



LITTLEFORD & ASSOCIATES, LLC

CONSULTING IN: Board Governance • Head Compensation • Safe Harbors Compliance • Coaching Heads and Chairs
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• Financial Management • School Climate and Morale Issues • Marketing • Fund Raising • Executive Searches

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PREMATURE DISMISSALS: OVERLOOKING HEAD TRANSITION

In choosing a search firm, a board should hire one that puts an appropriate emphasis upon transition. If the firm does not provide transition services, bring in a consultant to conduct a workshop for the full board with the new head present. Why?

Recently our Firm has witnessed a spike in the departure of school heads in their first three years. This timeframe is what we call the transition period during which most new heads are at the greatest risk of not having their contracts renewed. Many depart under circumstances that look normal or self-initiated but which actually are cases of the board encouraging the head to leave or of the head seeing the handwriting on the wall and departing of his/her own volition. We keep hoping that with good governance training this trend will improve.

The further the head gets past the five year mark, the greater the likelihood that the head will stay 8 to 15 years or possibly even more, and that depends often upon age, career status and ambition. The effectiveness of schools is absolutely associated with the longevity of heads. But during the first three years, the new head is most at risk and that risk is tied closely to the pace of change, board turnover, chair turnover and the internal politics in which the new head is immersed. These issues also speak to the need for independent schools to consider healthy internal succession planning, to retain some degree of board institutional memory and to implement a guided transition that prevents a new head from stumbling.

Two recent events come to mind as examples of this "spike" in departures and dismissals. Fortunately these were narrowly averted due to timely intervention. In one case, the outgoing long term Head left with a great deal of support, respect and appreciation while at the same time, constituents eagerly awaited the arrival of her Successor. It seemed like a very positive and potentially very successful scenario.

The first-time Head was asked to:

1. Reduce the number of foreign students in the boarding program because the growing number was affecting the culture of the school and creating a subset of students whose English was not strong enough to handle the academic program.
2. Raise the overall caliber of new students in both academic and behavioral terms even if this meant a short term reduction in income.
3. Improve the overall character building aspect of the culture, a hallmark that had been undercut by the above enrollment patterns.

A very powerful Board Member felt that the new Head did not understand the balance sheet and enrollment patterns and he contacted the prior Head to ask if she would consider returning to take over her old job. Surprisingly she engaged enthusiastically in these unprofessional conversations, and thus, less than two years into the new Head's tenure, a potential coup was underway behind the scenes. It was occurring without the knowledge of the current Chair or Vice Chair or the sitting Head.

The Board member leading this effort contacted 7 of 18 trustees and felt certain that he had the vote count to "bounce" the new Head midway through the academic year. He also thought that he had convinced the Chair of the Committee on Trustees, but the COT Chair contacted the Board Chair. A full scale governance crisis unfolded as both factions attempted to achieve their respective aims: fire the new Head immediately (for doing his job!), or work with this new Head on strengthening the finances and perhaps modifying some of the new admissions standards. The fact that the Chair was due to step down in a few months further exacerbated the problem, thereby leaving a perceived power vacuum that the "group" was eager to fill.

As a result of a timely governance workshop, peace was made between the warring sides, largely through a compromise on the composition of the Executive Committee, the choice of the new Chair and agreement on a new set of reasonable and fair goals for the Head. With these shifts in board politics, the Head appears to have a new lease on life as well as a contract extension.

In a second case, a Head whose arrival was met with great fanfare encountered many problems upon her arrival, including poor faculty and parent morale and a micromanaging Board. Previously the Board felt that it had no choice but to intrude into management because the former Head had withdrawn increasingly into himself. This former Head was well intentioned, low key, and conflict averse, and as the School grew from 60 to 500 students he struggled to make the leap from running a mom and pop to a more sophisticated operation.

The new Head did indeed re-establish control and won over the parents, students and teachers immediately. The "honeymoon" with the Board soon ended, however, as misunderstandings occurred about the Board's perceptions of its role versus the new Head's perception of her role. The Head made a major faculty compensation decision without full board approval at the same time that the School was experiencing the effects of an economic downturn. To be fair to the Head, it was not clear what she could and could not decide and implement without consulting with the Board first. To be fair to the Board, they felt that the multiple issues that they found in the former Head's later years justified their intrusion into management.

The new Head, who had not reported to a board before, did not understand fully the need to cultivate individual relationships and alliances with these Board members and to check carefully with the Board and/or the Executive Committee before making the most key decisions. Failure to consult fully with the Board about the level of faculty salary increases for the upcoming school year turned the Board sour. In order to recruit and hire the best faculty available in the marketplace the Head left on the typical recruiting fair tour but since the prior Head had not done this, the Board thought that the new Head was absent from the School for too long. Compounding the problem were the turnover of several Board members in the Head's first year and a change in Chairs.

The new Chair succumbed to pressure from some Board members to hold a vote about whether to renew the Head's contract after the Head had been on the job for only 18 months. Would another search really be preferable to working with the current Head whose

past record at her previous school was stellar and who was very popular with all other stakeholders?

After some introspection and outside coaching to both parties, the Board made, and the Head accepted an extension offer. In this Consultant's view, the Head now knows that she must work on her relationship with the Board, and the new Chair seems genuinely interested in trying to balance the needs of the Head with those of the rest of the Board. In this case, the Board had some legitimate causes for concern, but the Head and her family were not being cared for well enough during his critical transition period. All boards need to keep in mind that being a head of school is a very stressful occupation.

In both of these cases, and in many more that we could enumerate, the board's expectations of a new head upon arrival waxed so enthusiastic as to be unsustainable in terms of the new head's ability to meet them. Certainly, the most important constituency for a head to please is the board because pleasing the other stake holders means nothing if the board votes to fire him or her. Often boards do not think through the transition that a new head will experience and the short and long term consequences of termination.

Only In very few cases does this Consultant see transition needs receiving adequate attention. That includes managing the compensation package and contract; being sympathetic to family adjustments; anticipating and handling political challenges and economic risks and opportunities that the new head may face; and dealing with key personalities on the board and among the faculty and other stakeholders. One "slip" in a new head's early tenure can be the death knell for his or her ability to survive beyond the transitional first five years.

Lessons Learned:

1. Avoid changing board chairs in a new head's first two, or even better, three years.
2. Preserve board institutional memory and specifically, make every effort to keep search committee members on the board for several years after the new head is hired.
3. If the previous head left a power vacuum into which the board moved (even if necessary), keep in mind that the new head's ability to function will require that he or she take back the necessary power to run the school.
4. Put a transition plan in place that outlines all the risk factors the new head may face.

5. Form a transition committee of board members only (preferably made up mainly of search committee members) and keep that committee in place for ONLY one year.

Remember:

1. In a normal transition, the first year is supposed to be a "honeymoon" period where the new head should NOT take on major changes (sometimes this means preventing the head from hurting himself or herself by wanting to do too much). If the head must make some key changes, the full public and private support of the entire board becomes even more important.
2. The second year begins a time of normal, cautious change.
3. The third year is the one year where often the faculty begins to push back on the changes and may attempt to engage the parents and/or alumni in undercutting the new head.
4. The fourth year is one of consolidation of the head's position.
5. The fifth year is usually the one where the head feels moderately "safe" and begins to see a long term future at the school.

Upcoming Appearances

May 14, 2016: NWAIS (Northwest Association of Independent Schools) Mr. Littleford will conduct a full day seminar for Heads and Board Chairs.

June 3-4, 2016: GISA (Georgia Association of Independent Schools) Mr. Littleford will be the Facilitator at the Annual Summer Heads' Retreat at St. Simon's Island, FL.

September 16, 2016: ADVIS (Association of Delaware Valley Independent Schools) Mr. Littleford's topic will be "Trusteeship 101".

October 22-23, 2016: SAIS (Southern Association of Independent Schools) At the Annual Conference Mr. Littleford will speak on board governance and faculty compensation.

Thank you to all who attended Mr. Littleford's Session at NAIS on February 26!

Compensation, Collaboration and Culture: A Winning Story

One of the most challenging issues for schools and school leaders is managing expectations about salaries, benefits, workload, evaluation, professional development and job security. Leaders must at the same time build a trusting environment in which the school's needs for quality, accountability and cost controls are met while the ability to recruit and retain the best teachers available is ensured.

School culture, i.e., the history and lore of each school's internal "story" is a crucial back drop to managing change and bringing improvement to the sensitive themes mentioned above. School culture either allows for or impedes collaboration between staff and administration when a discussion about compensation and workload must occur. Furthermore there are often deep issues of resentment and even anger within faculty cultures about compensation/benefits/workload/evaluation.

There is a proven process that has worked well in over 2500 independent and international schools for the past 25 years. This process addresses the need to be creative yet realistic with the challenges of compensation and workload while managing the financial constraints that the board and the budget dictate. It is an intellectual dialogue among trustees, teachers and administrators guided by specific rules of engagement that provide for honesty, sharing of information, management of expectations and collaboration. This dialogue enhances school culture as well as deals with the prickly issues of money and time.

The schools for which Littleford & Associates has undertaken this process are located in 35 countries so it is not a one size fits all solution. It is very culturally dependent. Here are the steps:

1. Review goals with the Board leadership, head and senior management team. What are the compensation, workload, salary system, benefits design, professional development and cultural enhancement expectations? Are there clarity and agreement among the Chair, Head and senior leadership team about these goals? Is there receptivity to allowing faculty input in a structured format?

2. Invite teachers to participate in a process that is not tied to a specific calendar or timeframe but is an opportunity for teachers, board members and administrators to talk about these sensitive themes. It

can take as little as 6 months from beginning to end or up to a year. Teachers need time to talk and reason. Board members, who are crucial to the process, want to move more quickly toward a conclusion. They should. They are volunteers but they also bring their business acumen and perspective to a review of salary system design, benefits and even teacher appraisal/evaluation and professional growth.

3. The Consultant interviews key trustees, the entire leadership team and a cross section of teachers in individual confidential sessions to gather a body of data about faculty quality of life, benefits, professional growth opportunities and overall compensation, including its design and methodology, evaluation, and workload. Such sessions should also build connections, rapport and credibility with these individual teachers. Confidentiality is crucial. The outside perspective is equally important.

4. The listening process is important because every teacher has a "story" about his or her life or that of a colleague: how the individual or family fares under the current salary and benefit system and what kind of philosophical messages the current salary system conveys to them personally. The Consultant learns whether the faculty and the leadership see any relationship between the school's mission and the compensation and benefits structure and the evaluation/professional growth process. Or were their systems borrowed from some other school? Schools should not "import" or mimic other schools in the creation of salary delivery systems or benefit packages unless all schools are alike. And of course, they are not.

5. At the end of the interview process or "listening time", all those who participated attend a 3 hour workshop. The concluding workshop reveals what the Consultant uncovered in the way of patterns, history, trust and effectiveness of delivery in money and benefits to the teachers. It is important to stress to board members and teachers at the outset that this process is NOT about more money. It is about defining the distribution systems that deliver the money, whether at the same amounts or higher. Given that up to 85% of a school's budget is spent on salary and benefits, it is critically important that board members understand how the School's resources are being spent, for what purpose, and to attract and retain what kind of people.

6. The workshop also covers current best (and strange) practices worldwide in salary system design, benefit systems and the wide range of approaches to teacher evaluation/appraisal/professional growth. It explains the messages that various salary and

benefits schemes send. Do these schemes favor single or married teachers or young, mid-career or senior teachers, for example? Which group or groups is gaining overall financially and which is falling behind?

7. From the Consultant's recommendations come the creation of three committees on these topics: evaluation/professional growth; salary system design (how to deliver the money and this includes the definition of a full time job); and benefits design and understanding them. Most teachers do not have a good grasp on how even the current benefits actually work.

8. The first followup task is to develop a mission-based philosophy of compensation. Such a philosophy is the underpinning of the entire salary, benefits and evaluation system.

9. The process that unfolds after the Consultant leaves is outlined in steps and in detail and involves building a larger and larger circle of acceptance of the Committee's recommendations, with some modifications to those recommendations. The process involves board approval before going to a final meeting with the faculty as a whole and with presentations by each of the three committees.

At a prominent US independent school with 350 teachers, I heard the co chairs of the Benefits Committee make their presentation. The Board member Co-chair, also a CEO of a nationally known company, spoke first. A teacher sitting next to me in the audience said: "He sounds just like a teacher!" When the Co-chair, teacher, spoke, the same teacher sitting next to me said: "He sounds like a board member!" Yes. That is the point. Teachers and board members learn to walk in each other's shoes during this journey and have empathy for the role of each other. The end result is always a substantial boost in faculty morale, regardless of the actual changes made to salary and benefits systems and evaluation protocols.

EXECUTIVE SEARCHES UNDERWAY

Please read the attached Position Profiles and feel free to pass them on to anyone qualified who might have an interest. Potential candidates should contact John@JLittleford.com