



HAWAI'I EDUCATIONAL POLICY CENTER
Informing the Education Community

Does the principal as CEO analogy work?

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Turning principals into Chief Executive Officers is the intent of several provisions in the Reinventing Education Act (Act 51). Does the principal as CEO analogy work?

It is difficult to imagine the CEO of a multi-million dollar business working just 10 months each year. Yet, Hawai'i's principals are on 10-month contracts. Act 51 mandates that principals be given 12-month work contracts, but because our principals are unionized, unlike business CEO's, this change must be negotiated between the DOE and the principals' union.

Like business CEO's, principals will be judged on their job performance and rewarded or sanctioned accordingly. A report on principal performance contracts is currently being reviewed by the Board of Education.

By 2006-07, principals will be given three-year contracts, and the recommendation is that they will be evaluated annually on four professional standards, including (1) school and instructional improvement and leadership, (2) school learning climate and atmosphere, (3) professionalism, and (4) management of the full scope of school administrative responsibilities.

Each standard has a set of core and optional criteria, goals really, to help both the principal and his or her evaluator (complex area superintendent) monitor the degree to which the principal has been successful in meeting the standard. Goals for the first standard tend to deal with "increasing the percentage" of students who, for instance, are proficient in reading at a specific grade level, rather than including goals related to improvement in test scores, a more controversial measurement.

Incentives for principals who meet high performance levels are still under discussion, but one suggestion is a reward of \$10,000 for the school and \$5,000 for the principal. The DOE will expect principals to make a three-year commitment to a school.

If a principal's performance is marginal or unsatisfactory, the DOE may cancel the contract or take other employment action, including termination, similar to the kinds of action a mediocre CEO's stockholders or board might take.

Because Act 51 requires principals to assume expanded duties, including budgetary and fiscal management, the state DOE will provide assistance to principals and appropriate training through the Hawaii Principals Academy. Specific training modules will help principals (1) become better leaders, (2) improve student achievement, (3) collaborate with school community councils, (4) manage school budgets, (5) establish partnerships with the private sector, and (6) develop curriculum alignment.

Unlike business CEO's who may be hired from among a large pool of qualified candidates, selection of educational officers for open principal and vice principal positions must conform to contractual agreements which include a priority system. For instance, high school principals/educational officers applying for an open position have priority over elementary personnel, and principals have priority over vice-principals. In addition, interview teams must give principals applying for another position all questions that will be asked prior to the interview.

What do principals think about these changes? In various DOE surveys, some welcome the changes, but others feel the CEO model is not applicable to school principals because CEO's have much more control. If principals are to be held accountable, they reason, then they must also be given full authority. Some say trust is an issue. They do not trust the system, and the system does not trust or respect them. Finally some wonder if performance contracts, weighted student formula and other Act 51 provisions aren't just the "flavor of the month," here today but gone tomorrow. All agree that their work plates are already overflowing.