

A PRIMER FOR CURRENT & FUTURE SCHOOL LEADERS- PROPRIETARY or OWNERSHIP-MODEL SCHOOLS

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ABSTRACT

With the exponential growth of international schools worldwide, current and prospective school administrators and leaders are likely to consider a future position in a school that is outside the "traditional" model of international school governance, sponsorship, or ownership. While data on the growth of international schools is diligently collected and disseminated by ISC Research, there is a dearth of literature to help educational leaders learn about, understand, and navigate the new landscape.

To address that gap, a self-help study was undertaken in order to tap the knowledge of colleagues who have worked at proprietary schools or other schools with "non-traditional" ownership models. The wisdom of experienced heads of schools is included as advice to springboard individual research by current or prospective school leaders.

BACKGROUND

"Hmmm...I would never consider a position in a proprietary school," mused my colleague, as I described my new position at a family-owned school in Asia. "You shouldn't reject it out of hand," I responded to my fellow Head of School (HOS). "There are many advantages to developing a close relationship with one supportive boss and not having to deal with the oft-times, short-term political or personal demands of a traditional parent-elected Board," I countered, not knowing that his skepticism was quite commonplace. "For-profits have long been regarded as an evil...seeking to profit on the backs of our children" (Hess, Horn & Downs, 2013). This is based on public disdain and suspicion of anything for-profit with regard to education (Bailey, 2013).

Despite our different perspectives and experiences, we realized that neither of us knew enough about this growing paradigm; we decided to research the subject and share it with the Academy of International School Heads (AISH) colleagues and beyond. Indeed, my colleague's comments echoed the perspective that, "formerly, teachers and Heads shied away from working in a for-profit school, but this, too, is changing" (Ambrose, 2013).

We were both very cognizant of the exponential growth in the sheer number of schools that were established in our international school arena over the last 20 years. According to the ISC research organization, which tracks international schools worldwide, there has been massive growth of these independent schools over the last 18 years – from 2,584 schools in the year 2000, employing 90,000 staff, and educating more than 1 million students - to 10,438 schools as of March, 2019, requiring 540,000 full time teaching staff, educating 5.84 million students. ISC Research forecasts 11,463 schools for the year 2023, with a need for 536,612 staff members and 16,500 schools requiring 896,000 staff, serving 9.7 million students by 2028. The largest growth is in China and the UAE, with 864 and 655 schools, respectively. India follows closely with 613 schools (ISC Research, 2019). These numbers are growing the fastest, but overall, the numbers are rising in all countries and regions.

Adjectives describing this growth have included: huge, exponential, enormous, explosive, massive, staggering, and dramatic. Indeed! And, as experienced Heads of School (HOS), we both knew firsthand

just how challenging it had become to recruit quality staff for our own schools. Clearly, the demand was surmounting the supply and we were all in the same boat-competing for an insufficient supply of educators. Additionally, since many proprietary schools started paying more competitive salaries, especially for Heads of schools (Ambrose, 2013) it has become a competitive playing field – both for recruiting educators, as well as administrators. Indeed, it is a "new era" (Bunnell, 2019).

Contrary to the demand which began post-World War II and was driven by the global mobility of 'expat' families, the recent dramatic growth in new international schools is being driven by the future planning of the citizens in the host country. Some perceive this western-style education as more prestigious and, perhaps, also free from the curricula of their country. Others see this type of school as an entrée to universities overseas and possibly to future immigration for their children, as well as, for other members of the family. These families have the motivation and awareness, have the funds, and are investing in strategies for the future. This interest has been capitalized by savvy investors. Investors and entrepreneurs have established schools which are privately or corporately owned, in response to this new demand.

It is important to note that some governments bar foreign-run schools from admitting host country students– that is, those who hold a passport and are nationals of their country. For example, in China, these schools are registered as Schools for the Children of Foreign Workers (SCFW). SCFW are not allowed to admit Chinese nationals, unless the family has spent time outside China as expats (Gaskell 2017). If, however, the school has local ownership (or a local partner) and licensing, then, host country students may be enrolled.

The vast majority of new schools being established are corporate or proprietary models and "are run for profit" (Keeling, 2013). Trying to describe a terminology for these types of schools is very complex and will be discussed later in this article. But, one thing is certain, the paradigm has shifted away from the "traditional" embassy, parent association, and/or foundation model schools, with elected or appointed Boards, and which are typically not-for-profit. The shift is now to an ownership model, with some established as for-profit companies, and others registered as not-for-profit. And, the demographics have also changed. In retrospect, in 1989 at least ¾ of the enrollment in international schools was made up of foreign nationals but, today, at least ¾ of the enrollment is made up of host country national students (Gaskell, 2019).

And, going forward - for these 10,438 schools today - and for the 16,500 schools for the year 2028 - they will each need to recruit a Head of School (HOS) and other academic leaders. Thus, with this exponential growth, current and prospective school administrators and leaders are likely to consider a future position in a school that is outside the "traditional" model of international school governance, sponsorship or ownership. They will likely be responding to job announcements from one of these schools - and each of the candidates will need to become familiar with and learn to navigate this new landscape.

RATIONALE FOR THIS PROJECT

Thus, in order to educate ourselves and our colleagues, we embarked on data collection from those who had more experience. Our objectives were to:

- a) demystify this new paradigm and identify the types and varieties of these schools,

- b) compile a list of questions/issues to research during the application process for a leadership position,
- c) offer insights into governance and business models that the HOS will likely encounter in a future position,
- d) advise on issues unique to these schools, and,
- e) identify particular skills and attitudes for leaders that would be needed in this new setting.

We decided to start with a brainstorming session with a small interest group of AISH members. This led to a survey of current and past Heads, regional organizations, accrediting organizations, and consultants. In parallel, we reviewed published literature. With collegial intentions, we compiled and shared our findings with colleagues at AISH, AAIE, and EARCOS, also gleaned additional feedback, which is reflected herein.

At a subsequent conference, AISH invited six owners/representatives of proprietary schools to participate on a panel to address an assembly of its members- the first such meeting of its kind. Despite a variety of school models, each of these panelists represented an organization which owned and operated multiple schools, with varying ranges of longevity in the international school arena.

The intent was to inform the audience about the “owned/proprietary” school governance models, and share information, insights, and processes at each. We believed that by communicating in such settings, we would come to better understand the change in paradigm and the change in relationships. Ambrose (2007), agreed that it has value “to educate Heads to what they might expect and how working for an individual or corporate owner differs from working with a board.” It was a good learning experience for all participants.

Similar goals were targeted when a panel of Heads of proprietary-style schools addressed this topic at another regional conference. It offered additional insights into the differences and similarities for Heads who work in the variety of governance models and the skill sets needed for each.

The surveys from the veteran HOS of proprietary/owned schools resulted in a diverse range of opinions and attitudes. Thus, we established a major delimiter for our research - we would not solve issues, judge, or make assumptions about any particular school. This research committed to ensuring that negative anecdotes were rewound into positive and useful feedback.

NOMENCLATURE AND MODELS OF OWNERSHIP AND GOVERNANCE

The nomenclature associated with this paradigm is complex, because there are so many models and permutations in this arena. The generic terms- “proprietary, owned, for-profit or not-for-profit”- do not accurately describe the numerous realities on the ground. Nevertheless, it was felt that establishing a list of terms used by agencies, researchers, educational leaders, academics, and business people, would be a good introduction and would help deepen our understanding of the complexity- even if the definitions and categories are blurred or overlap.

Professional organizations and institutions became aware of the blurred landscape more than 14 years ago. It had become obvious to CIS that,

The nature of the international school landscape is changing. Ownership models have diversified and with them, the values underpinning governance and school operations. There is comparatively little empirical research on proprietary schools that focuses on governance and no clear definition of such schools. In terms of defining and describing such schools, they are characterized by: the mode of ownership, often in an individual or family, a figure-head proprietor; and being ‘for profit,’ or being constituted by owners through a ‘not for profit’ trust. As the international schools’ landscape changes, the clear demarcation between profit/not-for-profit schools; schools owned by an individual or family and those owned by a Trust; as well as the interface between publicly and privately funded international education is blurring. (Ranger, 2005)

Other organizations and academics made attempts at labels. For example, Hayden & Thompson (2017) described the traditional non-profit model as “Type A” and the new model as “Type C”. Educational Collaborative for International Schools (ECIS) reported that as of December 31, 2018, 62% of its member schools were “proprietary.” Updates on their data are scheduled for the end of December, but it is believed that the numbers will remain more or less the same, knowing the new member schools from this past year (Ruth, 2019).

Council of International Schools (CIS) originally used the generic term “proprietary” to refer to all such schools and claimed that it had as many ‘proprietary’ as traditional governance school members (Larsson, 2012). Today, CIS has re-analyzed the data and has divided their 760-member schools into categories with the following nomenclature: Proprietary, Independent/Foundation/Association, Company, Government/State. The percentages have changed (Larsson, 2019).

The survey of our HOS colleagues gleaned the following descriptors. Many of these models can be declared for-profit or not-for-profit, depending on the legal registration submitted by the ownership to the country authorities:

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|-------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------|
| • Shared ownership/partners | • Owner-HOS operated | • Conglomerate chain |
| • Individual/family-owned & managed | • Company owned & managed | • Main or subsidiary company or family business |
| • Individual/family-owned & 3 rd -party managed | • Company owned-3 rd party managed | • Main or subsidiary individual owner business |
| • Family-owned group of schools | • Corporate (i.e., oil companies, mineral companies, shareholders) | • Societies (in Malaysia) |
| • Religious affiliation | • Real estate developers establish schools to sell houses nearby for profit | • Associations |
| • Private equity business (i.e. ‘investors at arms-length’) | • Industrial | • Entrepreneurial school |
| | | • Member of a group of schools |

While a school may fall into any one of the above-identified categories (or in any combination of descriptors), the main difference between these “Type C” schools and the “Type A” traditional not-for-profit, parent association, is how the budget is controlled, who controls it, and where the surplus is directed. Bunnell (2016) asks whether profit should be the “major driver,” how much profit would be acceptable and for whom. Frankel (2018) commented that,

The term 'proprietary and not-for-profit' is a contradiction. One can be one or the other but not both. Being proprietary means that there is an owner and the owner decides what to do with the profit or loss. Being not-for-profit means that the surplus is reserved—cannot be distributed to individuals or companies. The owner could decide to plow the profit back into the school, but that doesn't change the fact that a profit is generated- and the owner decides. (Frankel, 2018)

FEEDBACK FROM RECRUITING AGENCIES

A careful analysis of recent data was recently conducted by CIS. As the executive director of CIS, Larsson (2019) indicated,

Probably the most significant update is the emergence of school groups, companies that are forming to acquire and manage existing independent schools, many of them family-owned schools. As of today, CIS works with 33 school groups, from small-family owned, to large corporate groups. Many of the corporate groups are acquiring independent/private schools (including boarding schools) at a rate of two per month. (Larsson, 2019)

The 769 CIS member schools are divided as follows: 53 Government/State; 399 Independent/Foundation/ Association; 60 Company Schools; 153 Proprietary; and, finally, 104 with no category (these are schools that chose not to categorize themselves due to complex financial structures, such as within a group of schools).

Additionally, 160 of the above schools are part of a group of schools, dispersed throughout the first three categories. We are now in the process of setting up a data point for school groups. Those we serve currently include 33 different school groups, such as (but not limited to): GEMS, Cognita, Nord Anglia, Inspired Orbital, ESOL, NIS, UWC, Yew Chung. Bottom line: this means the categories and mix are changing and increasingly blurred. (Larsson 2019)

Additionally,

Recruiting agencies which provide educators for international schools have seen a doubling of the number of international schools on their rosters – and almost all of the increase has been because of proprietary schools, with no decrease in sight. (Ambrose, 2013)

Search Associates, specializing in recruiting educators for international schools worldwide, indicated that 46% of new schools added to their database in the 2018-2019 academic year were from Asia, specifically China, with these numbers expected to substantially increase in the coming years. Currently, their estimate is that the vast majority of new international schools do not have traditional parent elected governance models (Magagna, 2019). According to Liz Duffy (2018), president of International Schools Services (ISS),

As the number of international schools continues to increase to serve a broader range of students, including host country national as well as expat children, we recognize that the landscape of international schools is changing as well. We work with quality schools with all types of ownership arrangements, as long as the

schools are student-centered, English-medium and treat faculty and staff fairly and ethically. Schools have to be accredited, or if they're a new school in the process of seeking accreditation [in order] to recruit with us, so that serves as the main check for us that they are acting ethically. In addition, we informally monitor schools' behavior and follow up on complaints that people send us. Although it's very rare, we occasionally hear about a school not honoring contracts or paying people late. We then contact the school and won't let them recruit again with us if the situation is not resolved. On the flip side, as you know, we occasionally have issues with candidates not honoring contracts or doing something unethical and we also won't let them recruit with us. (Duffy, 2018)

PREPARATION FOR LEADERSHIP CANDIDATES

The following list of questions were collected from the numerous responses received during our multiple surveys. Also included was an earlier survey conducted, and graciously shared, by Jim Ambrose (2007). When audience participants reviewed the compiled list of questions, the following comments were shared:

One should probably ask these same questions whether they were applying to a position at a for-profit or a not-for-profit school." Or, "this is not a time to be shy about asking these important questions." And, "the candidate should be trying to ascertain whether this is a school that happens to make money or is it a business that happens to be a school. The HOS should go in with eyes open, without being overly idealistic. (Ambrose, 2007)

With great humor, another member jokingly commented that "if you did ask all these questions at an interview, you probably wouldn't be offered the job." Yes, a sense of humor – and a sense of perspective - are definitely important.

Thus, this list should not be taken as holy writ, nor recited verbatim, but rather, with a measured grain of salt, and lots of detective work behind the scenes - as one should do when applying for any position. These questions should be used as guidelines for advance research, so that the conversations during an interview, or written communications, may focus on refining information and developing rapport. The numerous questions fell into the following three categories:

BOARD & MANAGEMENT: COMPOSITION, ACTIONS, VISION, POLICIES

- Does this school have a Board? What is the structure/membership of the board?
- Describe the levels of ownership and partnerships.
- Is this school registered as a for-profit or not-for-profit?
- May I see a copy of the Board policy manual?
- If the school ownership is a partnership, how many partners are there? Is there a management company hired to supervise the school and the HOS for the partners?
- How do you structure your board meetings? Frequency? Official and unofficial meetings and meeting times?
- How would you prioritize educational expenses (HR & resources) and profits? or What is the relationship between mission and margin?
- What is the owner's/corporation's motivation for establishing the school and vision for the school? What is the educational philosophy?

- What is the educational and professional background of the owners? What is the cultural/religious persuasion of the owner and is this part of the mission and functioning of the school?
- Are there any other business interests of this proprietor? What are they? Do they impact the school?
- Which members of staff were appointed by the Board? Are there salaried family members on staff? Do they have the qualifications for their position? Are there members of the owner's family on the Board?
- When did the school undergo strategic planning? May I see a copy of a strategic plan?
- Is the school accredited by an external agency? Which one? If not, why not? If yes, ask for a copy of accreditation report. (Note: only 22% of the 10,438 schools listed with ISC Research, as of August 2019, are accredited, Gaskell, 2019)
- What kind of license does the school have to operate in the host country?
- What is Board policy on grievances and how are they addressed?
- What is the policy on class sizes for each grade level?

RELATIONSHIPS: ROLES, RESPONSIBILITIES & DECISION-MAKING

- May I review the school organization chart? As well as, the job descriptions for all leadership positions, including CEO, HOS, Business Manager, etc.?
- To whom does the Business Manager report?
- Who is the legal representative of the school? Whose responsibility is it to deal with the host country authorities? Who is ultimately responsible for the school in a worst-case scenario?
- Is the HOS the CEO with oversight for financial matters or is there a company/family business manager with full financial responsibility? What degree of autonomy does the HOS have on financial decisions? HR decisions?
- What level of operational/daily interaction would there be between the owner/s and the HOS?
- Will the HOS be expected to represent the school at professional conferences?
- Do the owners, shareholders, or their representative have an office at the school?
- Are there shareholders in the corporation? What is their role in the school?
- How is the HOS evaluated? Is it based on academic or financial progress?
- How much communication is there between employees and board members?
- What is the role of the owner(s) in governance? Daily management of the school?
- If family owned, who will inherit/govern the school after the original owners can no longer do so? What other business interests do they have? What is their mission and vision for the school?
- Does/did the HOS have input in budget construction?
- How are decisions made and who is the final decision maker on academic issues?
- At what level of expenditure can the HOS make autonomous decisions?

FINANCES AND HUMAN RESOURCES

- What strategies would make for a successful relationship between the owner/management and the HOS regarding finance?
- If the school is not-for-profit, has the owner/company relinquished any motivation to make a profit from the school? Or, are there consultancy fees or salaries which are transferred to the ownership or stakeholders? How is this established and monitored?
- What is the planned level of return of investment to the company/owner/stakeholders? What is the profit margin expectation for the school? To whom do the profits go?

- What is the HOS' role in budget analysis, construction and supervision? Does the HOS get to see all aspects of the budget?
- If the HOS creates a surplus in the budget, can s/he use the funds for other development purposes, or does it go into consolidated revenue?
- Is the school/company being geared up for a future flotation or sale? Is the school/company publicly traded?
- What is the financial sustainability of the school at this time? Has the school ever encountered financial difficulties? What strategies were put into place to check the shortfall?
- Is the owner willing to fund the implementation dip in the interest of quality? Is the owner/company in a position to subsidize the school for the beginning years until it has a balanced budget?
- How are profits registered in the budget items?
- How have you invested in academic improvements over the last 3 years?
- What is the HOS' responsibility in hiring and exiting staff? Are there any staff members appointed by the owner?
- How do the salaries and benefits of the staff compare to the regional/local salary market?
- What percentage of the budget is earmarked for Staff Development? (a good benchmark is at least 2%)
- What percentage of the total annual revenue is budgeted for salaries and benefits?
- If enrollment decreases, what will happen to the major expenses (e.g., contracts, benefits)?

SKILLS & ATTITUDES NEEDED FOR LEADERS

The following descriptors were collected from the veteran HOS as they identified skills needed to work effectively with an owner, or type of governance. What are the skills that are needed to work successfully in a proprietary school? While reading these, it would be important to assess if they are any different from those one would need working in a traditional parent/community not-for-profit school? Some HOS actually indicated that the skills would be the same for any school model and any leadership position.

Understanding of the Owner/s

The HOS needs to understand the owner's motivation and vision for the school, the inner workings of the company, or the family, regarding the school operation. The relationship with the owner is key and must be established quickly to help learn his/her priorities. The HOS must accept that decisions may not always be democratic.

Cross-Cultural Competence

In many proprietary schools, the ownership hails from the host country. The HOS should develop a good understanding of the culture of the owner. In some corporate schools, the culture of the management group may also be different from that of the candidate. Cross-cultural training would be of utmost importance in order to raise awareness of values, behaviors and emotions.

In addition to cultural differences between people, there are also cultural variances between 'western' and 'local' management styles, business ethics and philosophies. These differences play out not only on the finance side, but also on the relationship side, for example, when there is a need to please customers

by bending or modifying rules or policies. Cross cultural training is a must- for all staff, including the HOS and the Board. These skills will help the HOS learn how to communicate and negotiate in order to reach a win-win, or 'yes' outcome within a different culture. While not typically a prerequisite for hiring, it is a huge advantage to be able to communicate in the local language.

Cross-cultural training would help the HOS understand that the high socio-economic-status of the families in many of the schools, is, in fact, a cultural variable, as well. This status is irrespective of national borders, and behaviors of parents and students may be very different from those of the culture of origin of the HOS and staff.

Personal Skills and Sense of Self

Clearly the relationship with the owner is of extreme importance. The HOS must be able to develop a respect and trust for and with the owner. This will make or break the tenure of the HOS. A major difference is that the HOS must be ready to include the owner in more operational decisions. The HOS "must be comfortable with the relationship with the ownership and needs to be more flexible in allowing the owner more operational control than may be the case for most non-profits - and will have less budgetary control" (Ambrose, 2013).

Thus, the HOS must be flexible. The HOS must prioritize the goals on the list. Sometimes it is appropriate to 'give in' on a particular pet project of the owner and use that concession to gain something else. However, at the same time the HOS must know him/herself to know his/her own boundaries. The HOS must have the ability to carry forward the owner's ambitions while staying true to their own beliefs and values. "Make sure that you have a good sense of who you are and what values you hold on to. What will you be willing to give up educationally and where will you draw the line?" (Ambrose, 2007). Every HOS must have inner strength and resilience, patience, tolerance for frustration, and most importantly, the ability to compromise and adapt to change.

Kenny Rogers' famous "Gambler" song lyrics were invoked as advice in this regard, "You gotta' know when to hold 'em, know when to fold 'em, know when to walk away, know when to run."

At one of the presentations, a fellow HOS, stood up and made a statement which was, at once, astute, honest and bold. He said that in a proprietary, owned or corporate school, the HOS would have to control his/her ego. Why? Because in a non-profit school, the HOS is typically the boss. However, in a proprietary school, the owner is the boss. This might be difficult for some HOS to accept. He stated that candidates must understand themselves and their leadership style. So, on the one hand, while the HOS must know their line in the sand, they must also be able to tame their egos.

Negotiation, Mediation, and Political Prowess

The HOS is the buffer between the board and the teachers. S/he must be able to balance the relationship between the employer and the concerns of the parents and faculty, with much diplomacy. Clearly, most decisions must be based on what is best for students, but it is important to help all parties arrive at and understand those decisions. "If you can't play politics, can't be humble, and can't laugh at the many hiccups that you encounter... It's not for you. I knew this coming into it, but this is where most fail. And a sense of humor, the ability to serve, and open and honest communication" (Ambrose, 2007).

Business/Financial Acumen

While the HOS may have little or no control over the finances, s/he must still navigate between the business office and the owner. The HOS They must be able to lobby for requests for increased and appropriate resources and navigate varying returns on investments. The HOS needs to be able to operate in a more corporate business environment, report to shareholders and understand corporate style budgets and reporting of revenue and earnings before interest, taxes, depreciation, and amortization (EBITDA) margin.

Decisions are often made based on the 'numbers' or the priorities of the owner, so the HOS should learn to pitch requests through those lenses. Convincing the owner of the benefits to the bottom line, public relations, and increasing enrollment will help the final decision. While, fundraising skills are highly valued in not-for-profit schools, it was questioned whether such skills are necessary in a proprietary school.

One HOS proudly described a comment of the owner/CEO who expressed her gratitude and appreciation for the control of expenses, budget management, the increase in enrollment and the balanced budget which was supervised by the HOS. "You treat this school as if it were your own," she told the HOS.

CONSIDERATIONS UNIQUE TO 'PROPRIETARY' SCHOOLS

The HOS must understand, and accept, that it is legitimate for an owner to expect a profit and return on their investment.

...where a founder, owner, or company has put down USD 40 million or more to build a plant and carry a school for the first few years in order to build brand name, results and reputation, there is a legitimate expectation that the school pay a return on investment equal to about 10% of budget... What I find remarkable is the extent to which founding families and corporations are investing in reputation, status, and long-term staying power and marketing competitively to ensure strong results. I have a new-found respect for some of these schools and their founders. (Littleford, 2011)

The HOS may have to give up, or, sacrifice certain things to be successful in a proprietary school. Firstly, s/he will have to give up some control. "It is the owner's school, it is a business and the owner is your boss. If you keep that at the forefront of decision making you should be okay" (Ambrose, 2007). The HOS should be prepared for "shifting sands" where prior decisions are changed by the owner.

Sometimes, in proprietary schools, the owner, or their representative, has an office on campus, and it might be larger and more impressive than the HOS'. In addition, s/he might be involved in the operations of the school. This can become a complicated situation, if the roles and responsibilities are not clear from the start. The HOS should consider how s/he would deal with such a scenario. Most likely, the Business/Finance Manager position is the key position appointed by the owner, in order to protect and supervise the business interests. This is why communication is very important, as the HOS must understand the behavior of the owners when they jump to 'protect' their investment.

Another parallel scenario, which is not uncommon, is having a member of the owner's family in a salaried position on staff. For example, if this person is the Admissions officer, and they are doing a

poor job of promoting, marketing and enrolling students in the school, and the HOS is their supervisor, what is the HOS to do? How would the HOS evaluate this employee? Or, what if the owner's nephew is appointed as the school librarian, but does not have any qualifications or experience? And, what if there is a disagreement between the HOS and one of the family member-employees; what would be the discussion at the next family dinner? Similarly, what happens if the child of an owner is a student in the school and is a discipline problem? It would be good for the HOS to remember that--blood ties are typically stronger than any contract with an outsider.

A unique situation in a family owned school is when an aging owner transfers CEO status or appoints a Deputy CEO, to another member of the family, as a result of health issues or retirement. Suddenly, the 'new boss' may not have the same attitude, knowledge, commitment, personality, or priorities regarding school finances, operations or the future. This situation can become complicated. One HOS respondent stated that,

After a number of wonderfully productive years working directly with the owner's daughter (the Deputy CEO), I noticed that there were changes underway within the family. When I finally confirmed that the son-in-law would become the de-facto on-site Deputy CEO, I knew very well that I would not be able to work with him; thus, I did not accept a new contract. (Anonymous HOS)

When there are multiple co-owners, or investors, it is very important to be aware of the relationship between the parties. Are the co-owners aligned regarding the mission of the school, or on budgetary decisions? Sometimes the co-owners, or investors, are also family members, which complicates things even further. If there should be a strong disagreement between these business partners, this could lead to disastrous outcomes for the school. One HOS in an Asian city had to physically break up a fight between co-owners right on campus, and consequently got injured himself.

A few HOS were witness to the debilitating effects of disagreements between co-owners and the struggle in defining the clear roles of both proprietors and the director. The key issues are who is in charge, and whose decisions must the HOS adhere to. These HOS realized that they did not wish to be the buffer between two owners, and thus, chose to leave the school. In cases where one of the owners is also the General Director, there seems to be less conflict.

Some Heads indicated a belief that proprietary schools rarely have a board. As we know, any school submitting to accreditation, must establish a board. According to ISC, only 22% of proprietary schools are accredited (Gaskell, 2019). This may explain why, indeed, many proprietary schools do not have a board. If, however, there is a board, it would be important to know how the board members were chosen, what is their relationship to the owner/s, and how often they meet. Is this board simply advisory or do they actually make strategic decisions? In addition, one HOS respondent highlighted that,

As educators, we typically have a public [national-government] school mentality about due process and being accountable and entitled. In the non-education sector people do get fired. If the owner decides to get rid of you, they do. Most of us have worked with non-profits with elected or appointed boards; we believe that these boards are the buffer because they are made up of fair-minded people; this is the basic model we have in mind. Is there anything wrong with being for-profit if it is a good program? The main issue is whether the owners function ethically and are accountable. (Anonymous HOS)

Another consideration which may be unique to a proprietary-type school is that teachers, and parents may become disappointed whenever there is a rejection of an order, or other request. In these cases, they might immediately blame the owner for penny-pinching, simply because of their non-profit mindset. Thus, the HOS might find him/herself in a buffer role, sandwiched between the staff, the parents, and the owner – always a complicated role to play – and never popular.

ADVANTAGES OF PROPRIETARY SCHOOLS

While we received narratives depicting some challenges of working in an owned/proprietary school, there were also comments about the advantages of working in a proprietary school. First and foremost, by comparison to parent community governed schools with high turnover and mixed short-term, or urgent priorities, there is typically more stability when there is one owner or corporate group, because turnover is low and priorities are uniform.

I enjoyed my time working in entrepreneurial schools and would do it again. They tend to be more objective in planning long term and in decision making on delicate matters. How many of us have had to deal with parents with their own agendas, concerned mainly with short term issues affecting their own children. (Anonymous HOS)

With regard to the relationship and stability of one owner, a HOS indicated that as the school administrator, s/he definitely felt that s/he was a member of the [owner's] family (Ambrose, 2007). Also, salary and benefits are becoming more competitive, especially for the HOS position at leading for-profit schools (Ambrose, 2013, Littleford, 2011). In many such schools the HOS is not responsible for construction of the entire budget.

The owners' control over most issues ironically forces the school head to focus on the one thing that seemed a non-issue to the owner... the curriculum. For better or worse, this structure also eliminates the power of a Board. You have only one person to negotiate decisions. (Ambrose, 2007)

Additionally,

The best thing about being a school head in proprietary school is that you can focus on teaching and learning. They do not want you handling the money... so this frees you up to work with curriculum and instruction. The experiences that these schools offer new administrators are phenomenal. If given the opportunity, and you have all of the traits mentioned above, you should go for it. (Ambrose, 2007)

This was echoed by James & Sheppard (2013), "Head teachers [HOS] viewed this distinction as a strength."

In [Asian city X], the situation is very different in that the school owner has her own vision for the school. The school is her way to give back to the [X] people by

creating a world class school. That in itself is unique. This is the one equalizing factor that makes this model successful. (Ambrose, 2007)

Decisions are made more rapidly, as the owner is in daily contact with the head teacher [HOS] (James & Sheppard, 2013).

Decision-making is certainly easier when there is only one interest to satisfy, whereas everything tends to become political and convoluted in the traditional NP [non-profit] world. I am not sure one is better or worse—there are downsides to proprietaries for heads, too. Maybe the best counsel to candidates is to match culture (to some degree correlated with business model and to some degree not) to what best suits one’s personality. I would think that [one] could be quite comfortable at a school with a single owner with whom you had a trusting relationship. Someone else might find that environment toxic. (Frankel, 2018)

During a written interview communication between a HOS candidate and the Board Chair of a small, fairly new school in the Americas, the HOS asked about the status of the school and received this reflective response:

Our school has been established as a for-profit entity. This was a decision that we mulled over thoroughly before the school was even born, and we came to the conclusion that running the school with the rigor of any corporation was not in conflict with the objective of the school which is to offer an outstanding education to all students. In fact, we believe that managing and running the school with all the planning and the strategies applicable to for profit businesses helps ensure the long-term sustainability of the school, and demand from our leadership the oversight and control necessary to use the school’s resources as effectively as possible. Of course, this purpose can only be achieved if we have one guiding principle which is to give the quality of education the leading importance in our decisions, and that is what we have always been committed to do as members of the Board. (Anonymous, 2013)

CONCLUSIONS AND RECOMMENDATIONS

It is abundantly evident that the paradigm for international schools is changing quickly and dramatically—both in numbers, as well as in variety of governance and ownership models. The numerous, albeit blurry, descriptors listed herein have attempted to identify and demystify the variety of nomenclature. Data was gleaned from various organizations and feedback was collected from numerous experienced administrators. Insights into the governance models and issues unique to these schools may shed light on the similarities and differences among the various models. As we have learned, there is no longer one ‘typical’ governance model for independent international schools, as was familiar in the past. Indeed, there are many models.

The traditional non-profit model of parent-elected/appointed board members is rapidly being overtaken by a different legal and governance model. This change is not necessarily a negative. In fact, National Association of Independent Schools (NAIS) has long commented on the weaknesses of some of the traditional models of wholly elected or wholly self-perpetuated boards. “Parent elected boards of international schools tend to be the most unstable and crisis driven, and the most likely to fire heads”

(Littleford, 2016). While traditional, parent elected boards are highly democratic, “having only current parents on the board, however, can lead to a crisis-driven approach to governance, lacking in long-term strategic planning. Furthermore, the transient nature of the international school community means that parent boards often have a higher turnover than is ideal” (Holmyard, 2019). Already 16 years ago, a TIE Op-Ed (2013) questioned whether the parent-elected board was an ‘anachronism.’ According to the *International Trustee Handbook*,

Parents bring a deep personal interest in the school. However, they can be focused on the present, generalize from their children’s experiences and become more involved in operational matters. NAIS recommends a balanced board with 50 percent or fewer being current parents. AAIE recommends that international school boards seek ways to allow appointment of some non-parent members to the board. (Chojnacki, 2007, p. 94)

An entire chapter in *The International Trustee Handbook* (Chojnacki, 2007) is devoted to the difference between boards of nonprofit schools and those of for-profit businesses (p.160-1). The chart compares the differences—and there are many. It would also be important to reflect on Evans’ (2000) insights into “Why a School Doesn’t Run—or Change—Like a Business.”

Every school can be great, and any school can be weak – regardless of model. As indicated by Whittle (2013), this is a complex topic and there are many right ways ‘to do schools.’ “There are many roads to great education. All schools are strengthened by a diversity of efforts, whether private or public, nonprofit or even for-profit” (Whittle, 2013, p. 203). Previous negative attitudes toward private enterprise in the educational sector is changing as many corporate entities are raising their profile, according to Littleford (2011),

Proprietary schools now have acceptance, cachet even ... In working with many of these corporate school models, I have perceived that they are not reluctant to pay competitive salaries and provide more than adequate resources and often the very best facilities. In fact, a number of these companies want to create flagship operations that create the benchmark culture, academic achievement, university placement record, and “cachet” that will enable them to build additional campus sites elsewhere. (Littleford, 2011)

Each current or aspiring school administrator can use this ‘colleague-generated’ road map to navigate the new arena (even if the nomenclature and categories are still foggy) with questions to answer and research to conduct when they become a candidate for an administrative position.

It is clear, that with the exponential and rapid growth in the number of schools, the question now is not a matter of ‘if’ but ‘when’ a current or future leader will become a candidate for a ‘proprietary-model’ school. Each current or future leader must be prepared in order to make an informed decision and they need to reflect on their skills and their attitudes prior to seeking out and accepting a leadership role.

Many of the participating HOS made recommendations to owners who will hopefully read this monograph. According to HOS, David Toze, education for a purpose is as important as education for a profit (Feb. 13, 2013). Other HOS felt strongly that any school and governance/ownership model can be successful and thrive, regardless of type of ownership, and despite the current competitive marketplace, if they:

- fulfill the mission and vision of the school
- recognize that schools and educators operate very differently from other businesses and employees (Evans, 2000)
- invest in a wonderful facility to attract families
- let the HOS manage, administer and implement the total school program, including participation in budget construction
- clarify all expectations with HOS
- ensure that qualified specialist staff are hired to support student and program needs, such as, librarian, counselors, special needs and ESL teachers
- invest in reputation building to attract families and faculty; word of mouth is the best advertisement
- adopt a high-powered curriculum
- respect and honor personnel contracts
- create a policy handbook and follow the established policies
- recruit and retain quality and qualified staff, treat them well and pay a competitive wage; it is less expensive in the long term
- establish written policies, organization charts, written roles and responsibilities for each position
- invest in memberships in professional organizations and professional development and of staff
- seek out accreditation, but, if not, use their standards as benchmarks for the school. (only 22% are accredited, Gaskell, 2019)
- submit the school to an external accreditation process and ensure that accreditation recommendations are addressed
- trust and respect the skill, knowledge and decisions of your HOS and administrators; treat them well
- establish a strategic plan and share it widely
- ask the candidate, during the interview process, how s/he feels about a for-profit school and the concept of a school as a business
- listen to staff and parents and offer opportunities for them to participate in strategic planning
- attend training workshops for boards and HOS
- understand that social media and digital technology ensure that there are no secrets in the marketplace
- develop a relationship, understanding and channels of communication between the proprietors and the HOS
- ensure that expectations for ROI are realistic and can wait at least 5 years, for a newly established school, in order to build reputation and value

The general consensus among HOS is that, under the above-mentioned conditions, a school can demonstrate a positive outcome for all constituents- regardless of governance model. Certainly, a similar survey of owners-trustees would be invaluable to develop an understanding of their perspective with regard to the HOS.

I would agree with Jim Ambrose, that “a good school is a good school and a proprietary school is not all that different from a non-profit. It is at the governance/administration level that differences affecting Heads can be found... and through competition... the weak ones will be weeded out. Those that practice good management, just like their non-profit brethren, will thrive” (Ambrose, 2013).

While reading the feedback and lists herein, the savvy reader might ask, “are these scenarios so much different from the traditional model of parent association, not for profit schools?” Or, another question might be, “would it be easier or more challenging to lead a traditional school or a proprietary school?” Perhaps, the response is - “it depends.” It depends on the HOS and it depends on the governance. Hopefully, this study and the contributions herein will prompt candidates to research each opportunity and ask the right questions.

The goals of that original group of HOS who helped brainstorm our focus, has been accomplished. I invite others to continue the conversation, the collegial sharing and the learning. Perhaps we can look forward to more articles, action research, insights, blogs – and greater success for Heads, for owners, and, most importantly, for students. The more training, awareness and preparation – the better.

I wish each leadership candidate the best of luck in their current or next school, as, according to the statistics, it most likely will be one of the models described herein.

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