
LEADING TRENDS

The Asymmetries of Governance & Leadership



The relationship between independent school boards and heads of school is complicated by two asymmetries between the parties, each of which is endemic to the principal-agent problem. First, as in many such arrangements between principals and the agents they hire, the parties have asymmetric information; e.g., the agent has access to a greater array of more granular information about school performance than does the principal. Further, even when this information is shared, the principal never knows for sure whether all the relevant information is being shared or if some asymmetry remains.

The second complication is asymmetric expertise—the agent is a subject

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matter expert in education and the principal is not. Board members, by and large, are not professionals in child development, education, fundraising, or the myriad other areas where heads of school must have proficiency. Merely having attended a school does not make one an expert on education any more than having had surgery makes one a surgeon. Indeed, it is exactly this asymmetry that causes the board to hire a head in the first place, but it complicates matters when the board evaluates how well the school—and thus the head—is performing.

The Net Result

These two asymmetries engender a tremendous amount of anxiety in board members who understandably fret that they are legally liable for knowing everything, or that they will be embarrassed when some serious problem at the school belatedly becomes public. I am convinced that much of the tension and outright conflict that happens between boards and heads derives from this psychological origin and the inquisitorial defense mechanisms trustees deploy to slake their angst.

The Solution

The solution to the challenges posed by the two asymmetries is not to close the gap; that is, not to make information quality or expertise equivalent between boards and heads. Eliminating the asymmetries would require too much time and would do away with the advantages that come with a division of labor. Rather, the solution is in recognizing that asymmetries in the relationship exist and understanding how each party can help the other do its job better.

For heads of school, this means sharing important data with the board in an easy-to-consume format and being sure to include bad news as well as good, preferably before they hear it through the school grapevine (or social media). Trustees will understandably struggle with data that seem at odds with their lived experience of the school; for example, reporting strong aggregate IB results will seem at odds with a trustee's own child's lower than expected performance. Remember that most people resolve such dissonance by concluding that their observations are in fact accurate and that you must be hiding the real data (a phenomenon documented in well-known psychological research into cognitive dissonance reduction and the fundamental attribution error, among other topics).

“Above all, heads should not simply insist that trustees take their word for how things are going in the school.”

Above all, heads should not simply insist that trustees take their word for how things are going in the school. Since at least the time of the Pentagon Papers, we have been awash in evidence that leaders obfuscate, conceal, and outright lie about everything from war to the economy to their sex lives. The net effect of this for heads (and for all leaders everywhere) is that disbelief is commonplace. Many on your board take it for granted that you are not telling the full truth (unless, of course, the news is good, in which case they believe you use the good news to mask the bad).

The way forward is to gradually teach your board what data matter

most and that you will share the good, the bad, and the truly regrettable. Celebrate successes, but also own the problem when the school under-performs. If you don't seem to be taking middle school attrition seriously, they will feel compelled to take it seriously for you. Once they know that you see the problem, you can switch the conversation to one about just how big it is in the first place.

For board members, reduce your anxiety a bit by understanding that the law accommodates both asymmetries. You are responsible for knowing what you can reasonably know. You are not expected to give the school a regular colonoscopic examination in search of hidden problems, at least not for schools in the United States. A common complaint about heads from board members involves defensiveness in the face of challenge or criticism, yet inquisition and defense are complementary parts of the same vicious circle.

Perhaps the most important thing for board members to grasp is that schools are human institutions filled with humans, who arrive every day with all the challenges and frailties that attend humanness. Far from predictable or perfectible, schools contain hundreds (thousands if you extend outward to parents, spouses, and siblings) of people with free will all bouncing off each other as if in a giant pinball game. Glitches will happen and outcomes will vary if for no other reason than that the raw material itself is variable. This is not to excuse mistakes; rather, we want board members to see them in context against a more complex backdrop.

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