

# A PRIMER FOR CURRENT & FUTURE INTERNATIONAL SCHOOL LEADERS: PROPRIETARY AND 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 (HOS) is included as advice to springboard individual research by current or prospective school leaders.

## OBJECTIVES OF THE STUDY

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

## WHAT IS A PROPRIETARY SCHOOL?

The nomenclature associated with proprietary schools is complex because there are so many models and permutations. These schools are characterized by the mode of ownership, often by an individual, family or figure-head proprietor, and for being for-profit or being constituted by owners through a not-for-profit trust. Owners may also include corporations, real estate developers, religious-affiliated associations, and private equity businesses. For a full list of descriptors, please see the full report at: [bit.ly/ProprietarySchools](https://bit.ly/ProprietarySchools)

## ADVANTAGES OF A PROPRIETARY SCHOOL

- Unlike other international school governance models, proprietary schools tend to have more stability and less board turn-over which allows for more uniform decisions over time.
- In many proprietary schools, the HOS is not responsible for the construction of the entire budget and is able to focus on only the key issues that concern teaching and learning.
- Salary and benefits may be more competitive, especially for the HOS position at leading for-profit schools.
- Decisions can be made more rapidly, as the owner may be in daily contact with the HOS.



## UNIQUE CONSIDERATIONS OF A PROPRIETARY SCHOOL

- The owner will expect a profit and return on their investment.
- The HOS may have to give up some control to be successful in a proprietary school.
- Sometimes the owner may have an office on campus and it might be larger and more impressive than the HOS.
- Most likely, the Business/Finance Manager may be the key position appointed by the owner to protect and supervise the business interests.
- A member of the owner's family may have a salaried position on staff.
- At times there are multiple co-owners which can complicate things for the HOS, if there are disagreements between them.
- Only 22% of proprietary schools are accredited, and many do not have a school board.
- Teachers and parents may become disappointed whenever there is a rejection of a request and blame the owner for penny-pinching. Thus, the HOS might find him/herself in an unpopular buffer role between the staff, the parents, and the owner.

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# RECOMMENDATIONS FROM THE STUDY

## SKILLS & ATTITUDES NEEDED FOR LEADERS

### Understand the Owner:

- Understanding the owner's motivation and vision for the school and the inner workings of the company, or the family regarding the school operation is essential.
- 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. In some corporate schools, the culture of the management group may also be different from that of the educational leader.
- Invest in training and develop a good understanding of the culture of the owner.
- Cross-cultural training is important in order to raise awareness of values, behaviors, and emotions.

### Personal Skills & Sense of Self:

- The relationship with the owner is of extreme importance.
- Develop a respect and trust for and with the owner.
- Include the owner in more operational decisions.
- Be flexible and prioritize potential conflicts. Sometimes it will be appropriate to 'give in' on a particular project or policies, so that he/she is willing to compromise on more important issues or practices.

### Negotiation, Meditation, & Political Prowess:

- The HOS is the buffer between the board and the teachers and must be able to balance the relationship between the employer and the concerns of the parents and faculty, with much diplomacy.
- 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.
- A sense of humor and flexibility is essential.

### 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 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.

## INTERVIEW ADVICE FOR LEADERSHIP CANDIDATES

### Board & Management

- Understand the structure and nature of the board, if any.
- If the school ownership is a partnership, ask how many partners there are and if there a management company hired to supervise the school.
- Understand the relationship between mission and margin.
- Review the strategic plan and accreditation report, if any.
- Understand the difference between a for-profit or not-for-profit.
- Ask about the educational and professional background of the owners.
- Inquire about the business interests of the owner.
- Find out which members of staff were appointed by the Board. Are there salaried family members on staff? Are there members of the owner's family on the Board?

### Relationships & Responsibilities

- Review the school organization chart and job descriptions for all leadership positions, including CEO, HOS, Business Manager, etc.
- Find out who the Business Manager reports to and who is the legal representative of the school.
- Establish who has oversight for financial matters and what degree of autonomy the HOS has on financial and HR decisions.
- Inquire about the level of operational/daily interaction between the owner/s and the HOS.
- Ask about shareholders within the corporation and their role in the school.
- Find out how the HOS is evaluated. Is it based on academic or financial progress?
- Understand the role of the owner(s) in governance and daily management of the school.
- If family owned, ask who will inherit/govern the school after the original owners can no longer do so.
- Research how decisions are made and who is the final decision maker on academic issues.

### Finances & Human Resources

- Inquire about past relationships between the owner/management and the HOS.
- Even if the school is not-for-profit, find out what the financial expectations are with regard to school operations.
- Understand the planned level of return on investment to the company/owner/stakeholders.
- Understand the HOS' role in budget analysis, construction and supervision.
- If the HOS creates a surplus in the budget, ask if s/he can use the funds for other development purposes, or does it go into consolidated revenue.
- Research the financial sustainability of the school.
- Find out how the owner(s) has invested in academic improvements over the last 3 years.
- Research what % of the budget is earmarked for staff development and what % of the total annual revenue is budgeted for salaries and benefits?
- If enrollment decreases, ask what will happen to the major expenses (e.g., contracts, benefits).