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Ageeing on the Data

Jim Collins famously advises leaders to fully understand the “brutal facts” framing the context and condition of their organizations. Legendary consultant Carl Frost repeatedly asked corporate leaders to tell him what day it was at their companies (looking for what Collins calls “brutal facts” by asking this question). Much recent counsel on strategic planning, including from our firm, emphasizes the importance of anchoring one’s choice of strategies in data. But what happens when the people involved in making strategy disagree on the facts?

Disagreement about facts has long divided school heads and their boards, with much turmoil as a result. A typical scenario involves the performance of the academic program, especially when the numbers seem at odds with a board member’s lived experience of the school. As a case in point, consider the following boardroom discussion that broke out during the head’s report at a recent board meeting.

Head: “...and so wraps up another terrific year at Valley Prep (not the real name of a PreK-8 school), with very strong SSAT’s, secondary school admissions, student accomplishment in sports and the arts, and solid parent satisfaction. My team and I are looking forward to engaging with the board next year on a new round of strategic planning to identify what’s next at Valley.”

Trustee 1: “You are ignoring the severe problems in the middle school math program. I heard all about this from several parents whose children have graduated from Valley and are struggling in 9th grade because they aren’t prepared. We are having our son tutored in math, and the tutor says she could run her whole practice on Valley students because the program here is so bad.”

Trustee 2: “Right. And the only strategy that seems relevant to me is to fix what is broken.”

Head: “I understand that some parents think their children need tutoring in math and that Valley’s program is broken, but the data just don’t support that as a problem area. Our SSAT math scores are consistently above the 90th percentile, and the secondary school heads tell us that they love getting our kids because they arrive so well prepared for 9th grade. We survey admissions directors and heads every year. The visiting team from (accrediting agency) even gave us a commendation for the lengths we go to measure how students are doing during and after their time at Valley.”

Trustee 1: “But that is your data, not ours, and it may not be accurate. My data seems more reflective of ‘boots-on-the-ground’ in the school, and it totally contradicts what you are telling us.”

Trustee 2: “Right again! The board needs its own measures and to collect its own data independent of management. I think we are not fulfilling our duty if we simply accept what the head tells us.”

Strategy-making should be about the long-term bets that the school will make on how it will be successful in the future. Process improvement or, putting it another way, fixing what is broken, is the work of day-to-day operations. But quality does become strategic when a lack thereof hinders competitiveness or mission fulfillment. The problems are in (1) getting all the parties involved to use the same data set to evaluate performance, and (2) agreeing on how to interpret the data. Is quality an issue at Valley Prep? The answers vary because all parties are not using the same data and making similar interpretations.

Consider another example, drawn from the following discussion during a presentation of local and regional demographics to a strategic planning committee.

Consultant: “So, you can see from this table (pointing to a PowerPoint slide) that the number of school-age children in the county is projected to drop by 2.1% over the next five years, following a 1.8% drop in the last ten years. The decline is especially large in the youngest age band, children 0 to 4 years of age. Clearly, schools will not be a growth industry here anytime soon.”

Trustee 1: “Where did you get this data?”

Consultant: “From the EASI Demographics utility that NAIS makes available to all member schools. They compile data from the US Census and professional forecasts.”

Trustee 1: “I just don’t believe it! Everywhere I go there are tons of kids. It seems like all the women I work with at the hospital are having three or four children. In fact, we have three nurses on my units expecting right now.”

Head: “We are seeing the demographic decline hitting now in the admission office. Fewer inquiries and it is taking longer to fill the school every year, especially in the lower grades. We will have some seats for next year open until August or September.”

Consultant: “That is what I am hearing from many of our clients. In fact, we are seeing schools considering a strategy of deliberate shrinkage to get ahead of the trend.”

Trustee 2: “That is stupid! The playground in the park near my house is filled with young moms and kids playing every day. The problem is that Cecilia (the admissions director) needs to get out and sell harder. I hear that [competitor school] is full and their marketing seems to be everywhere I look. How come we’re not?”

Both of these case vignettes illustrate the power of lived experience—even if anecdotal—to shape how people see reality. Politicians have played to this phenomenon since the beginning of politics, illusionists have depended on it to pull off their tricks, and we wrote about it in this space a few months ago. Indeed, one American politician in particular excels at exploiting the space between people’s perceptions of reality and what objectively is true. In the first example above, the board member hears what the head says is truth and argues that it is in fact wrong. How can progress happen if the people involved can’t agree on reality?

No doubt a key factor elevating the value of lived experience is its emotional salience; in other words, seeing a playground full of moms and their young kids evokes more emotion than looking at a table of numbers, no matter how authoritative and credible the source. The emotional salience value amps up when the experience is that of our friend, child or spouse. Nobel laureate Daniel Kahneman and others extensively document the pernicious effect that the “salience bias” has on decision-making.

The problems this creates reaches far beyond causing turbulence in the school through a premature or untimely leadership change. It undermines strategy formulation because management and governance are not using the same set of data to understand the school’s current and likely future context. Intentional shrinkage makes sense (as opposed, say, to unintentional shrinkage reactive to declining enrollment) if one follows the demographic data, but “selling harder” or even growing makes more sense based on an eyeball analysis of the playground. The higher the stakes, the more important it is to have an accurate, shared read on reality.



Triangle at EARCOS in Kuala Lumpur

Triangle Associates will be at the 50th EARCOS Leadership Conference in Kuala Lumpur at the end of October. Contact [Abbi DeLessio](#) or [Marc Frankel](#) to arrange a meeting.

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