in the three districts in minimal compliance to this criterion. There was little or no evidence that efforts were made to understand divergent opinions regarding the district audit in three of the districts.

Is a decision required?

Accountability is once again causing the seven districts in minimal or compliance to continually review the decisions made in their audit process. As yet, the four superintendents who have not developed an organized and identifiable audit process gave no indication that a decision was required to inaugurate one.

Involvement of subordinates

For the seven districts in minimal or compliance to this principle, there was considerable involvement of subordinates as is implied in the prior criteria for this principle. The observations for the criteria above holds for this criteria too.
The right compromise

It is difficult to comprehend how three districts can be said to be managing via the MBO process when there is not an identifiable organized audit of programs and objectives. The data suggest that the objectivity of an audit of programs and personnel might be seen as a threat to the security of the administration in two districts. As for the other two districts, "who" is right seemed to be more important than "what" is right. There was no lack of willingness of subordinates to assist with an audit of programs and objectives; there seemed to be a lack of willingness on the superintendent's part to accept this input.

Feedback

If the data are accurate that four districts are not in compliance to the sixth principle and three are minimally so, it seems valid to conclude that a major component in the feedback process is lacking for school districts in the study sample. This observation adds further credence to the statement that these districts are not terminating unproductive efforts in any great numbers or with a high degree of effectiveness. The audit of objectives and results represents the basic mechanism for sloughing off such activities and for at least four of the districts in the sample, this "mechanism" is poorly defined and its performance haphazard. It is revealing to note that
two districts which had developed measurements of performance and had used these measurements to build self-control did not formulate, within any precision limits, an efficient means whereby unproductive programs could be terminated. In fact, two superintendents described several programs which had been evaluated as minimally effective but which continued to be supported because a concrete process for terminating them had not been developed. It is ironic that districts committed to MBO could be at least in minimal compliance to the first five principles and then fail to develop this most essential feature for communications and control of resources: the performance audit. If this failure is endemic to public service institutions, this study was not able to substantiate it. Apparently, school districts can organize an audit of objectives and results which meets Drucker's four criteria for this principle: three districts did. The results of this essential feature of the feedback process can be found in the existence of programs of minimal value to children and staff and the corresponding attenuation of scarce resources. Additionally, the final stage in the audit process, the feedback, has not provided at least three districts with an answer to the crucial questions: "How have we done?" "What should we have done?" "What shall we do?"
CHAPTER VI

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents the summary, conclusion and recommendations of this study. The first section summarizes the problem, procedure and design of the study and major findings for the review of related literature and research. The second section presents conclusions of the study based on analysis of the data. The third and final section of this chapter suggests a number of recommendations based on the conclusions of the study.

Summary

The purpose of this study was to determine whether or not the MBO model was being implemented in ten school districts in Cook County, Illinois of varying size, socio-economic status, minority composition and structure which had indicated in a preliminary survey that the district was utilizing MBO. Drucker's six principles for managing public service institutions for performance acted as a screen to determine compliance or non-compliance to the model for school districts in the study sample. Additional perspective was given to the study by analyzing the decision-making process in each district with regard to the six principles and a format for this management function proposed by Drucker. The process and format of this study were
that of a modified case study. Literal adherence to the principles and criteria were not thought to present a true picture of a district's concurrence to the MBO model. The principle sources of data for this study came from taped interviews with superintendents or their designee, one building principal and from documents from each district consisting of program plans, administrative memos, boards of education minutes and policy statements, and agenda from boards of education and administrative council meetings.

The following is a summary of the major findings drawn from a review of related literature and research.

1. The literature substantiated the importance and viability of MBO not only for the business industry wherein it originated, but for public service institutions as well.

2. The authorities consulted agreed in principle on the structure and essential concepts of MBO.

3. Some lack of agreement was noted in regard to the process of MBO between authorities who stressed the personal interaction between superior and subordinate, or the human relations orientation concept, as compared to a more comprehensive view of MBO identified as the systems management concept.

4. Much of the literature suggested that school districts were turning to MBO because it was seen as a dynamic, involved and productive method of management.
5. The literature did not disclose extensive use of MBO at the university level.

6. Drucker's method for defining the business of an institution was unique among the authorities consulted both in emphasis and in content.

7. Authorities invariably noted that the failure to distinguish between a credo, or philosophy statement, and the objective statement, which is a specific statement of outcomes, insured the failure of the MBO process of management.

8. While most authorities reviewed agreed on the importance of setting objectives from the "top down," they also agreed that the momentum for setting and owning objectives should be generated from the "bottom up."

9. There was a significant omission of discussion in the literature relating to Drucker's fourth principle; that is, the managers' need to define measurements of performance. (Authorities generally agreed that results of performance needed to be measured but specific attention to defining measurements of performance was given comparatively less attention than a discussion of criteria for defining goal and objective statements.)

10. There appeared to be a paucity of information in the literature relating to a specific mechanism or format for sloughing off unproductive activities. Drucker stated that this process was a matter of life and death for a business competing in a free market but it was most frequent-
ly ignored by public service institutions.

Conclusions

The following conclusions were drawn from an analysis of the data:

1. Only one school district in the study sample was in compliance with each of Drucker's six principles for management of public service institutions for performance though his principles were interpreted quite broadly in this study. This failure of districts to comply with the principles was more the result of the chief administrator's failure to be informed on Drucker's principles than any inherent difficulty in conforming to the principles. Introducing MBO based upon Drucker's six principles to any school district would require an extensive and an intensive in-service program for school managers and boards of education as well.

2. School districts failed most frequently to define a statement of the business of the district and, next in frequency, to define measurements of performance whereby performance could be evaluated. Consequently, there were significant differences of opinions within the various constituencies of most districts in the study sample with regard to the business of the school district and these differences led to a diffusion of efforts and resources. Even where a district had complied with the first principle by defining its business, the lack of defined measurements of performance insured that such a district could not accurately assess its
progress toward its goals and objectives. Not only is it essential, therefore, for school managers attempting to implement MBO to define the business of the institution most carefully according to the format suggested by Drucker, but it is crucial to the success of the MBO program that careful attention also be paid to defining measurements of performance which can accurately determine to what degree the business of the organization is being served.

3. Since there was no principle with which at least one of the school districts within the study sample could not comply, it seems reasonable to assume that there is nothing so unique about a school system or any of the six principles which would make compliance unfeasible.

4. It was surprising to find that three districts in the study sample had not satisfactorily met the criteria for defining goals and objectives even though they purported to be using a goal-intensive management model. This has great significance for the future of MBO as it applies to school systems. Ultimately, barring a correction of this deficiency, the seeds of failure have been sown for these school systems and the spurious conclusion of these administrators will likely be that MBO is not compatible with school management. It cannot be assumed that school districts purporting to use MBO have developed goals or have precisely stated performance objectives in measurable terms. Stating goals and objectives in a manner that meets essential cri-
teria of MBO requires the careful preparation of all school personnel involved in the project.

5. Six school districts had not met the criteria for prioritizing resources and efforts, and this failure was regarded as particularly serious since declining enrollments and a lag in state financial support had curtailed the availability of resources. The very process whereby diminishing resources might be utilized with maximum efficiency and effectiveness was not being used, thereby aggravating this condition. Failure to prioritize the efforts of any enterprise leads to a dilution and a waste of resources and a sharp reduction in the results of a program.

6. Setting standards of accomplishment and performance proved to be a difficult task for eight school systems within the study sample. This failure was the result of the inability of those school systems to define desired human behaviors in measurable form, a major challenge for public service organization since their main "commodity" is the performance of a human being. Especially critical was the lack of standards of performance for principals and teachers. These school districts tended to rely on the outcomes of student performance on a standardized achievement test as the principal measure of teaching performance, although at least two school systems had made significant progress in applying competency based education to student performance to give a broader picture of teacher performance. Failure
to identify and to evaluate effective teaching competencies which produce desired results makes the improvement of teaching performance most improbable, resulting in teacher evaluations which serve little purpose. Failure to identify and evaluate management competencies for the principalship relegates the principal to the position of a "caretaker," a position which does not square with the concept that the principal is part of middle management and a key member of the management team. Evaluation of the principalship, where effective management behaviors are not clearly identified, also makes the improvements of management performance most improbable.

7. In the face of public demand for accountability, four school systems within the study sample had not demonstrated the use of measurements of performance for self-control in significant areas of the organization. This failure in any school system would likely place boards of education and their administrators in the untenable position of defending their use of resources without being able to specifically identify the effectiveness or lack of effectiveness of their programs. For example, a crucial problem arose in several districts in the study sample when an attempt was made to terminate programs which were seen as unproductive but which had become popular with a small but vocal minority of students, parents and teachers.

8. Four districts within the study sample had not
devised a mechanism for sloughing off unproductive objectives and activities. Once again, the problem of declining resources was exacerbated by the failure of these districts to devise a hard-nosed approach to assess the results of a program and an effective means to terminate unproductive efforts. Failure to devise an effective audit process to discard unproductive activities results in a situation where poor performance is either not identified, is allowed to siphon off valuable resources, or is finally terminated in a haphazard fashion.  

9. It was apparent that the decision-making which took place in organizations where goals and objectives were developed not only from "the top down" but also from "the bottom up," was characterized by thorough execution as a result of a depth of communication throughout the organization. There was also significant evidence that decisions in these school systems received greater support and commitment from employees because of the involvement of those who would have a part in implementing the decision. Employee morale also appeared to be higher in districts that followed this decision-making process although it must be noted that a definitive statement of this kind is beyond the scope of this study. It seems appropriate to conclude that this observation would be valid for other organizations in both the public and private sectors.
Recommendations

The following recommendations seemed appropriate as a result of the conclusions of this study:

1. It is suggested that emphasis be given to Drucker's six principles at the university level and in-service training programs for school managers through state departments of education, school board associations and administrator associations.

The failure of school districts to comply with Drucker's six principles for managing public service institutions for performance was more the result of a lack of academic and in-service preparation than an inherent uniqueness of the public school system. Great potential is seen here for the development of an accountability system for the management of public schools and the improved performance of each agent within the school community.

2. The nation's great universities should continue to conduct research in the nation's schools to search for the means whereby the schools can make a more substantial contribution to the quality of human life.

Confusion is pervasive in the nation's schools in regard to the "business" of a school system. Some citizens feel that the schools should be all things to all people while others feel that the schools should teach the fundamental computation and communication skills only.

This research would contribute greatly to the
formulation of a concrete, effective definition of the business of a school system. It is emphasized here that this research should involve all departments of the schools of education, and the research should be conducted continuously in the field with substantial input from the school community.

3. Extensive research is needed to develop effective measurements of performance for school management. This is particularly applicable to the performance of the superintendent, principal and teacher. Much of the research already completed by industrial psychologists is applicable to public school management.

4. Preparation of school managers should provide for more emphasis on interpersonal relations. The literature attests to the importance of this aspect of management training and this study substantiated this observation in the analysis of the decision-making process. Controversy was avoided in much of the management transactions noted. Divergent views were discarded or tolerated in over half of the districts studied.

Several recommendations for further study are presented below:

1. A comparison of the MBO process in a sampling of businesses to that of a similar sampling of school districts would prove informative. It is suggested that in spite of the origin of MBO in private industry and in spite of the free market place, non-compliance to Drucker's principles
would be in evidence to about the same extent as found in the school systems in this study sample. A second proposition is suggested for this study: school districts are operating in an accountability milieu which compares to Drucker's description of Lange's "socialist competition" and this serves, to a great extent, to provide a substitute for the free market as a mechanism for accountability. For this reason it is suggested that much of the further development of the MBO model will take place in the public school systems because the model itself has become more human relations centered and school systems deal almost exclusively with human development.

2. The foregoing recommendations for further study might be implemented through the resources of the schools of education and industrial relations in the form of a doctoral study from each school. Data from each study would be compared and contrasted. In 1970 Altergott completed a study which combined the resources of the schools of education and industrial relations and which stated a number of visionary conclusions.
SELECTED BIBLIOGRAPHY

Books


Articles


34. Segner, Ken B. "Comment: MBO: The School as a Factory". Community College Review, (Fall, 1974); 4-5.


Unpublished Research


LEGISLATION BY THE STATES

ACCOUNTABILITY AND ASSESSMENT IN EDUCATION

Prepared by

Phyllis Hawthorne

SEAR

Division of Management and Planning Services

Wisconsin Department of Public Instruction

Barbara Thompson, Ph.D., State Superintendent

for the

Cooperative Accountability Project

Denver, Colorado

Revised November, 1974

Report No. 2

Bulletin No. 3100
Table I

Status Of Accountability Legislation, June 1974

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*The contents of the Resolution were made a part of the School Code.

**Total does not include the Joint Resolutions. Inclusion of the District of Columbia makes a total of 51.
Table II

Number of States With Legislation
In Five Accountability-Related Categories
1973-1974

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<td>Performance contracting</td>
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SIXTY-FIVE SCHOOL DISTRICTS IN COOK COUNTY, ILLINOIS SELECTED FOR INITIAL CONTACT

<p>| District 21 | Wheeling |
| District 25 | Arlington Heights |
| District 27 | Northbrook |
| District 38 | Kenilworth |
| District 57 | Mt. Prospect |
| District 70 | Morton Grove |
| District 84½ | Rhodes |
| District 88 | Bellwood |
| District 89 | Maywood |
| District 90 | River Forest |
| District 91 | Forest Park |
| District 92 | Lindop (Broadview) |
| District 92½ | Westchester |
| District 96 | Riverside |
| District 98 | Berwyn |
| District 100 | Berwyn |
| District 101 | Western Springs |
| District 106 | LaGrange |
| District 107 | LaGrange (Pleasantdale) |
| District 110 | Central Stickney |
| District 111 | South Stickney (Burbank) |
| District 117 | North Palos (Hickory Hills) |
| District 118 | Palos Community |
| District 123 | Oak Lawn - Hometown |
| District 124 | Evergreen Park |
| District 125 | Atwood Heights (Alsip) |
| District 126 | Alsip, Hazelgreen &amp; Oak Lawn |
| District 127 | Worth |
| District 128 | Palos Heights |
| District 130 | Blue Island |
| District 132 | Calumet Park |
| District 135 | Orland Park |
| District 143½ | Posen-Robbins |
| District 144 | Markham |
| District 145 | Arbor Park (Tinley Park) |
| District 147 | Harvey |
| District 148 | Dolton |
| District 151 | South Holland |
| District 152½ | Hazel Crest |
| District 153 | Homewood |
| District 154 | Thornton |
| District 154½ | Burnham |
| District 156 | Calumet City |
| District 157 | Calumet City |
| District 158 | Lansing |</p>
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Dear Colleague:

Current trends in educational administration seem to be toward the concept of "Management By Objectives", as indicated in the literature, state departments of education guidelines and curricula of schools of education. As the focus of my doctoral dissertation at Loyola University, I would like to study whether or not school districts, from a random sampling of those in Cook County, are applying MBO procedures based on criteria established for public service institutions by Peter Drucker, a nationally known management consultant.

If you are now implementing the MBO system in your school district, your professional views on this subject would be of great help to me in this study. The enclosed return addressed postcard will enable you or your designee to indicate your willingness to participate. You are one of sixty superintendents in Cook County randomly selected for contact. The research project will be confined to ten school districts representing a cross section of public school systems in Cook County. I will contact participating superintendents by phone to set up a project interview in January or February which will consist of the following:

1. Interview with the superintendent.
2. Interview with one principal.
3. A review of the district Program Plan (A-160) and other documents which you might suggest as helpful for the study.

The purpose of this study is not to evaluate the management of a school district but rather to determine which of the criteria established by Peter Drucker for public service institutions are being met, which are not (or minimally so), and the implications of this for public school management.
December 1, 1977

I will be sincerely grateful for your time and cooperation. Be assured that I will respect your privacy and time limitations.

Best professional regards,

Robert L. Olcese, Superintendent

Enclosure
Dear Colleague:

Thank you for allowing me this opportunity to study the management of your district as it relates to MBO. Validation interviews have proven most informative and I sincerely feel that your contribution will be essential to whatever this study may contribute to school management.

Please find an Executive Questionnaire enclosed with this letter which you may wish to look over prior to the interview. The format of the interview is as follows:

1.) Interview with the Superintendent or designee (approximately one hour).

2.) Perusal of any of the following per your suggestion:
   _______ Program Plan (A-160)
   _______ Administrative Memo
   _______ Newsletter
   _______ Agenda from Administrative Council meetings or
   _______ Parent Advisory Council meetings.
   _______ Board minutes.

3.) Interview with a Principal suggested by your office (approximately one hour).

Your interview is scheduled for 9:00 a.m. on January 20, 1978 (Friday), per our phone conversation of January 17, 1978.

Thanks for your help!

Sincerely,

Robert L. Olcese
Superintendent
Peter Drucker has suggested six broad principles for management of service institutions for performance. He provides an analysis of these principles in his book "Management: Tasks, Responsibilities, Practices". This questionnaire will be used to interview the principal manager and a subordinate manager to achieve the following two objectives:

1.) Enable the researcher to locate documents which describe the MBO model as it is used in the school district;

2.) Analyze (but not evaluate) the manager's performance in the MBO model through the six performance criteria established by Drucker.

Your reaction as a manager to Drucker's six principles as they relate to management in your district would be most helpful. Each principle statement is quoted below. According to Drucker, the manager needs:
1.) to define "what is our business and what should it be". They need to bring alternatives of definition into the open, and to work out the balance of difference and perhaps even conflicting definitions of "what our business is and what is should be".

a.) How would you define the "business" of this school district?
   Comments:

b.) How did you arrive at this definition of your business?
   Comments:

c.) Is there a written statement of your business, i.e., of the mission and purpose of this district? Where can it be found?
   Program Plan_____Board minutes_____Other______________
   Comments:

d.) How have you made this definition of the district's mission and purpose available to employees?
   Comments:

e.) Have you enabled employees to review the mission and purpose statement(s) for clarification?
   Faculty meetings__________Workshops_______Other_______
to derive clear objectives and goals from their definition of function and mission.

a.) Where might I find a written statement of the District's Goals and Objectives?

Program Plan __________________ Administrative Memo ______
Other ______________________________________________________
Comments:

b.) Would you please describe the process in which goal and objective statements were formulated?

Comments:

c.) Can you give examples of how these derive from your definition of function and mission, i.e., "what our business is, what it ought to be".

Comments:

d.) Are your objectives operative, i.e., converted into specific targets and assignments? (elicit examples)

e.) Are they selective? (How do they make possible optimal concentration of resources?)

f.) Are there multiple objectives for each goal statement?

g.) Do you have objectives for the following areas:

i.) The instructional program (student goals, curriculum department, media services, special programs)

ii.) Management structure and practice
iii.) Support services (pupil personnel service, business office, food and transportation, care of buildings and grounds)

iv.) Staff development and in-service training.

   3. to think through priorities of concentration which enable them to select targets, to set standards of accomplishment and performance, that is to define the minimum acceptable results; to set deadlines; to go to work on results, and to make someone accountable for results.

a.) How did you think through priorities of concentration of District resources?

   Comments:

b.) Did you set minimum acceptable standards of accomplishment and performance for each program? How?

   Comments:

c.) Can you describe the process whereby you selected your objectives? (Did you exclude some objectives? What are they? Why?)

   Comments:

d.) Were your work assignments based on your objectives exclusively? If not, what were other determining factors?

   Comments:

e.) Have you formulated goal and objective statements for each of the areas defined by the State in A-160? Are there
areas for which you defined goals and objective statements not specified by A-160? Do you now use a program format different from the one specified in A-160? If so, please describe it.

Comments:

f.) Are there areas for which you have not defined goal and objective statements as specified in A-160? Why?

Comments:

4.) to define measurements of performance.

a.) How have you defined measurements of performance?

Standardized tests________ Criterion referenced tests________

Board of Education________ Management Committees________

Teachers Committees________ Parent Opinion________

Student Opinion________ Other________________________________

Comments:

5.) to use these measurements to feed back on their efforts, that is, to build self-control from results into their system.

a.) Do you have a formal evaluation of the accomplishments of your programs? Please describe.

Comments:
b.) How often do you evaluate your programs?

Comments:

c.) What takes place after each program evaluation?

(Notes control of district's resources according to results of program.)

Comments:

___6.) an organized audit of objectives and results, so as to identify those objectives that no longer serve a purpose or have proven unattainable. They need to identify unsatisfactory performance, and activities which are obsolete or unproductive, or both. And, they need a mechanism for sloughing off such activities rather than wasting their money and their energies where results are unsatisfactory.

a.) What objectives became obsolete last year and how did you identify them?

Comments:

b.) Did you find that some objectives were unattainable, and, if so, can you describe some of these?

Comments:

c.) In which areas did you identify unsatisfactory performance?

d.) What actions did you take to terminate obsolete objectives?

e.) What actions did you take relative to unattainable objectives? (Re-define, terminate, etc.)

f.) What actions did you take to terminate unsatisfactory performance?

Comments:
DOCUMENTARY QUESTIONNAIRE

Date ____________________

for

School District ______________________________

Address _________________________________

Superintendent _____________________________

Principal _________________________________
ANALYSIS OF THE DISTRICT MBO PLAN BASED ON DOCUMENTARY EVIDENCE

Peter Drucker has suggested six broad criteria for the management of service institutions for performance. He provides an analysis of these criteria in his book "Management: Tasks, Responsibilities, Practices." This instrument will analyze a school district's documents pertaining to the MBO model based on Drucker's criteria. It will follow the format of the Executive Questionnaire.

1. **Management has clearly defined the mission and purpose of the district.**
   a. There is a written statement of the mission and purpose of the district.

   Program Plan_______ Board minutes_______ Administrative Memos_______ Management In-Service_______ Other_______

   b. There is evidence that a written definition of mission and purpose is readily available to district employees.

   c. There is evidence that employees have had an opportunity to review the mission and purpose statement for clarification.

   Faculty meetings_______ Workshops_______ Other_______

2. **The manager has derived clear goals and objectives from his definition of his purpose and mission.**

   (No attempt will be made to "grade" a district for implementation or lack of same regarding this criterion,
Goal and objective statements should flow from the stated definition of the mission and purpose of the district. Goals and objectives which do not seem to relate to the district's mission and purpose statement will be noted and their relationship explored with the chief administrative officer of the district in a personal interview.

3. Management has prioritized the needs of the system which enables it to select targets, set standards for performance, and make someone accountable for results.

   a. Statement of priority of needs of the district for each goal statement is in evidence.
      Comments:

   b. The objectives are operational, i.e., they have been converted into specific targets and assignments with an indicated time line.
      Comments:

   c. Standards of performance against which performance for each objective is to be measured is in evidence.
      Comments:

   d. The objectives concentrate resources and efforts, i.e., they are selective.
      Comments:

   e. There is evidence that the objectives were the basis for work assignments.
      Comments:
f. Objectives are formulated in all essential areas of the school district ("Essential Areas" were established by the Office of the Superintendent of Public Instruction (1973).

Comments:

g. There is evidence that objectives were used with flexibility.

Changes were made as needed in:

i. time lines

ii. work assignments

iii. allocation of resources

iv. standards of performance Other

4. Management has defined measurements of performance.

(This is distinct from #3 above since it requires management not only to set standards of performance but to define the measurement system whereby the standards of performance will be evaluated.)

Comments:

5. There is evidence that management has used these defined measurements of performance to:

a. evaluate results

b. control distribution of the district's resources according to these results

Comments:

6. There is evidence that management has organized an audit of objectives and results so as to identify:
a. obsolete objectives

b. unattainable objectives

c. unsatisfactory performance

d. a mechanism for sloughing off non-productive activities
Appendix G

Flow Chart Showing Process of Study Utilized for Each of the Six Principles Stated by Drucker for the Management of Service Institutions for Performance

1. Collect data from 10 school districts.
2. Select data related to Principle #1.
3. If more analysis needed, analyze data for compliance.
4. If data insufficient:
   - Conclusions
     - Analyze data regarding decision making.
     - If more analysis needed, selected data related to Principle #1.
     - Concl. Decision Making

Process repeated for Principles 2 through 6

Conclusions & Recommendations for further study.
OVERVIEW OF SCREEN USED TO DETERMINE COMPLIANCE, MINIMUM COMPLIANCE OR NON-COMPLIANCE OF SCHOOL SYSTEMS IN THE STUDY SAMPLE TO THE PRINCIPLES STATED BY DRUCKER FOR THE MANAGEMENT OF SERVICE INSTITUTIONS FOR PERFORMANCE

The First Principle

Managers Need to Ask, What is Our Business? What Should it Be? What Will it Be?

Criterion 1: Deciding "What is our Business?" must be based on divergent views.

Criterion 2: The method for defining the business of an institution is to determine the want the consumer satisfies when he buys a product or service.

Criterion 3: The consumer, i.e., the ultimate user of a product or service, is always the customer; there are usually at least two and sometimes more.

Criterion 4: Value to the consumer, or satisfaction of want, is a key point to determine when defining the business of an institution.

The Second Principle

Managers Need to Derive Clear Objectives and Goals From a Definition of Function and Mission of the Institution

Criterion 1: Are the objectives action commitments derived from the institution's definition of its business?

Criterion 2: Are the objectives operative, i.e., converted into specific targets and specific assignments?
Criterion 3: Are the objectives selective to make possible the concentration of resources and efforts?

Criterion 4: Are there multiple objectives?

Criterion 5: Are there objectives for all areas in which the survival of the enterprise depends?

The Third Principle

Managers Need to Think Through Priorities of Concentration Which Enable Them to Select Targets, Set Standards of Accomplishment and Performance, Set Deadlines, Work on Results and Make Someone Accountable

Criterion 1: Are the targets selective?

Criterion 2: Have standards of accomplishment and performance been set?

Criterion 3: Have deadlines been set?

Criterion 4: Are priorities of concentration based on the results of a program?

Criterion 5: Has someone been made accountable for the results of each activity?

The Fourth Principle

Managers Need to Define Measurements of Performance

Criterion: Is there evidence of analysis in the definition of measurements of performance and do these measurements of performance make self-control possible rather than control of people from the outside and above?
The Fifth Principle

Managers Need to Use Measurements of Performance to Feedback on Their Efforts, That is, to Build Self-Control From Results Into Their System

The Sixth Principle

Managers Need an Organized Audit of Objectives and Results to Identify Objectives that No Longer Serve a Useful Purpose or are Unobtainable, Unsatisfactory Performance, Activities Which are Obsolete or Unproductive and a Mechanism for Sloughing Off Such Activities

Criterion 1: Has the audit identified objectives that no longer serve a useful purpose or are unattainable?
Criterion 2: Has the audit identified unsatisfactory performance?
Criterion 3: Has the audit identified activities which are obsolete and/or unproductive?
Criterion 4: Is there a mechanism for sloughing off undesirable activities?
APPROVAL SHEET

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The final copies have been examined by the director of the dissertation committee and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval by the committee with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requisites for the degree of Doctor of Philosophy.

Date: April 23, 1978
Chairman's Signature