

A COMPARATIVE STUDY OF DECENTRALIZATION IN
SELECTED SCHOOLS AND INDUSTRIES

Thesis for the Degree of Ed. D.
MICHIGAN STATE UNIVERSITY
WILLIAM LAMONT AUSTIN
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has been accepted towards fulfillment
of the requirements for

Ed. D. degree in Educational Administration

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Major professor

Date March 18, 1970

~~MAR 9 1973~~

RD
R16

~~MAR 29 1973~~

~~APR 11 1973~~

R15

~~APR 25 1973~~

113

~~MAY 14 1973~~

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Q-159

~~H-103~~

~~H-163~~

~~H-056~~

EXCHANGE WTR 1983

~~H-146~~

ABSTRACT

A COMPARATIVE STUDY OF DECENTRALIZATION IN SELECTED SCHOOLS AND INDUSTRIES

By

William Lamont Austin

In this study a selected number of public school systems has been compared to selected industrial organizations specifically in the area of decentralization. In each instance, the school system and its counterpart in industry at one time had been a centralized unit that had seen fit to decentralize. The study encompasses research into the reasons why decentralization took place. The scope of the study includes the following questions to be answered:

1. Does communication improve for employers, employees, the public, and the customer, as decentralization takes place in industry and in schools?
2. Is operating within the framework of a centralized industrial or school setting cumbersome and unwieldy for the employee and the employer?
3. Does the bureaucratic, centralized system operate in such a manner that the employer and the employee must move through endless steps in the chain of command as ideas are handed from the bottom up, or from the top down?

Also to be examined in the study will be evidence to support or deny that decentralization as compared to centralization



1. Increases profit to industry
2. Gives a better climate for learning in the schools
3. Improves working conditions under decentralization.

In the organization of the study, the writer first reviewed the literature available on centralization and decentralization and, secondly, conducted a series of interviews with business, industry and school district personnel, both employees and employers, to determine the reaction of these people as they are employed in a decentralized plant or school.

Briefly the summary of the findings on decentralization could be stated as follows:

1. Communications are improved as schools or industry move toward decentralization; the centralized operation is cumbersome and unwieldy; a bureaucratic centralized system, as compared to a decentralized system, results in confusion to employees, and it is unwise to create a business or a school system in which the employee must move through an endless chain of command in order that his ideas reach the top.
2. As represented in this study, industry concedes that decentralization took place as the industry became too large to control from one center. Industry was forced into decentralization as they feared losing central control.

3. According to industry, decentralization is more costly than centralization. Increase or decrease in profit cannot be solely attributed to decentralization.
4. Decentralization in industry has been done in an orderly and carefully worked out program. In no instance has the industry studied decentralized due to outside pressure groups.
5. The school districts studied are decentralized due to outside pressure groups. An exception to this would be the Chicago public schools who were directed to decentralize in the early 50's by directives of the school board to the superintendent.
6. The three industries studied have operated a decentralized program for a long enough period of time to draw some definite conclusions as compared to centralized programs:
 - a. Program works more effectively decentralized than centralized.
 - b. Costs are greater.
 - c. Employer-employee relations are improved.
 - d. Central control must be maintained for certain segments of the operation.
7. Productivity, high morale and improved labor relations are greater under decentralization than under centralization.
8. Decentralization, as contrasted to centralization,

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generally speaking, improves the relationship of employers and employees and cuts bureaucracy and red tape.

9. There is no specific pattern for the areas held under the centralized administration of the business or the school district studied.

The specific school districts, industry and businesses included in the study are the Ford Motor Company, Sears, Roebuck and Company, Union Carbide Corporation, Detroit Public Schools, Chicago Public Schools, New York Public Schools, and the Milwaukee Public Schools.

A COMPARATIVE STUDY OF DECENTRALIZATION
IN SELECTED SCHOOLS AND INDUSTRIES

By
William Lamont Austin

A THESIS

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF EDUCATION

College of Education

1970



ACKNOWLEDGMENTS

No study such as this can be completed without the writer's being indebted to many people. I should particularly like to single out Dr. Clyde Campbell, chairman of the committee, and other members of this committee, Dr. Harold Byram, Dr. Kenneth Hance, and Dr. William Rowe (initial committee member) as they have assisted me in setting up the limits and determining the direction for my graduate program. Dr. Campbell has been an inspiration to me for many years. Without his constant help and encouragement, this study could not have been completed. Officials of the Ford Company, Union Carbide Corporation and Sears, Roebuck were most generous of their time as were school superintendents in Chicago, Detroit, Milwaukee, and New York.

I also wish to thank Bradley Henson and Craig Schmidt, who aided me in collecting the data, and Dawn for her patient proof reading and direction to the typist. Also, my wife Virginia, and family have been most patient and understanding through the many months that this study has been in the writing.

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CHAPTER I

INTRODUCTION

Purpose

The purpose of this study is to compare a selected number of school systems in the United States with a selected number of industrial corporations, where both groups have decentralized all, or some parts, of their organization.

In order to examine decentralization intelligently, one must first understand the basic reasons for centralizing programs. For the past several decades, public education and industry alike have been consolidating into larger units. As an example, primary schools in the United States have all but disappeared and in their place are larger and much more complicated school districts. Industry, likewise, from the early 1900's has brought more and more of its operation under one roof. Generally speaking, the public has been led to believe that once several operations have consolidated, they can operate more efficiently and probably more productively. This has been assumed to be true both in the areas of industrial organization and in the consolidated schools.

Today, selected industrial organizations and school systems have reversed their position and are decentralizing.

The Need for the Study

Since industry and schools alike moved into the large centralized

type of operation many years ago, questions have been raised.

1. When does an operation become too large to be effective?
2. What happens to the controls of an organization once such control is centered in a single office?
3. Does the individual become lost and subsequently ineffective as he finds himself so far removed from the administrative unit which controls his activity?

As school districts have found themselves centralizing through the past three decades, many educators have raised the question as to how many students and how many teachers should be employed to make the unit an effective unit for learning. There have been as many answers to this question as there have been educators doing the research. Some educators have said that a high school of more than 2,000 cannot operate effectively, others have felt that this number could be increased to as many as 5,000. The Michigan legislature upon two occasions (1964 and 1968) has proposed legislation such that a school system with fewer than 1200 in grades kindergarten through twelve should not be an operating unit.

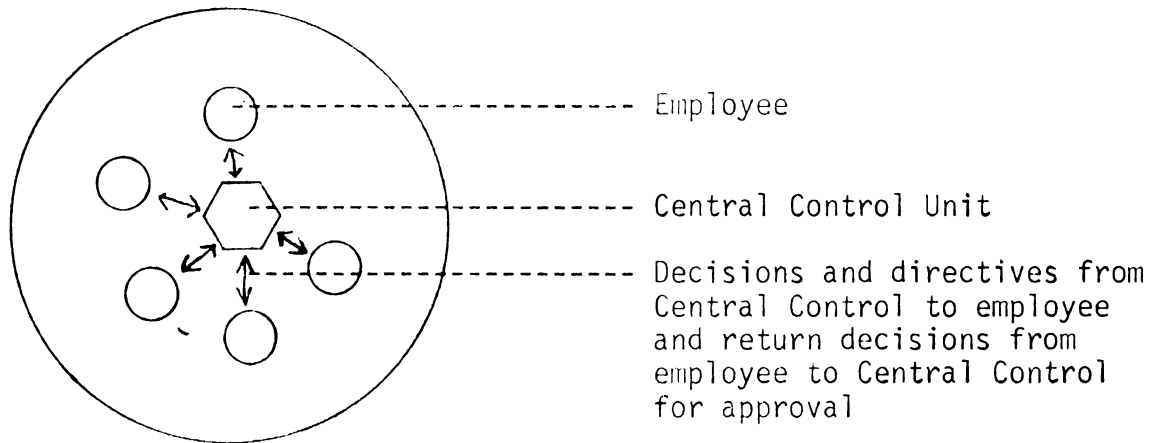
Sizeable school districts and industries alike are operating both centralized and decentralized programs. A significant number of centralized industrial organizations are now moving in the direction of decentralizing a part of the central control; setting up organizations within an organization, with the secondary units at least partially autonomous. There is a need to study each change and examine the causes for such change. It shall be the attempt in this study to take a close

look at selected schools and industry alike, those who have already taken definite steps to return a part of the power to a local group, and see if the evidence supports the change.

In the past thirty years, school districts have been centralizing at a rapid rate. The State of Michigan has less than one fourth of the total number of districts that were in operation in 1945. Such centralization in Michigan was voluntary. During this same period, New York State mandated consolidation resulting in large central units. Cities found themselves pressured by state departments and local citizens' groups to include suburban areas in their planning as a part of the central school district. At the same time, small communities were urged to join in a larger more compact unit. During this time, the efficiency expert in industry was also telling industry to move in this direction.

Definition of Terms

Both education and industry have terminology that is applicable only to that business. In this study, two terms must be understood: number one, centralization; and number two, decentralization. To understand the meaning of these terms will be to more fully understand the directions that this study will take. A centralized form of operation is understood better if we look at the word central. Central control indicates the control that emanates from the center of the business. To visualize a circle with the centermost point operating as a control unit for that entire circle, then each branch or vein moving from the center must return to the center for its control.



The company, with a single board of directors, a single president, and a central administrative staff, would be operating a centralized type of business. Any decision that was made would necessarily come from the office of the president. These, perhaps, would be handed down through vice-presidents, supervisors, and eventually to departmental supervisors or foremen. In the centralized program no final decisions could be made without clearing through the office of the president, and he, in turn, possibly would need to clear through his central board.

Centralized school systems would operate in much this same manner. The superintendent of schools, no matter how large the school system, would have the ultimate authority and would relinquish little or none of his power. It is true that this superintendent might delegate some authority to a subordinate, but this authority could not be exercised without clearing each step with the superintendent. Also, all



responsibility would remain with the superintendent of schools as he is responsible to a central board of education.

(Decentralization, as it is referred to throughout this study, will refer to a form of administrative structure that is allowed to relinquish a part of its control, a part of its power, and even a part of its responsibilities. The significant words in this definition would be the two words "in part". In other words, the truly decentralized program would be giving away "in part" its responsibility, its authority, and ultimately its control.) Should it give these away entirely, the question could be raised as to whether this is a decentralized mode of operation or is merely a dividing of the company or school districts into several completely independent units.

It is therefore conceivable that in the decentralized form of operation, industry or school districts alike could give away complete segments of its operation. As an example, the hiring of personnel could be given to a subordinate officer, a separate division of the company, or perhaps a building principal. The central office would relinquish its authority, its responsibility and its control of the hiring of any of the company officers in the future. This would not imply that the centralized office has relinquished accompanying responsibilities. The central office might still be handling the payroll, might still be setting up the pay scale, adopting the salary schedules, determining the fringe benefits, paying the insurance, all of which could ultimately affect the employee who has been hired by a supervisor who is decentralized from the main operation.

For the purpose of this study, no decentralization will be defined as an annulment, which would be a complete breakaway from the parent organization. Decentralization, as herein considered, while tied closely with local autonomy, will always evidence ties centrally, perhaps in such areas as finance, budget control, personnel, or in school districts, that of certification. A decentralized operation may allow a district superintendent of schools to be responsible to a general superintendent in executing broad school policies of the local board of education, but for the development of an instructional program, the placement of staff, and the general operation of schools, the district superintendent shall have local autonomy.

Scope of the Study

In attempting to settle upon the scope of this study, only terminology that can be understood by both the industrialist and the educator alike is used. Initially, an attempt was made to hypothesize that decentralization is a more effective way of operating a business or school than in a centralized program. The word effective, however, is too vague and difficult to prove. What is effective to one does not seem to be effective to another. Within each industry and school district, there are those who conclude that the decentralized program is more effective, but others in the same organization conclude decentralization is an ineffective tool. Consideration was given to the centering of the study on efficiency of operation. If the decentralized industrial plant is a more efficient plant, this certainly will support the change from centralization to decentralization. Efficiency, however,

as defined by the industrialist, is many times sacrificed as the company moves toward decentralization.

Also, to test an hypothesis requires an adequate sampling, and in this study, the sampling is purposely limited. The research to follow is in the form of in-depth case study which is an acceptable form of research according to Leon Festinger.¹ The problems of centralization versus decentralization need to be answered, and such case studies appear to be the only way to get at the answers. In the place of hypotheses to be tested, this research considers the following questions to be answered:

1. Does communication improve for employers, employees, the public, and the customer, as decentralization takes place in industry and in schools?
2. Is operating within the framework of a centralized industrial or school setting cumbersome and unwieldy for the employee and the employer?
3. Does the bureaucratic, centralized system operate in such a manner that the employer and the employee must move through endless steps in the chain of command as ideas are handed from the bottom up, or from the top down?

As a by-product of answering these questions, an examination of both school and industrial plants will be made in an attempt to determine

¹Festinger, Leon and Katz, Daniel, Research Methods in the Behavioral Sciences. New York, New York. Holt, Rinehart and Winston, 1953, pp. 71-72.

if there is any evidence that the decentralization form of operation as carried on in their organization gives them:

1. Increased profit in the case of industry.
2. Better climate for learning in the schools.
3. Improved working conditions.

The comparison of industry and education will also be made to determine whether those who profess to be decentralized are in truth actually decentralized.

Limitations of the Study

Historically it would be much easier to move in the direction of studying the advantages of decentralized industrial or school operation if a comparison could be made with the past. In the early 1900's, many individual small companies, and likewise small school districts, existed. These were completely separate units and in no way connected one with the other. In the late 1920's and early 30's the direction began to change. By this time, it was concluded that local business and one room schools were not the answer. The consolidated and combined units of central control would give us the efficiency needed. From the 30's on into the mid 60's, in the case of school districts, centralization continued almost without bounds. By mid 40's, through the 50's and into the 60's, industry started to make some changes back toward a decentralized form of operation. It would be much easier to conduct this study if the early 1900's had been operating a decentralized program. This is not true, however, as during these years a completely separate, individually controlled unit, quite different from the

decentralized operation, was the direction taken. The pressures for centralization have now been countered by equally strong pressures for decentralization in certain areas, but much of this has been done in the past five to seven years. In fact, in many school districts, decentralization has been only since about 1965, and then only experimental programs have been put into effect.

While large business has effectively decentralized throughout the nation, very little has been written on this mode of operation. Industry has had reason to move, but no particular reason to publicize its reasons for such change. School districts have but recently come under the attack that has caused them to move toward decentralization. While several significant projects are under way at present, it is much too early to conclusively say that one plan is superior to the other. The possible exception to this would be the Chicago Public Schools which moved into a decentralized form of education in the mid 50's.

Also, this study is limited by the amount of literature available for study. Specific texts deal with the theory and the possible economics of centralization as opposed to decentralization, but present very few facts as to the effectiveness and possible survival of a decentralized form of business.

Because there is so little written that outlines the advantages and disadvantages of centralization and decentralization, and also because there are relatively few organizations that have effectively decentralized, one is limited in the scope of the number of schools and businesses to be studied.

Also, even in the case of industry where the decentralized program has been in operation for several years, there is very little concrete proof that would substantiate the questions raised in the study. Probably the most concrete evidence would be found in the fact that large industry, as it has moved toward decentralization, has seen fit to continue its operation in this direction. There is little evidence that any industry that has moved cautiously to a decentralized operation wishes to return to its former status of centralization. School districts, however, at least those in the current news as advocating or having others advocate for them a decentralized form of program, have scarcely had time to evaluate the effectiveness of such change. For the most part, schools are in their infancy as they begin to decentralize (with the exception of the Chicago Public Schools). Therefore, while they can give the objectives of why decentralization was started, it is difficult to draw conclusions at this date.

A further limitation of the study comes as one examines the questions that can be asked. In numerous studies it is possible to ask a specific objective question that can be answered clearly with a response that could be considered either black or white. This study, on the other hand, is faced with many questions of a subjective nature. In response to a question, "Are the lines of communication open much more clearly as you are decentralized over and above when you were a centralized operation?", the person interviewed could reply by saying, "While I feel we have good lines of communication in our organization at present, it is difficult to conclude definitely that this is due to

a decentralized form of operation." In the design of the study which will be discussed in Chapter III, it will be noted that the questions were many times subjective in nature and were rephrased frequently in order to make certain that the person being interviewed was not being led to make a specific response due to the type of question.

The Organization of the Study

This study is basically organized to:

1. Review the literature available on centralization and decentralization, and
2. Write seven indepth case studies following a series of interviews with business, industry, and school district personnel, both employers and employees, to find the reaction of these people as they are employed in a decentralized plant or school.

The reading was completed prior to any of the interviews in order that a more comprehensive background would be available. In the matter of time, the review of literature was completed in approximately four months, and the remaining eight months were given to personal interviews and the compilation of the materials.

Chapter I defines the problem together with explaining its purpose, defining its terms, and stating the scope of the study and the questions to be answered. In Chapter II, the literature is reviewed. Chapter III outlines the design of the study and explains the sample and how this sample was selected. Chapter III also suggests how the



instrument was prepared and in what framework it was used. This chapter also outlines the procedure of the study, the specific types of interviews and a summary of the findings. Chapter IV concerns itself with the presentation of the data from the selected industries, and Chapter V deals with the same type of data from the school systems. The final chapter of the study contains the summary, conclusions and recommendations.



CHAPTER II

REVIEW OF THE LITERATURE

As one reviews the literature on decentralization, it is significant to note that practically all of the writings concern themselves with some phase of educational programs. While a few books refer briefly to a specific American industry, and may even mention the word decentralization, there is no evidence that authors single out industry to write in support of either a centralized or decentralized mode of operation. On the other hand, several prominent educators and others closely connected with education have taken occasion within the past ten years to write articles in support of a decentralized form of administration. These findings are reviewed in Chapter II.

The American Association of School Administrators' Commission on School District Reorganization¹ reported in 1958 that there were certain goals that should be considered in all of education today. It was the feeling of this commission that we had to put together an educational program in the United States that would bring services to bear on the educational needs. In order to achieve this, the total organization

¹American Association of School Administrators Commission on School District Reorganization. School District Organization. Washington, D. C.: American Association of School Administrators Commission on School District Reorganization, 1958.

will be as such to:

1. Encourage experimentation with new techniques and methods.
2. Facilitate articulation between levels of the school system so that each child may have a maximum of continuity, breadth, and depth in his experience.
3. Enable the local school to be sensitive to local conditions, and thus to meet the local needs.
4. Foster school community relations in the school unit.
5. Assist the local school in concentrating its energies on the problem at hand.
6. Develop leadership within the school and responsibility for the local program.
7. Design an overall educational program for local adaptation within the framework.
8. Provide local programs with supporting services and special programs.
9. Supply staff and facilities as needed.
10. Finance the program for the district at large.

This commission is not advocating either a totally centralized or a totally decentralized program. It will be seen, however, that the first six criteria are concerned with local initiative and a fair share of independence. The seventh relates these to the system wide need for stability, consistency, and similarity; the last three provide areas that can possibly use central control. At the beginning of the review of literature, as this commission in 1958 was specifically

concerned with the reorganization of school districts, these ten criteria were their recommendations to effect such organization.

Later in the report, the commission went on to say:

"A fundamental principle in administrative organization is that any given function should be assigned to that level closest to the people which is capable of performing it effectively. That is why teacher's certification is a state level function, for neither local districts nor intermediate districts, with rare exceptions, are large enough to do it as well as the state can."¹

The commission also concludes:

"Even though public education is a state function, the American people have the firm conviction that their schools must be maintained as local institutions under their close oversight and control."²

As education in the United States has developed principally from a system of rural education, the large city school system actually came into being only in the last 25-year period. Prior to this, the majority of schools in this country were one-, two-, or possibly three-room schools. While a few cities had many youngsters enrolled, the total school population far outnumbered the city enrollment as the rural population of each state centered its youngsters into one-room schools. It was soon after the reorganization of the one-room school districts that certain pronouncements were being made as to the specific size of administrative units.

¹Ibid., p. 72

²Ibid., p. 64

"It has been amply demonstrated by experience and research that in order to have an educational program at reasonable cost, with efficient operation, it is necessary to have administrative units with at least 1200 pupils. It has also been found that gains in efficiency and economy can be expected as the size of the school district unit increases up to approximately 10,000 students."¹

This same article goes on to say:

"Local autonomy has been one of the principal issues in the conduct of the public schools, especially in the reorganization of school districts, and seldom have the educational leaders, or legislators been willing to circumvent it..... The extent to which citizens actively and intelligently participate in the reorganization in the local school unit has come to be expected as one of the chief measures of satisfactory reorganization."²

The National Convention on School District Reorganization, in its report, mentions time and time again that there is a strong sentiment for local control of public schools. They go on to say that this is readily understandable to the people everywhere in our nation, particularly in the rural areas, as the public schools at this level have been a cradle of democracy.

It is interesting to note that most of the literature reviewed, even the studies that strongly advocate centralization in education, face an almost unanswerable question; how one preserves initiative and proper motivation if one removes from the individual his administrative unit and makes of him but a member of a bureaucratic system. Chris

¹National Convention on School District Reorganization, Your School District. Department of Rural Education, National Education Association of the United States 1948, p. 24.

²Ibid., p. 45.

Argyris wrote a most interesting article entitled "The Individual and Organization". In this article, Mr. Argyris differentiates between infantilism and adulthood. He explains that societal pressures exerted on the individual to obtain the vestiges of adulthood run into direct conflict with organizational restrictions that are placed upon individuals.

According to Argyris, the following are developmental trends in behavior, as associated, in this culture, with infantilism and adulthood:

Infantilism

1. Passivity (lack of initiative).
2. Dependency.
3. Few abilities in behavioral patterns.
4. Shallow, casual interests.
5. Short-time perspectives.
6. Subordinate status.
7. Lack of awareness of self.

Adulthood

1. Increasing activity (self-initiative).
2. Relative independency.
3. Many ability and behavioral patterns.
4. Complex, deep interests.
5. Long-time perspectives.
6. Dominant status.

7. Feeling of self-worth.¹

Taking these two areas singly, Argyris concludes that the lower the status in the scalar chain of command, the greater the identification with infantile behavior. Of course, it would follow that the lower the status, the less the opportunity to exercise initiative and the greater the dependence of the individual on the institution. Therefore, it is difficult for an individual in a subordinate state in a chain of command to develop real interest in his work. Further, it is equally difficult to develop a feeling of self-worth to the institution. This is not to say that there are not highly effective schools in a centralized program. The system of organizational centralization may be infantile through its requirements for dependence, but the classroom teacher may emerge above this dependence and teach adult values.

The administrator also has his share of difficulty, the more complicated the organization becomes. Taking a look at the elements of administration in their simplest form, these could be explained thusly:

"If a supervises two persons, b and c, he can deal with them individually, or as a pair. The behavior of b in the presence of c and of c in the presence of b will differ from their behavior when each is with a alone.

Furthermore, what b thinks of c, and what c thinks of b, constitutes two cross relationships which a must keep in mind when delegating work on which b and c must collaborate in a's absence. In other words, even in this extremely simple unit of organization, with two subordinates, a superior must keep up to six relationships constantly in mind.

¹Argyris, Chris, "The Individual and Organization". Administrative Science Quarterly, Volume IV, Number 2. September 1959, pp. 147-148.

Then when a third subordinate d is added, a direct relationship with individuals increases by only one (a-d), but the various groupings he may have to deal with increases by seven (a-b-d, a-d-b, a-c-d, a-b-cd, a-c-bd, a-d-c, and a-b-dc), and the various cross relationships he may have to reckon with increase by four (b-d, d-b, c-d, d-c), making a total of 18."¹

Here Urwick points out, in a very elementary fashion, that administrative control becomes increasingly complicated with the addition of each person. The conclusion that is drawn in this book leads one to believe that administrative structure should be kept on the simplest level possible for the best possible communication.

In reviewing the literature on decentralization, it is evident that the term is not defined uniformly. There are many references to the fact that the separation of government into smaller autonomous units is nothing new. Within our large cities, many authors conclude that experimentation with centralization as well as decentralization has been going on for many years. As an example, Philadelphia at one time was divided into more than 80 independent districts with their own boards. Prior to 1896, New York City was similarly fragmented, which led to an almost chaotic situation and eventually to the present centralized structure. Because some authors defined decentralization in this manner, it was necessary to set up the definition of term of centralization and decentralization as referred to in Chapter I. The reference in this instance to both Philadelphia and New York would not

¹Urwick, Lyndall, The Elements of Administration, New York and London, Harper and Brothers 1943, p. 126.

be decentralization in the framework of this particular study. At this point in history, these cities were operating independent school districts and not decentralized in the definition of our term.

Community control has several clear cut motivations:

1. There is a commitment to the idea that citizen participation is in itself good and should be encouraged.
2. Black militant arguments currently are fashionable. These say that the black children are victimized by a white bureaucracy.
3. The professional bureaucrat rules in his own interest only.
4. There is a belief that neighborhood residents can discern particular local needs better than a non-resident.
5. Because there are so many frustrations with the current system, almost anything would appear attractive and could hope for some success.¹

It is LuVerne L. Cunningham's considered judgment that there is a great deal of fuzzy thinking about decentralization and community control. He feels that the concepts are frequently confused, or sometimes treated synonymously, and believes further that they are not the same. He goes on to say that many forms of decentralization have been implemented or proposed thus far, but no genuine form of community control has been achieved.

¹Cunningham, LuVerne L., "Decentralization: A Forward Step?" Nation's Schools, Volume 83, Number 5. May 1969, pp. 61-64.

"Decentralization most often is considered as an administrative device - a way of delegating authority and responsibility closer to the grassroots, but within a larger defined authority system. Community control means people control, constituent control, client control. In community control, the citizens are responsible for decisions about educational matters ranging from the trivial to the most fundamental policy questions. Citizens then retain the right and obligation to negotiate personnel matters, establish curriculum, set calendars, determine who has the right to attend public schools, and to secure and expend public monies."¹

This particular article mirrors most of today's writing on decentralization. The decentralized form of operation seems to be leading more and more to a complete divorce from the parent organization. Of course, it must be recognized that much of the publicity gained in discussing decentralization is coming from the larger cities that operate complicated school systems and highly organized bureaucratic administrative units. As an example, practically all of the writing of the local citizens pertinent to the New York Public School System claims that the schools, if they are to become truly decentralized, must be divorced in every part from the central system. They not only wish their own board, their own policy-making group, their own personnel and administrative units, but they are asking for their own taxing powers. Were one to truly understand the direction in which we have moved over the past three decades in attempting to bring larger units together as a basis for equalized levy of taxes, one would understand that a good deal of ground would be lost were a neighborhood to resort to the taxing structure of the early 20's. Of course, some advocate leaving the

¹Ibid.

larger unit intact for the equalization of taxes and then a division of funds, perhaps on a per pupil basis, in each segment of the city.

Wallace Roberts commented recently:

"If anyone walking the streets of New York was under the impression that the teachers are on strike over an educational issue, he is grossly misinformed. The issues are politics and labor."¹

Mr. Roberts was directly quoting Rhody A. McCoy, unit administrator of Brooklyn's embattled Oceanhill-Brownsville decentralized school district, an organization that has come to symbolize the spreading struggle for community control of an urban school. The struggle in Oceanhill-Brownsville involved not only demands by a minority group for a direct hand in insuring a better education, but also a complex social and political battle that includes the drive for Black Power, for tenure rights of the teachers, black and white racism, and ultimately the prerogatives of organized labor.

Even before the New York crisis reached any major proportion, it seems that there was ground work being laid in the ghettos of about thirty other major cities across the country to provide for greater participation in the school by the parents and the community leaders.

It must be recognized further that the real problems in urban education are compounded in a city such as New York. New York City, operating with a 1.4 billion dollar school budget and 57,000 teachers,

¹Roberts, Wallace, "The Battle for Urban Schools". The Saturday Review. New York, N. Y. November 16, 1968.

is in a community that supports a population in excess of eight million.

As the New York Public Schools are more in the news today than any single school system in the nation, it is pertinent to review the literature as it is recorded in the Bundy Report. Shortly after the tax commission report in New York State, the Board of Education of the City of New York endorsed the principle of decentralization, and in July of 1967, the Ford Foundation announced that with the approval of the Board of Education, it was going to finance the planning for three decentralized "demonstration districts". These districts would be P.S. 201 in Harlem; Oceanhill-Brownsville, Brooklyn; and the Two Bridges District, in the lower east side of Manhattan. Each district would contain at least one intermediate school and its feeder elementary school.

Meanwhile, the State legislature of New York had appropriated an extra 54 million dollars for the New York City Schools on the condition that Mayor John Lindsay would develop a decentralization plan for the entire city school system. The legislature was thinking in terms of the five-borough plan. However, the panel appointed by Mayor Lindsay was headed by McGeorge Bundy, President of the Ford Foundation, and it proposed a more radical program of organizational reform.

The report of the committee entitled Reconnection for Learning; A Community School System for New York City, was released about a year ago, and it called for the creation of thirty to sixty semi-autonomous school districts, each with a governing board composed of eleven members, six selected by the community and five appointed by the mayor. It

should be noted that the Bundy Report sparked the immediate opposition of many groups, including the United Federation of Teachers, the New York Legislature (which was under heavy pressure from both the Teachers' Union and the City's Central Labor Council), and even many of the local school administrators. The legislature approved a bill of delaying effective decentralization for a year, and directed the New York State Board of Regents and the City's Board of Education to produce a temporary decentralization plan.¹

The mayor's advisory panel on decentralization in New York City recommended:

1. The New York City Public Schools should be reorganized into a community school system, consisting of a federation of largely autonomous school districts and essential education agencies.
2. From thirty to no more than sixty community school districts should be created, ranging in size from about 12,000 to 40,000 pupils, large enough to offer a full range of educational services and yet small enough to promote administrative flexibility and proximity to community needs and diversities.
3. The community school district should have authority for all regular elementary and secondary education within its

¹Bundy, McGeorge; Giardiano, Alfred, Keppel, Francis; Pantoja, Antonia; and Sviridoff, Mitchell; Washington, Bennetta. 1967.

boundaries and responsibilities for adhering to state educational standards.

4. A central education agency, together with a superintendent of schools and his staff, should have operating responsibility for special educational functions and city-wide educational policies. It should also provide certain centralized services to the community school district and others on the district's request.
5. The state commissioner of education in the city's central education agency shall retain his responsibility for the maintenance of educational standards in all public schools in this city.
6. The community school district should be governed by the boards of education selected in part by the parents and in part by the mayor from lists of candidates maintained by the central education agency, and membership on the board should be open to parents and non-residents of the district.
7. The central education agency should consist of one or the other of the following governing bodies:
 - a. A commission with three full-time members appointed by the mayor.
 - b. A board of education that includes a majority of members nominated by the community school system.

The mayor should select these members from a list submitted by the assembling of chairmen of community school boards.

8. Community school districts should receive a total annual allocation of operating funds determined by an objective and equitable formula which they should be permitted to use with the widest possible discretion.
9. Community school districts should have broad personnel powers, including the hiring of community superintendents.
10. All existing tenure rights of teachers and supervisory personnel should be preserved as the reorganization system goes into effect.
11. The process of qualification for employment and promotion in the system should be so revised that community school districts will be free to hire the teachers and other professional staff from the widest possible sources, so long as they meet state qualifications.
12. Community school boards should establish procedures and channels for the closest possible consultation with parents, community residents, teachers and supervisory personnel.
13. The central education agency should have authority and responsibility for advancing racial integration by all practical means.

14. The main responsibility for supervising and monitoring the transition from the existing system to the community school system should rest with the state commissioner of education.
15. The transition period should include extensive programs with discussion and orientation on operations and responsibilities under the community school systems and on educational goals generally.

One idea that seems to recur throughout the Bundy report states that the staff of a large city public school system can no longer feel that the educational program in the schools must be left solely to the professional educators who are accountable to no one but themselves. The children belong to the parents, the parents pay the taxes to support the school, so therefore the parents have a right to know what is going on inside the school. As to the board of education, the Bundy report states:

"The members of the board of education are able, dedicated citizens who devote an extraordinary amount of time to their duties without pay. However, the pressures of the present system constantly divert from their policy making and long range planning. They must mediate issues that have not been resolved in the fields because the local school boards of the system's thirty districts have no legal decision-making authority. The board's power to influence policy and administration through the superintendent of schools is diminished by the fact that he, in turn, is faced with operating a 1.1 billion dollar, ninety thousand staff enterprise with insufficient delegation of decision-making authority."¹

¹Ibid.

Chairman Bundy recognizes that the New York schools have been decentralized over the past several years. The Bundy committee, however, claims that this decentralization has been administratively ineffective. While local school boards provide useful forums for discussion of school sites, selection of personnel, and other subjects, they can exert no decisive influence except in the most routine matters. They lack effective decision-making power and they cannot hold anyone responsible, neither the district administrator nor the central authority, for performance of the schools in their districts. The committee goes on to say that much of the enthusiasm and dedication and potential of the local boards up until now have been hindered by an unresponsive and resisting school bureaucracy. They add, also, that they have had archaic legalistic concepts as to the "advisory only" nature of the local school boards.¹

Martin Mayer, a former school board member of five years' service, who served on a local board described the board in this way:

"There was almost nothing that I could do for the people who called upon me. There was little of substance that could come from our meetings. This giant empire is almost completely insulated from public control."

The most significant aspects of personnel policy in the proposed community system would be:

1. Choice of community superintendent.
2. Recruitment, selection and employment of an adequate

¹Ibid.

staff.

3. Positive interaction between the community and professional staff within the framework of professional skill and integrity of the educator.

It is interesting to note that in the Bundy report, it is the feeling of this committee that decentralization would cost no more than the present centralized form of operation of the school system. In the final analysis, the report indicates that, if accepted, it should be presented to the state legislature for implementation. The legislature should also, at the end of the three-year period, have the right to set a referendum to change any part of the program in such a way that it could be improved. Such improvement, however, should be at the wish of the local community leaders.

With all of the discussion that has been going on in the past three-year period on decentralization, school men have been turning toward those interested in research to see whether they would be in agreement that the decentralized plan would benefit local school districts. Dr. C. Tayler Whittier, Executive Director of the Central Atlantic Regional Educational Laboratory in Washington, D. C., has been called upon many times to give his opinion of the impending decentralization.

In the research that the Regional Laboratory in Washington has done in the area of decentralization, Dr. Whittier claims that one word appears more than any other and that is the word control. The schools

today, he says, are caught in a power play for control.

"The basic question is how to resolve the position of authority in control. In decentralization plans, the central authority retains its power of review and final approval, while community boards are seeking freedom from such restraint. Protection of recently won rights by teacher groups is viewed as being in conflict with the development of community control, as in New York City where the United Federation of Teachers has opposed the delegation of power to the community board. The Washington, D. C. Teachers Union, however, has taken a supportive position on this issue. The conflict represents the old problem of innovation in change vs. protection of vested interests."¹

Dr. Whittier goes on to say that as we attempt to realign power we find that not only is this a painful process, but that as we are doing so we recognize that we have no guarantee of improvement. There seems to be evidence that changes must be made to better serve all of the citizens and particularly those who find the present systems of education inadequate. It is quite apparent that we must utilize the professional and the lay citizens together to bring about improvement. It would not seem wise to give either group exclusive decision-making power.

Dr. Clyde Campbell, of the Mott Foundation and Michigan State University, edited and published in the Ford Press in October of 1968, an article entitled "The Community School: A Social Imperative", which was written by Dr. Ernest O. Melby. Dr. Melby contends:

"Cities and urban areas will be redistricted on something like the park plan, permitting the poor to go to school with the rich, as was the case in the little town and still is true there to some extent.

¹Whittier, C. Tayler, "A Look at Decentralization and Community Control", The School Administrator AASA 1969, p. 15.

D The administration of our city school districts will be decentralized. The really important educational decision will be made by teachers and principals. Budgets for schools and districts will take account of the problem to be met in the school and with each group of children the largest allocation going to inner city and perhaps remote rural areas. When this is done, (no heavy-handed bureaucracy will hang over the teacher and the child. When decisions are made as to what can be done, the teacher will answer most questions herself, and any she cannot decide can be decided by the principal of the building, without waiting for a slow moving bureaucracy."¹)

D Both Dr. Melby and Dr. Campbell have steadfastly maintained through the years that (public education suffers as we are constantly stifling the decision-making powers of those who should be rightfully making such decisions.) Even as far back as June of 1957, Dr. Campbell said in a letter to Dean Melby:¹)

"When work cannot be determined by detailed specifications, then it is necessary for staff members to be in on the planning so that they can learn what needs to be done, accept wholeheartedly the program of action agreed upon, and give strong support to such programs. Creative workers need to be in on planning to reach agreement and understanding, as well as to solicit their loyalty and support for a cooperative action program."²

Many editorials and news articles have been written over the past two- to three-year period as attempts were made in major cities to reorganize the support of education in local school systems. Sometimes, it may be concluded that all such attempts are met with an almost

¹Melby, Ernest O., "The Community School: A Social Imperative". Community School Publication, Ford Press, Inc. October 1968.

²Letters to Dean Ernest Melby by Dr. Clyde Campbell, Professor of Education, Michigan State University.

complete upheaval of the school system. Such is not necessarily the case. The Chicago Sun Times, in March of 1969, reported on at least one experiment in community control for schools which was achieved without such upheaval.

Washington, D.C., apparently has a successful experiment in its Morgan Community School. This school, operated by a local board and an assistant superintendent, while fraught with some opposition in early days, has proven itself by giving full community support and improving education in the youngsters attending this school. It now appears that the experiment will be expanded to other schools in the Washington system. It is also interesting to note that the Washington, D.C. public school teachers supported decentralization. They endorsed it by a vote of more than 2-1, at the same time that the New York teachers, who belong to the same national union, were striking against such decentralization.¹

There are many activists in the world of education today. It should not be assumed that each is advocating decentralization as the answer to its prayers for a better school system. Decentralization is but one of the many programs that the school-oriented activist is advocating today. Those following the dictates of the federal government are moving in the direction of the answers to the nation's educational problem being in the direction of preschool programs for

¹Young, Whitney M. Jr., "Decentralized Schools are Best for Children", Chicago Sun Times, March 1969.

the disadvantaged. Educational parks are also discussed. Black teachers for black schools has become a common phrase in the inner city. Alternative educational systems to the public schools are proposed by the armed forces. The United States Office of Education has been promoting activists' programs through its Title III funds in the Elementary and Secondary Education Act. As in all new programs in the field of education, the major weakness lies in our general lack of being able to systematically evaluate the results of our experimental work. Several major large city programs of compensatory education for the disadvantaged, as an example, have been given wide publicity as successful on the basis of preliminary inadequate evaluations, only to withdraw their claims after a more systematic study of the outcome. Decentralization takes its place among all of these other activists' ideas. In most instances, it is defined in the literature as placing the responsibility and decision-making more in the hands of the parent than in the local community leaders.¹

As one studies the trends in decentralization, it is evident that the large cities are approaching this problem quite differently. The city of Cleveland, Ohio, as an example, through its pamphlets and organizational charts, presents very clearly the picture of a centralized school system. More than this, they take issue with the

¹Havighurst, Robert J., "Requirements for a Valid New Criticism", Phi Delta Kappa, Volume XL, September 1968, pp. 20-26.

common definition of decentralization and claim they cannot see any advantage to moving in this direction. The Detroit Public Schools, while operating a portion of the city's system under a decentralized plan paid for through federal funds, have adopted a "go slow" approach. At present, Detroit is discussing more community involvement in its schools, but not a true decentralization where local communities have actual control over the schools. One member of the Detroit Board of Education said,

/"There is a touchiness about the term decentralization. We don't wish to use it for fear it will polarize people."

At the time this was reported, Detroit school officials had a task force at work studying how to implement some form of community involvement and a report was expected before the end of 1969. There are members of the Board of Education who believe that using this modest community involvement approach as a starting point could lead in time to a more orderly decentralization of the entire school system.¹

As members of minority groups in the City of Detroit read what is going on in other school systems, however, they find this approach much too timid. "I have been very hopeful of the experiment in Detroit in increased community involvement", United States Commissioner of Education Harold Howe II said in an interview with the Detroit Free Press.

Howe continued that he believes where people are involved with the

¹Grant, William, "Who Will Control Detroit Schools", Detroit Free Press, Volume 138 Number 196, November 17, 1968.

schools the quality of education is better. This has been a factor in the general quality of suburban schools.¹

In reviewing the position of teachers' organizations, particularly the United Federation of Teachers, and the AFL-CIO, one finds that their officers and other executive members do not agree completely with the statements made about them through administrative groups. Albert Shanker was a former junior high mathematics teacher and at one time studied for his doctor's degree of philosophy at Columbia University. He has headed the United Federation of Teachers since 1964, and, in addition, is vice-president of the AFL-CIO, the Affiliated Federation of Teachers. Mr. Shanker, in a recent interview with the educational editor of the Phi Delta Kappa stated,

"In the brief chronology of events in Oceanhill-Brownsville, there has been no discussion of decentralization, and this has not been an issue in the dispute. The United Federation of Teachers has stated repeatedly that it is in favor of decentralization. Personally, I think it has great constructive potential, particularly those aspects of it which should enhance both parents' concern for the learning of the children and creative community participation in matters of educational policy. Parents have a legitimate grievance against the rigidity and the remoteness of the central bureaucracy to the extent that these difficulties have increased the alienation and apathy of parents to the extent they must be remedied by bringing in a decision-making power closer to where its effects are felt..... more fundamentally, I favor increased parent community participation. I know from my experience in the trade union movement that the individuals cannot have human dignity until they participate in decisions affecting their lives. The United Federation of Teachers therefore has supported (and lobbied for)

¹Ibid.

a decentralization plan that would give locally elected boards, among other things, the power to hire and fire their district superintendent and guaranteed funds over and above centrally mandated costs for use as they see fit in developing innovated programs."¹

Later, Mr. Shanker went on to comment that the unions with which he is involved have also supported the establishment of a civilian review board to which parents could bring complaints against teachers and which, in turn, would guarantee those teachers a fair hearing.

In reviewing the literature of decentralization in America, it is impossible to keep from placing the experiment in New York City out in front. It is premature to be drawing conclusions and giving supporting evidence that the decentralized form of school system has proven itself as of this date, yet it is impossible to ignore some of the claims that are being made. The fact that Oceanhill has a waiting list with candidates seeking employment, while many vacancies occur in the New York City System, should tell us something. Also, this is in sharp contrast with the personnel records prior to the establishment of this district. According to a recent article in the Phi Delta Kappa, anyone who has visited the schools will note a sensitivity and enthusiasm among the staff which has been sensed by most of the 3,000 visitors, including numerous reporters. The school

¹Shanker, Albert, "The Real Meaning of the New York City Teachers Strike". Phi Delta Kappa, Volume L, Number 8. April 1969. pp. 434-441.

is developing an Afro and Latin American Curriculum Center which is planning to emphasize the Afro-American experience in the regular curriculum. The article goes on to say that the local board is quite protective of its powers. It has been constantly concerned with the need to be consulted in all matters. In fact, one of the problems that should be worked out is the proper use of professional talent. Public meetings in the district have attracted upwards of 600 which was unheard of in the past. There is an increased need for the use of professionals in most functional roles and this indicates a serious movement for greater participation and more meaningful involvement.

Further than this, there are some tangible results in the Oceanhill-Brownsville district.

1. Governing board meetings indicate greater emphasis on quality education.
2. A strong desire to bring educational standards to new heights.
3. The myth of the black parent apathy has been completely destroyed.
4. Local governing boards and staff have become important community symbols.
5. Middle and lower class black work together with others, forcing them to interrelate the mutual interests of the entire community.¹

¹Fantrni, Mario and Gittell, Marilyn, "The Oceanhill-Brownsville Experiment". Phi Delta Kappa, Volume L, Number 3 April 1969. pp. 442-445.

"If the confrontation and strike has produced nothing else, it has made Oceanhill-Brownsville a community. Once apathetic and politically powerless, Oceanhill has emerged as a symbol of a black man's desire to control his own development. He has become the arena from which to attack the entire educational malaise which has gripped the public school system."¹

As one reviews the literature, it becomes necessary to sift out the writer who understands but a part of the total picture. In a recent book by David Rogers, entitled 110 Livingston Street, Dr. Rogers spends a good deal of time talking about the problems that the New York Board of Education can get into if it moves into the area of decentralization. He mentions for instance, that "conservative parent groups in small towns and suburban areas perennially vote down school bond issues and millage votes and protest against higher taxes for public schools".² He thereby concludes that decentralization would not be possible as it would lead only to millage defeats. Dr. Rogers also sees definite contradiction between program budgeting and decentralization. Program budgeting could well be the centralized form of handling the finances for several districts that are decentralized.

Most of the reports dealing with the Chicago Board of Education and that of Milwaukee, are reports published directly by the Board of Education. The general superintendent of the City of Chicago, as an

¹Wielk, Carol A., The Oceanhill-Brownsville School Project: A Profile Community Issue, Institute for Community Studies, Queens College, Volume I, Number 2, February 1969.

²Rogers, David, 110 Livingston Street: Politics with Bureaucracy in the New York City School System. Random House, New York 1968.

example, has published material on plans for reorganizing the Chicago Public Schools into three administrative areas, as well as the report entitled "A Design for the Future". In each of these reports, evidence is given that further decentralization is needed.¹ In Milwaukee, a sub-system approach to the problem of the large city school system explains the present clusters of Milwaukee as it attempts to decentralize a portion of its public schools.²

As the United States is considering the direction to move in operating its large school systems, other nations are thinking in much the same manner.

In studying the cost of education in England, a report given by Dr. John Vaizey says,

"Our conclusion is that there is too much administration and that it arises from a too-detailed interference by the ministry of local affairs and from too great a gap between the local administrator and the schools. Our remedy is a three-fold one. The teachers should be more closely concerned with administration. There should be regional educational authorities concerned with major planning and policy developing and the bulk of local administration should occur very locally."³

Budgets in the English schools have been under scrutiny for years. All

¹Redmond, James F., Plans to Reorganize the Chicago Public Schools in Three Administrative Areas. Published by the Chicago Board of Education.

²A Subsystem Approach to the Problems of the Large City School System, Milwaukee Board of Education, March 1968.

³Vaizey, John, The Costs of Education. London, England: Ruskin House. George Allen and Unwin, Ltd., 1958.

(budgetary items are approved and enacted solely through the minister of education. Many times the approved financial expenditures have little relationship to local needs.) Local teachers' unions strongly support Vaizey in his contention that the bulk of local administration should occur very locally.¹

At the same time that these pronouncements are being made in England, the schools in Bombay, India, are looking at their administrative units, not referring to decentralization as such. The Bombay schools, as studied through Professor L. Nukeherge, draw the following conclusions:

- ✓ 1. The central administration in schools is too far away from many of the local units and hence does not know the local requirements. It ignores the local traditions and aspirations and imposes a system of education which is not properly suited to local conditions.
2. As all policies are directed from the center, the local participation is limited to carrying out the policies dictated from the center. This does not invoke a feeling of enthusiasm for the local community which no longer feels that it owns the schools.] The apathy of the local community is detrimental to the program of the schools.
3. A centralized system brings a sort of dull uniformity

¹Ibid.

which for the sake of uniformity, dampens the spirit of free experimentation, and very often the centralized agency discourages it in the name of efficiency and economy.¹

Education in England and Italy could not pass Urwick's test for an effective administrative unit. "Central administration - too far away from the local units simply cannot operate efficiently due to the number of relationships to be reckoned with....."²

↙ In the instance of Bombay, the apathy referred to would be supported by Chris Argyris, who would contend that an infantile world is always an apathetic world, and that any world stifling individual initiative through central control has not reached adulthood.³

Industry Looks at Decentralization

As was mentioned in Chapter I, decentralization of industry has been taking place over the past three decades. Industry has done this quietly and independently. It is difficult to track down the specific reason for industrial decentralization. One of the more significant books was written by Ernest Dale, in which he discusses planning and developing the company organizational structure. Many of the ideas

¹Mukherjee, L., Problems of Administration of Education in India. Bombay, Delhi, Calcutta: Kitab, Mahal, Allahabad 1960.

²Urwick, Lyndall, The Elements of Administration, New York and London. Harper and Brothers 1943. p. 126.

³Argyris, Chris, "The Individual and Organization". Administrative Science Quarterly, Volume IV, Number 2. September 1959. pp. 147-148.

discussed in this book have been endorsed by the American Management Association. They tie up directly with the concern of America for a sound democratic system. Mr. Dale explains that there is good reason to believe that the gained productivity achieved by overspecialization and its twin brother, overcentralization of authority, has been lost in the debilitating and innervating effects that they have had on employee morale and willingness to cooperate.¹

Industry gives many reasons for moving to a decentralized form of operation. Usually they do not include employee morale or cooperation as prominent among these reasons. It is Dale's belief, however, that such problems play an important role in the change. He notes that when the degree of managerial decentralization is greater the following things happen:

1. A greater number of decisions are made lower down the management level.
2. The decisions made at these levels are more important decisions.
3. More functions are effected by the decisions made at the lower level.
4. Less checking is required to make certain that these decisions are correct.²

¹Dale, Ernest, Planning and Developing the Company Organization Structure. New York. The American Management Association 1955. pp. 52-53.

²Ibid.

Decisions such as Dale describes would be evident at the time the Ford Motor Company reorganized from the centralized company to a semi-decentralized operation following the death of the founder, Henry Ford. Not realizing exactly what direction the company was destined to move, the central administration determined to involve directly the local plant managers, supervisors, foremen, and even some set-up men, in the decisions of the company. Initially, the central administrators posed some questions to their subordinates:

1. Do you see a need for changing the operation of your department or division?
2. What suggestions do you have to improve personnel, working conditions, etc.?
3. In your estimation, is the Ford Motor Company the type of company that you can respect and support in your conversation with friends and associates? If not, why not?

The response was immediate and encouraging. Many suggestions were made. Interest was heightened and suggestions were implemented. According to Henry Ford II, the initial move to hand the man in the plant some decision-making powers was most gratifying.

As one studies the process of decentralization in industry, there are certain advantages and disadvantages. Four advantages are:

1. The people most concerned are those making the decisions. Since they often know more about the factors affecting the decisions, they may be able to make these decisions more

adequately and without delay.

2. The expense of money in time of central coordination is reduced.
3. The number of decisions made without all the facts is reduced.
4. The opportunities for those further down the organizational hierarchy to assume responsibility and act creatively may improve the calibre of work all along the line.¹

The disadvantages would be:

1. Lack of uniformity of decisions.
2. Failure to use the advice of available specialists.
3. Possibility of duplication of effort.
4. Difficulty of executives to accept decentralization which is traced to:
 - a. Tradition - the history of one-man direction.
 - b. Expense - wrong decisions and duplication of effort.
 - c. Power and prestige - seeming loss of these symbols of status.²

In the reading on decentralization in industry, it is evident that neither absolute centralization nor absolute decentralization is the answer to the problem. It would appear that it would be useless for industry to contend that anyone in theory supports an extreme. In

¹Ibid.

²Ibid.

practice, no man heading an organization involving other people can possibly make all or none of the decisions. The relative emphasis in delegating decision-making, however, can be extreme.

The centralization-decentralization issue causes us to focus attention on the importance of maintaining coordination among the various levels of people.

Summary

In summary, it would only be fair to say that the literature available in the area of decentralization should be considered far from conclusive. For the most part, the books that have been written about school decentralization are reports of activities that have happened to date in an experimental part of the school system. In no instance is there a report showing a total school system decentralized. Also, there is no report of findings that would allow the reader to draw conclusions as to the adequacy and success of the decentralized program. The most extensive report, that of McGeorge Bundy, is principally theory at this point. While the New York Schools have documented additional reports that are implementing either a part of this report or a modification of it, the literature can only conclude that "this is what is anticipated" and not "this is what is concluded" from an evaluation of a successful program. It is significant, however, that writers on educational issues are turning more and more toward decentralization as a possible aid to the local school system in solving its problems.

A much more conclusive study could be written were material available on a specific industry. In Chapter IV, Union Carbide Company, as an example, draws some very specific conclusions as evidence of the success of the decentralization of that company.

There is considerable literature available on centralized educational units. The entire era of reorganization of schools causes much to be written. These writings are now far beyond the stage of theory. Centralized schools were built for:

1. Economy of operation.
2. Decrease in number of administrative personnel.
3. Combinations of students that would give loads heavy enough to offer a comprehensive program.
4. An opportunity to make use of an equalized tax base.
5. Uniform school policies.

The theory of the centralized district has now been proven. The parent, the child, and even the teachers were apparently forgotten in the move toward centralization. If the writers of today are as accurate in predicting what will happen as we decentralize the schools, we will no doubt be able to devise a system of education that coincides with industry; to operate an efficient unit while still maintaining local autonomy and control; and in turn, to maintain high morale and make each individual feel a part of the decision-making.

CHAPTER III

THE DESIGN

The Sample

In considering this study, it would have been possible to move in one of two directions. A large sample of educational institutions and industrial and business organizations could have been examined. Had this been the direction, perhaps an objective questionnaire could have been used to send to each institution. The results of the questionnaire could then have been compiled and conclusions drawn. A second method of sampling would be to study a select group of school districts and business and industrial organizations. The second method was considered to show the most promise for this study. As was noted in Chapter II, there was but a small number of central school systems that have decentralized their school operation. Business and industry, for the most part, are centralized. By using this select group, a more detailed account can be given of each organization together with the reasons for decentralizing.

According to Dr. Daniel Katz, in his review of case studies and field study, this design has three principal advantages:

1. A case study can be more analytical as it continues over a period of time.

2. There is an opportunity for direct observation of interaction and social relationships.
3. It is important to go beyond information gained from a single measurement.¹

The school systems selected to be studied were the public schools of the cities of Chicago, Detroit, Milwaukee and New York. In each instance, the school district has stated publicly that a part of its school system is carrying on a decentralized program. Three industries were used in the study, all of which have a long history of operating a decentralized program. The companies selected were the Ford Motor Company of Detroit; Sears, Roebuck and Company of Chicago; and the Union Carbide Corporation of New York. Each of the companies professes a completely decentralized program.

Separation of the Instrument

As the main portion of this study has to do with questions to be answered by members of school systems' administrations, administrative officers of business or industry, or similar questions to be answered by employees, it was necessary in preparation of the instrument to think through the questions carefully ahead of time. As the study was anticipated, a test run was set up locally. Using Muskegon Public School administrators and teachers, together with local business administrative

¹Festinger, Leon and Katz, Daniel, Research Methods in the Behavioral Sciences. New York, New York. Holt, Rinehart and Winston, 1953. p. 81.

officers, twenty- to thirty-minute interviews were held. In these interviews, questions were asked that would explain the extent of decentralization. The purpose of the total study was explained to each one participating in the test run. During the test, the concern was to determine if the questions raised were definite and delimiting. As a result of the answers given and the general reaction to the questions, they were modified, restated, and generally overhauled. The questions to individual employees would be difficult to structure. An experimental group of eighteen employees was tested. All of these were from local industry or business considered partially, at least, decentralized. Six of the employees were members of a local Sears, Roebuck store. Although none of these responses are used in the final study, it was a result of the answers given by the eighteen in the experimental group of employees that six questions were rephrased and used for employees, and finally tabulated on Table 1 listed on the next page. Refer to questions 4 through 7 of Exhibit I listed on page 157.

In discussing decentralization with administrators, the following areas were referred to:

1. Management's analysis of productivity under decentralization.
2. The degree of decentralization that the management officials thought to be necessary for the success of a business or school district.
3. The relationship of decentralization to better working conditions.

TABLE 1 Employees' Questionnaire on Four Areas of Decentralization

Employee response to question and rate 1 through 5 (1 = highest rating, 3 = average, 5 = low)				
Code	Decentralization improves employer-employee business relationship	Decentralization improves employer-employee personal relationship	Awareness of employee that business or school system is in fact decentralized	Does the system of decentralization specifically aid you as an employee in cutting through red tape, i.e., are your questions answered quickly? Do you understand that your immediate superior can quickly find the answer to your question without fighting the establishment to get to the top?
1 C	2	2	3	2
2 D	1	1	2	1
3 M	1	1	2	2
4 N	3	3	1	1
5 F	2	1	3	2

TABLE 1 (continued)

6	S	2	1	3	1
7	U	2	1	2	1
8	C	3	3	3	2
9	D	1	1	2	2
10	M	1	2	2	2
11	H	4	2	1	1
12	F	3	3	2	1
13	S	3	3	3	1
14	U	1	2	1	1
15	C	2	1	3	1
16	D	2	1	1	3
17	M	2	1	1	2
18	N	4	4	1	4
19	F	3	3	3	2
20	S	2	1	3	2

TABLE 1 (continued)

21	U	1	1	2	1
22	C	2	1	3	2
23	D	2	1	2	2
24	M	1	1	2	2
25	N	4	4	1	1
26	F	3	2	2	1
27	S	3	2	3	2
28	U	2	1	3	1
29	C	3	3	2	1
30	D	1	1	2	2
31	M	2	1	1	2
32	N	3	3	1	3
33	F	3	3	3	1
34	S	2	1	2	2
35	U	1	1	1	1
36	C	2	1	3	2

TABLE 1 (continued)

37	D	2	1	2	1
38	M	3	3	1	2
39	N	5	5	1	3
40	F	3	3	2	2
41	S	2	1	3	1
42	U	2	1	2	1
43	C	2	1	4	1
44	D	1	1	2	2
45	M	1	1	2	3
46	N	4	4	1	3
47	F	4	4	4	2
48	S	3	2	2	1
49	U	3	3	2	2
50	C	3	3	4	2
51	D	3	3	2	2
52	M	2	1	2	3

TABLE 1 (continued)

53	N	3	3	1	2
54	F	2	2	4	2
55	S	2	1	3	1
56	U	2	1	2	1
57	C	2	1	3	1
58	D	2	2	2	2
59	M	1	1	2	2
60	N	5	4	1	3
61	F	4	4	3	1
62	S	2	2	1	1
63	U	1	1	3	1
64	C	4	4	3	2
65	D	2	1	2	2
66	M	2	1	1	3
67	N	4	4	1	3
68	F	2	1	4	1

TABLE 1 (continued)

69	S	1	1	1	2
70	U	2	1	2	1
<hr/>					
Average Response		2.357	1.943	2.143	1.743

Code

C = Chicago Public Schools
D = Detroit Public Schools
M = Milwaukee Public Schools
N = New York Public Schools

F = Ford Motor Company
S = Sears, Roebuck and Company
U = Union Carbide Corporation

TABLE 1 (continued)

Conclusions

Decentralization improves employer-employee business relationship -
total average 2.357.

Comparison was average-good

Chicago Public Schools	2.500	Ford Motor Company	2.900
Detroit Public Schools	1.700	Sears, Roebuck and	
Milwaukee Public Schools	1.600	Company	2.200
New York Public Schools	3.900	Union Carbide	
		Corporation	1.700

Decentralization improves employer-employee personal relationship -
total average 1.943.

Comparison was high-good

Chicago Public Schools	2.000	Ford Motor Company	2.600
Detroit Public Schools	1.300	Sears, Roebuck and	
Milwaukee Public Schools	1.300	Company	1.500
New York Public Schools	3.600	Union Carbide	
		Corporation	1.300

Awareness of employee that business or school system is in fact
decentralized - total average 2.143.

Comparison was average-good

Chicago Public Schools	3.100	Ford Motor Company	3.000
Detroit Public Schools	1.900	Sears, Roebuck and	
Milwaukee Public Schools	1.600	Company	2.400
New York Public Schools	1.000	Union Carbide	
		Corporation	2.000

Table 1 (continued)

Does the system of decentralization specifically aid you as an employee in cutting through red tape; i.e., are your questions answered quickly? Do you understand that your immediate superior can quickly find the answer to your question without fighting the establishment to get to the top? - total average 1.743.

Comparison was good

Chicago Public Schools	1.600	Ford Motor Company	1.500
Detroit Public Schools	1.900	Sears, Roebuck and	
Milwaukee Public Schools	2.300	Company	1.400
New York Public Schools	2.400	Union Carbide	
		Corporation	1.100

Key to Computation

1.000 = high

1.400 to 1.100 = good to high

2.000 to 1.500 = good

2.400 to 2.100 = average to good

3.000 to 2.500 = average

3.400 to 3.100 = poor to average

4.000 to 3.500 = poor

4.400 to 4.100 = low to poor

5.000 to 4.500 = low

4. The viewpoint of the employer relative to decentralization and its ability to cut through bureaucracy and red tape.
5. The relationship of decentralization to size of particular business, industry, or school district.
6. The relationship of decentralization to productivity and cost of operation.
7. A discussion of the areas of decentralization, particularly:
 - a. personnel
 - b. budget and finance
 - c. fabrication or procurement
8. The types of things that central boards of education maintain control of during decentralization.
9. The financing of decentralization in school districts.
10. The study of the history of decentralization prior to 1957 and since 1955.
11. Philosophical reasons for the starting of such programs.
12. Policies established for decentralization.

Questions were also devised for each administrator. Exhibit Number 2 gives the sample questions asked of administrative personnel in the Chicago Public Schools. Modifications of these questions were asked of school administrators in Detroit, Milwaukee and New York State. The interview with company presidents, while concerned with collecting many pertinent and related facts, was not formalized by a specific group of questions other than those referred to in the numbered points

above. The procedure followed in each instance was to write a letter of introduction to the president of the company or the superintendent of schools. In each instance, the first contact was with the chief administrative officer whereby a request was made for an interview with him or his selected representative. In this way, personal interviews were conducted in each of the seven localities where the schools, businesses, or industries were located.

Types of Interviews

Basically, there were two types of interviews used in this study.

First, a prolonged informal interview usually with the president or his delegate of a company or the general superintendent of schools or his first line assistants. These interviews were completed in somewhere between two to four hours each. The general format of the interview was determined prior to meeting the company representative. No written answer was taken down during the course of the interviews as they were conducted in an informal, relaxed atmosphere. An attempt was made to set the stage in such a way that the person being interviewed would feel free to give an historic approach to decentralization in his business or community. An attempt was made to think through with the company head the orderly process that had been used by boards of education and company officials in arriving at the decentralized program that was being implemented. It was found in many of these interviews that the conversation became repetitive as management found it necessary

to retrace its steps as it thought through the sequence of operation that led toward decentralization. A short time following the interview, notes were taken and data compiled that could be used in the study. Once such data were compiled, they were returned to the person who was interviewed with a request that they be proofread in order that accuracy could be maintained.

The second type of interview was that used with employees. The very nature of these interviews was quite different from those with company management. Here the individual was asked brief specific questions: did he understand the meaning of decentralization? did he feel it actually was of help to him? was he satisfied that the industry and/or school in which he was employed could cut through the bureaucratic red tape? and similar questions. Many times the answer was a yes or no, and usually such an answer was qualified by giving a reason, or perhaps an example, to support the answer. Answers given by these 70 employees were rated on a scale one through five with numbers 2, 3 and 4 being assigned to the answer in each instance where the yes or no was qualified.

Summary of the Findings

A summary of the findings of the study on decentralization follows:

1. Generally speaking, communication is improved in a decentralized operation, and it is concluded that the centralized operation is cumbersome and unwieldy. A

bureaucratic centralized system results in confusion to employees, and it is unwise to create a business or school system in which the employee must move through a seemingly endless chain of command in order that his ideas reach the top.

2. The managements of the Ford Motor Company, Sears, Roebuck and Company and Union Carbide Corporation are quite definite in their contention that decentralization was not started particularly to satisfy number one above. The presidents of these companies were in agreement that their company was decentralized as it became too large to control from one center. Industrialists had not wished to decentralize, but were more or less forced into it as they found themselves in a position of losing control.
3. Industry is in general agreement that decentralization is more costly than the centralized form of program.
4. The Union Carbide vice-president maintained that with 1400 different and totally unrelated products, it was neither feasible nor profitable to consider operating a centralized program. The Sears, Roebuck and Company, on the other hand, explained that there was great similarity in the products sold in each of its stores, that the incentive factor played an important part in determining that the local stores should have autonomy through the general manager.

The Ford Motor Company was influenced greatly by Ernest Breech, who was hired from General Motors. Mr. Breech, as president of the Ford Company, convinced Henry Ford II, who owned the controlling stock, that the company would be better advised to decentralize its total operation, allowing the central management to select carefully the personnel who would operate the decentralized unit.

5. In each instance where industry has decentralized, it has been done in an orderly and carefully worked out program. In no instance is there a pressure group from without. The decentralization has come about as the company had studied its own operation and determined that it was losing control of certain segments in trying to operate everything from a central office. Management of the three companies studied is in complete agreement that it is impossible to go from centralization to decentralization or from decentralization to centralization overnight.
6. School districts are decentralizing due to the pressures of outside groups who are demanding more control of the schools. An exception to this would be the Public Schools of the City of Chicago, who were directed to decentralize in the early 50's under Superintendent of Schools Dr. Benjamin Willis, who maintained that it was impossible for a central office to control some 19,000 teachers.

Nineteen district superintendents were thereby appointed who had local autonomy over such things as curriculum, general course of study, pupil control, and recommendations for staff appointments.

7. Industry has operated a decentralized program for a long enough period of time to draw some definite conclusions:
 - a. The program works more effectively decentralized than centralized.
 - b. The costs are somewhat higher.
 - c. The employer-employee relationship is improved.
 - d. Central control must be maintained for certain segments of the operation.
8. Productivity, high morale, and improved labor relations are greater under decentralization.

TABLE 2 Management rating of employee (or teacher) productivity under decentralization

	Employee produces more under decentralized program (1). No way to measure and compare productivity (2).	Morale, labor relations, collective bargaining rated under decentralization (1) highest (2) above average (3) average (4) below average
Chicago Public Schools	1	1
Detroit Public Schools	2 (Decentralized program not standardized for comparison)	2
Milwaukee Public Schools	2 (Same as Detroit)	2
New York Public Schools	1	3
Ford Motor Company	2	1
Sears, Roebuck and Company	1	1
Union Carbide Corporation	1	1

9. Decentralization, generally speaking, improves the relationship of employers and employees and cuts bureaucracy and red tape.

TABLE 3

	A degree of decentral- ization is necessary to the success of a business or school district according to central adminis- trators interviewed	Employee states that decentral- ization makes for better working conditions	Decentralized business or school district cuts through bureaucracy and red tape
		Employer	Employee
Ford Motor Company	Definitely true	Definitely true	True
Sears, Roebuck and Company	Definitely true	Definitely true	Partially true
Union Carbide Corporation	Definitely true	Definitely true	Partially true
Chicago Public Schools	Definitely true	True	True
Detroit Public Schools	Data incomplete to draw such a conclusion	True	Not true to date
Milwaukee Public Schools	Data incomplete	No conclusive evidence	Inconclusive data
New York Public Schools	Questionable	True only if decentralization completely divorces public school from central board	Partially true

10. There is no specific pattern for the areas held under the central administration of the business or school district studied.

TABLE 4 Areas of decentralization

	Personnel			Budget and Finance			Fabrication/Procurement		
	Yes	No	Partial	Yes	No	Partial	Yes	No	Partial
Ford Motor Company	X					X			X
Sears, Roebuck and Company	X Gen		X Adm		X			X	
Union Carbide Corp.	X		X Adm			X			X

TABLE 5 Under decentralization, the central board of education maintains control of:

	Budget			Personnel			Certification		
	Yes	No	Partial	Yes	No	Partial	Yes	No	Partial
Chicago Public Schools	X			X					X
Detroit Public Schools	X			X Adm		X Staff	X		
Milwaukee Public Schools			X				X		
New York Public Schools			X	X		X Screen adm.			X Individ. board can recomm. non- certified

CHAPTER IV

PRESENTATION OF DATA FROM SELECTED INDUSTRIES

In this chapter, a close examination will be made of the decentralized programs of the Ford Motor Company, Sears, Roebuck and Company, and the Union Carbide Corporation. In each instance, company officials were interviewed, organizational charts studied, and questions asked to ascertain the extent of the decentralization. At the conclusion of the chapter, a comparison will be drawn pertaining to the three companies studied.

The Ford Motor Company

On April 21, 1969, the writer met with D. B. Emmert, Director of Organization and Management Personnel, in the Planning Office of the Ford Motor Company at the American Road, Dearborn, Michigan. Mr. Emmert has worked with the Ford Company for the past nineteen years. Prior to this, he was in government work with the S.E.C. In opening conversation in the interview, Mr. Emmert replied that he was with Ford for several years before he felt that he was making a direct contribution. His reason given for this statement was the number of channels that must be checked through in contrast to the doors that were immediately open to him in government work.

It should be initially pointed out that the Ford Company was

founded by Henry Ford, Sr. and was probably the best example of a completely centralized organization in the United States. Of course, Mr. Ford, Sr. did not realize the extent to which this company would be expanding through the years, but even in his later years, he kept a close account of all employees at the Ford Motor Company plant in the Detroit area. He believed in a centralized form of operation, felt this was the most expeditious, the most economical, and certainly the most efficient. Edsel Ford, Henry Ford, Sr.'s son, guided the destiny of the Ford Company for but a short time before his father's death.

The Ford Company then found that there were certain problems that needed to be solved. The company had unprecedented growth. The logical man to take over the company upon the death of Edsel Ford was Henry Ford II, Henry Ford, Sr.'s grandson. At this point, young Mr. Ford was in his thirties. He was an intelligent young man, and one of the first decisions that he made was to seek a competent president of the company who had the experience of operating in the automotive or allied field. Young Mr. Ford concluded that he would some day be president of the company, but felt that he was too young to assume the presidency at this time. Ernest Breech, president of the Eclipse Pioneer Division of the Bendix Aviation Corporation in Teterborough, New Jersey, was contacted. Bendix Aviation was a division of the General Motors Company, and General Motors was a close competitor of Ford. He was an intelligent man in his early fifties, and Mr. Ford knew that Ernest Breech had many years of productivity ahead of him.

Mr. Breech was hired as president of the Ford Motor Company. This was the beginning of the move to decentralize Ford. Breech had experience in a modified decentralized operation; that of General Motors. It was obvious to him that the Ford Motor Company was now too large to manage from a central office. A logical division for the company was the Lincoln-Mercury, Continental, Ford, and Philco divisions.

Mr. Breech, in discussing the matter with young Mr. Ford, pointed out that in his judgment, a company should decentralize as soon as this company finds it unwieldy to manage itself centrally. "The company gets so large", he says, "that management does not know what is going on in the various divisions. At this point we must submit to the training of local management and division teams, and we must give them varying amounts of latitude." He cautioned the Ford management that decentralization will never work unless it is a gradual process. A company that gives away the store without building in limitations and responsibilities to the main office will find itself in serious difficulty, and in the words of Mr. Breech, will subsequently fail. It was here that Mr. Emmert offered the example of the General Electric Company, a company that should lend itself very well to decentralization as it produces a great number of unrelated products. At the time of the price-fixing scandal, it was apparent to all industrialists that the central administration of General Electric did not know of the activities of its decentralized units.

Ernest Breech has now retired as the president of the Ford Motor

Company and Henry Ford II has taken over as its fourth company president. According to Mr. Ford II, the Ford Company now is decentralized in practically all areas other than fiscal responsibilities. Monies are accounted for centrally. In addition to this, there is a select group of personnel, the top management, about 300 in number, that must be approved by Henry Ford II prior to hiring for any change in position. Initial employment and salary adjustments are handled through the central office for these 300. While each of the 300 has definite responsibilities and acts almost totally autonomously in his own area, the company feels that the decentralized program has central training and direction due to the stamp of approval given by Henry Ford II upon initial employment of the "select" three hundred.

The company also has an authority manual which is carefully worked out and gives in detail how far each plant manager, director of subsidiary, division manager, and others may proceed. Even though the division manager of the Ford Company is considered to be autonomous as he handles his division, Mr. Emmert cautioned that at any time the central office could move into a specific plant and make changes. As an example, in the area of personnel, should the central office feel that a person is not competent to continue in his position, he could be removed by directive. Operating in this way would be most infrequent, and even when done would be with the understanding of the plant or division manager. The central office is concerned more with the training of the top management, but also concerns itself with the

movements of these persons from plant to plant.

The Ford Motor Company operates under one central board of directors who are elected yearly from the stockholders. This is a board of eighteen members. At one time, the Ford board of directors was elected totally from within the company. Today it is mostly made up of those outside the personnel of the Ford Motor Company. It is interesting to note that this board is not generally a policy-making board as would be thought of in school districts. The board has direct control over capital expenditures in excess of five million dollars. It also determines the operational investment of certain funds. The laws of the state make it necessary for certain subsidiaries of Ford to also have a board of directors. As an example, Ford of England, Ford of Canada, and Employer Insurance Company, all have separate boards. In all such instances, the local board is required by law and is subordinate to the general company board of directors. Many times, Mr. Ford points out, it is difficult to write the legal language and set up the subsidiary boards. The company does not wish to give the impression that the subsidiary board is merely a rubber stamp, and yet it appears that the only reason for having such boards is to meet the legal requirement. In reviewing the duties of the subsidiary board, it appears that in each instance they can only make recommendations to the central board and cannot proceed until these recommendations are approved.

Officials of the Ford Motor Company are quick to point out that

each time decentralization takes place, expenses increase; a duplication of administrative personnel would be the prime cause for this increase.

This increase, therefore, must be offset either by:

1. Greater efficiency in operation, resulting in higher profits, or
2. A smoother operation of the "people business".

Ford officials conclude that the prime reason for decentralization of this company came as they concluded that the operation was much too large to be managed from Dearborn, and they attempted to imitate, in part, their chief competitor, the General Motors Corporation.

Upon completing the interview with Mr. Emmert, the writer was referred to three divisions; the Ford Division, the Mercury Division, and Lincoln Division. Interviews were held with executives in each of these areas. The questions asked of each division manager or his delegate were:

1. How effective do you find the decentralized operation to be? In other words, how much latitude are you given in the operation of your particular division?
2. Would you see the company going to further decentralization in the future?

The response to these questions was to the point and quickly given. In the first place, each pointed out that he was well aware that the Ford Motor Company was a decentralized company. Considerable latitude was

given in many areas. The hiring of subsidiary help was completely within their hands, and two of the division managers claimed that they had never had any such hiring countermanded from the central authority. Each company makes up its own budget which is submitted to the central administration. Other than particular operating costs, the general budget is approved by the central administration, without going to the central board. They request capital expenditures, and if such expenditures are less than five million dollars each year, they may be approved from the central office of Henry Ford II. These division managers were a part of the select 300 and were trained well in the company policy and the general direction that Ford is taking. Each one made it clear that the aim of business is to show profit. No matter how complete the decentralization might be, the division manager claimed, once there becomes difficulty in the profit and loss column, decentralization is quickly set aside. You are given the latitude and that latitude gives you the right to produce. If you do not produce, you lose the latitude. As the Ford Division manager stated, decentralization was slow in taking hold in the Ford Motor Company. It was carefully thought through, and those in management are in agreement that it is effective. For something slow in being initiated, there is no doubt but that it can be quickly withdrawn. This has happened in two instances over the past 25 years. The Philco Company management was completely overridden upon three different occasions by the central office. In one instance, a company official was given a temporary job

of division manager until the operation could be straightened out to run in the manner that the Ford Motor Company dictated.

The secret to a wise program of decentralization comes in the clear-cut objective of the central office of exactly what it wants done. If the guidelines are not clear, decentralization can waiver, the staff can become upset, and generally speaking, this mode of operation will not work. With clear guidelines, though, this makes for a much smoother operation and one in which the manager and many of his subordinates feel that they have a personal interest in the company and its direction.

There is a real advantage to the central office and its control. The umbrella of the Ford Motor Company that covers each of its divisions gives a sense of security, of sound financial backing. No one would prefer to override the wise control of the experienced hand at the top.

Sears, Roebuck and Company

If one wished to study decentralization in the United States, the Sears, Roebuck and Company would probably be the outstanding example of a company that has prospered under this plan. For some forty-three years, the Sears Company has been decentralizing, reorganizing, and reevaluating the direction which it is taking. General Robert E. Wood joined the Sears Company on November 1, 1924, as vice-president. Prior to this time, he had been employed by the Montgomery Ward Company. In his dealing with Montgomery Ward, he had

constantly made mention of the fact that he wished the company would work toward decentralization. It was his feeling that Montgomery Ward could not succeed in future years if it were to continue with nothing but central power. The Montgomery Ward Board of Directors could not understand the thinking of General Wood, and it was in November of 1924 that they parted company and he sold his ideas to Sears, Roebuck. During the year that he joined the company, sales were two hundred million dollars. The profit after taxes was fourteen million and the shareholders' equity was one hundred million. Forty-three years later, as General Wood retired as chairman of the board, the Sears sales represented \$7,330,000,000. The net profit after taxes of \$384,000,000; a shareholders equity of \$2,941,000,000; and a profit-sharing fund valued at \$2,349,000,000. General Wood was considered an imaginative leader of the Sears, Roebuck Company, and his board of directors had named him honorary chairman of the board. This action was taken in 1968.

In the long run, his most telling contributions may be the principles of management that he has always espoused:

1. That an organization which is structured to place reliance on men, rather than systems, will create a structure and the leadership that will continue to make the most of every opportunity.
2. That the decentralization of decision-making is essential to the success of large organizations.
3. That employees who share the profits of a business have

incentive that will make that enterprise prosper.

4. That Sears merchandise must be based on volume buying and mass distribution to bring the best values to the consumer.¹

During his career, General Wood brought to bear a warm understanding and appreciation of people.

Sears and Roebuck officials are willing to admit that the results of their company through the years reflect the continuing teamwork and dedication of an entire organization, but they attest that to a large measure the leadership and vision that General Wood provided them, the directions that he established, and the skill of the men he trained to perform in a tradition of aggressive growth had a great deal to do with the type of company that Sears, Roebuck Company is today. This tribute to a single man in an organization that operates many decentralized programs strengthens the words of Henry Ford II who mentions that a decentralized program is as effective as are the guidelines that hold it together. These guidelines, Mr. Ford says, and certainly General Wood would agree, must be clear cut, well defined, and simple enough to be understood by all.

The interviews with the Sears, Roebuck and Company were handled in reverse of those with Ford Motor Company. In this instance, local stores were contacted. Questions were asked of individual employees

¹Sears, Roebuck and Company, Annual Report, 1967.

and Mr. C. S. Wolfe, manager of the Toledo, Ohio store, was contacted for personal interview. Mr. Wolfe has been with the Sears, Roebuck and Company for thirty years. He is a youthful-looking man and most enthusiastic as he explains the Sears, Roebuck policy. The Sears, Roebuck Company operates with five divisions in the United States. Each division has a vice-president. The divisions of the company in which vice-presidents are in charge are the Pacific Coast Region, Southwestern, Midwestern, Southern, and Eastern. The central offices of the company are located in Chicago, Illinois, together with the offices of the Midwestern Division. Mr. Wolfe is a group manager and has headed Toledo stores, along with the stores in East Toledo and Monroe, Michigan. Each store has a general manager and departmental managers. The department manager has considerable latitude in operating his store. The Toledo manager reports directly to the vice-president in charge of his division. He has little contact with the central office in Chicago. Sears and Roebuck operates a profit-sharing plan, and each employee tends to feel that he is close to the grassroot operation, and looks upon his store manager as one having considerable knowledge and influence in total operation of the company.

The Toledo store is known as an A-type store. This means that several smaller stores could be grouped under the A manager. Each of their managers, in turn, would then report to the Toledo manager, and the Toledo manager to the vice-president. A B-type store would be a Sears store in a town of five to ten thousand population. Several B

stores would be grouped under a zone manager. The zone manager then would report directly to the vice-president. A C-type store would operate under one of the A stores. It would be a smaller store and would not carry the complete Sears, Roebuck line.

Since the catalog of Sears, Roebuck is nationally recognized and is published out of the Chicago office giving specific prices, etc. one would assume that it would be a bit difficult to decentralize. Mr. Wolfe explained that the Sears, Roebuck Company individual store is not bound by the prices listed in the catalog. "Our store can set its own price", he said, "we do not have to use catalog prices if we do not wish to." The decentralized operation has specific guidelines. On the corner of his desk laid a four-inch thick book. "In this book", he said, "all policies of the Sears, Roebuck Company are contained. It's all vital, and we must study it well and live within the confines of these directions". According to Mr. Wolfe, the policy manual, while giving general principles, does not hold the company manager to a specific way to run his store. The Sears, Roebuck and Company is in business to make a profit. Over the past forty years this profit has doubled and redoubled many times. The Toledo store may determine that the need of the public is for a specific item. The manager may then requisition any number of these items through the central procurement office in Chicago and the company is autonomous even in its local store on a formula for profit-sharing. Should the Toledo store prove that it can do a much better job in selling particular products, it will

have a larger share than its neighbor in perhaps Detroit, or Sylvania, Ohio.

Promotion in the Sears, Roebuck and Company comes from within. At one time, in the early days, it was determined that the Sears, Roebuck and Company would hire managers from other stores. Some 300 managers were hired from businesses with similar background of the Sears, Roebuck and Company. Sears experienced the most chaotic year it had ever had. General Wood then issued a directive that all employees in executive roles of the Sears, Roebuck Company would be promoted from within the organization. Mr. Wolfe claimed that this promotion from within acts as a real incentive to many. He conceded, however, that because of the select number of management positions, and because executives are far outnumbered by the regular employees, many employees become discouraged and think there is no road to the top. This would possibly be even more true in a centralized organization where the employee felt no personal relationship to his department head or store manager. Each store has its own personnel department. It is not uncommon for a store manager to reassign someone from the personnel department to operate temporarily as a department head or even a floor salesman. In this way the personnel manager understands the type of person that is needed to work in the store and some of the responsibilities of the department head.

The capital expenditures are recommended by the manager and the vice-president. The vice-president may approve a capital expenditure

within the framework of total capital funds that have been allocated to that division for a particular year. Capital expenditures for expansion of the store, or perhaps for the addition of a new store in an area, are recommended from the area itself. The store manager studies his own operation to see if more room is needed. He is also charged with the responsibility of knowing the general area in which his store is located. As an example, were a subsidiary store to be built in the Toledo area, it would probably operate under the manager of the Toledo Sears, Roebuck. Mr. Wolfe, as manager of this store, would have the responsibility of interviewing and hiring the new manager to operate in the subsidiary store. In inquiring as to whether such hiring was completely autonomous, the answer was that it would be considered such for a department head or any clerical position. Usually the new store manager is subject to the approval of the vice-president of the division. It is decentralized, however, to the point that the Chicago office, while informed of the hiring, has nothing to do with the actual decision that is made. The Toledo manager feels that morale, and the company policy that provides for allowing the clerk in the shoe department to feel a part of the family, has a great deal to do with the success of the Sears, Roebuck and Company. He mentioned that ten percent of all retail sales in the United States is done by the Sears, Roebuck and Company.

The interviews with Mr. Wolfe and various personnel of the Sears store were completed on December 23, 1968. On December 30, 1968, the

writer met with Mr. R. E. Varneir. Mr. Varneir is vice-president of the Sears, Roebuck Company central office in Chicago, in charge of personnel planning and records. His office is in Room 500 of the main administration building. Mr. Varneir also came up through the ranks of the Sears, Roebuck Company and is now in his 32nd year with the organization. He is crisp in his speech, very much to the point, but seemed friendly and cordial and happy to discuss the virtues of the company as he sees them.

One need talk with Mr. Varneir only a short time until a different view of the total picture of decentralization starts to unfold. In the first place, Mr. Varneir uses the words delegate and decentralization synonymously. To decentralize is simply to delegate with authority and responsibility wisely. "Never let anyone be fooled, however", he says. "There are many parts of the Sears, Roebuck Company that are still centralized in operation." He claims that all large businesses must be decentralized. They have to be. You cannot run a large business from the main office.

In Mr. Varneir's judgment, the Sears, Roebuck Company was not decentralized under General Wood until the central management insisted that each of the five vice-presidents move into the territory that he controlled.

Mr. Varneir also stressed the human variable saying that the individual really determined the degree of decentralization. No matter what the policy of the store might be, and how autonomous one could

make a store manager or department head, if the vice-president in charge of the territory did not wish the operation to be so decentralized, he will constantly call for things being checked through his office. Also, if the store manager is told that he may delegate a certain amount of authority to a department head, but in his personal judgment he does not wish to do this, or he feels that the department head could not make wise judgments, he will insist that the decisions be reviewed by him before being handed down to the store clerk. The Sears, Roebuck Company has carefully written directions. For the most part these directions are followed, but there are notable examples where the decentralization falls apart due to the person who is employed to implement the program. Even in the case of the five vice-presidents who are carefully screened, there will be differences as to how they handle their territory. At one time there was a vice-president in charge of the Pacific Region who would not make a move without clearing through the central office. In spite of this, this particular individual allowed his store managers to operate quite independently.

The Sears Company is very centralized, according to Mr. Varmeir, in the areas of finance, capital expenditure, printing, and purchasing. He did not agree with Mr. Wolfe's contention that capital expenditures can go only as far as the vice-president. "Every capital expenditure of any size," he said, "clears through the central office in Chicago. Perhaps it is wise that the store manager feels things are as

decentralized as they are, but Chicago has a tighter rein than the store manager believes."

Mr. Varneir conceded that there is much more of a chance for decentralization to work where the personnel are concerned. The product itself is controlled. While it is true that the Toledo store may make some definite decisions relative to its need for the sale of pencils, it can decide how many pencils it wishes; whether it wishes to sell pencils at all; or whether it wishes to double its pencil sales. The Toledo store could also complain about the quality of pencils. In all instances, however, once the decision is made, the pencil delivered is decided upon at a central location, meaning that only one pencil is available to all Sears, Roebuck stores throughout the world.

Mr. Varneir was asked whether or not any work was done through the Sears, Roebuck Company and its personnel offices to determine by test, or other means, if the morale of the employees was high, and if so, what caused the morale factor to change. He commented that he did not know of any personnel department through the stores that carried on such tests. Further than this, he was not too certain that such a test would do the company any good. The main motive of the Sears Company is profit. This, he said, would not be true in education. Sears, Roebuck Company has something definitely measurable to sell. He contrasted this to industry. The Ford Motor Company, as an example, cannot always explain what a specific part of the car has to do with

the sale of the total car. In Sears, Roebuck, the products are separate and individual. If they do not sell, the product is exchanged for something that will. In 1939, Sears tested attitudes of sales employees. The company does believe that certain kinds of attitudes are good in sales people on the floor. It is certainly to their advantage to have good communications, but such communications are not necessary for the store to make a profit. As an example of this, Mr. Varmeir said one Sears store near a new army base has particularly low morale in its staff, but shows the most profit of any store in the area. He did not discount the fact that the attitude of employees is an important attitude, but claimed their testing through the years had proved this to be one of many factors and many times not the most important. Each store manager and division manager is given refresher courses at which time the philosophy of General Wood is reemphasized. General Wood saw decentralization as necessary to good public relations. The administration of the Sears, Roebuck Company today certainly has never lost sight of this directive from its former president. Sears officials now conclude, however, that even were morale and personnel attitude to move to an all time low, they could not think of centralizing their operation. The program is far too vast for any one man or group of men to control. Sears, Roebuck must remain decentralized just to exist.

The Union Carbide Corporation

In studying the decentralization of the Ford Motor Company and Sears, Roebuck and Company, both were excellent examples of an orderly process of decentralization evolving through the years. In the case of Sears, Roebuck, the mark of General Wood is still much upon the company and one feels that policies that have been set by General Wood are sacred to the successful operation of Sears, Roebuck. Officials of both these companies explained that decentralization is the only practical way to make the company operate. In each instance, the possibility of returning to a centralized operation was ruled out. The officials of the Union Carbide Corporation, however, present the most clear-cut picture of the workings of the decentralized-centralized operation. Exhibit Number 4 on page 161 shows one of the most recent organizational charts of Union Carbide. Of the fourteen vice-presidents listed, six on the left hand side of the chart are the ones in direct charge of the decentralization operation. All other vice-presidents are responsible to the central office of the president and the board of directors.

In April of 1969, Mr. Kenneth Rush, president of the Union Carbide Corporation, was contacted. An appointment was made with Mr. John Shanklin, executive vice-president and secretary of the company. Mr. Rush also offered to spend some time with the writer. On April 25, 1969, Mr. Shanklin presented the case of the Union Carbide Corporation's plan for decentralization as follows: The Union Carbide

Company has been decentralized for many years. It remains central in its financing and procurement as well as some phases of its personnel. The company spends over one billion dollars per year on procurement. There is also a centralized committee that reviews all capital expenditures in excess of \$250,000 annually. A committee controlling such expenditures meets weekly in the central offices in New York City.

There are three major divisions of the company and three additional foreign power divisions. Each of these divisions is headed by a company vice-president who is responsible for the total division. Under the vice-presidents are the various company presidents with an almost completely autonomous organization. Each president has a decentralized company from the parent company and some are even decentralized within the local president's company. The parent organization would have no objection to a local president determining that he wishes, as an example, four vice-presidents under him to operate four decentralized programs within that division of the company.

There is a central board of directors of twelve members who are elected from the stockholders each year. In addition, there are boards of local companies. This would be true as with the Ford Motor Company, whenever the peculiarities of the law would so require. It is particularly true in any company that operates outside of the continent of the United States. The local boards are a bit more autonomous, however, than with the Ford Company, and although it is

true that the Union Carbide central board could overrule them, this would seldom be done.

The products of the Union Carbide Company are varied. There are well over 1400 products that are completely different in type. Group presidents control such things as chemicals and plastics, carbon electronics, gases and metals, consumer and related products, pharmaceutical supplies, fibers and fabrics, and many others. Sometimes even a like product is much diversified. This would be true in the case of batteries, where twenty-seven different batteries are developed by the company.

In developing a philosophy of decentralization, Mr. Shanklin and President Rush both stressed that the efficient use of manpower is the most important aim of any company. The Union Carbide Corporation is able to get much more from the manpower if they do not go through endless channels in a bureaucratic system. Mr. Shanklin defines bureaucracy as the process that inhibits change through its very structure and complexity. The companies that are too centralized or too decentralized are overreacting to a far left or right swing of the pendulum. The General Electric Company held very close reins on the company until a new president was elected and he determined to loosen the reins. Within a short time, each division was looking for short term loans, and the parent company found itself millions of dollars overexpended.

Union Carbide officials suggest that the key to effective

decentralization is to be certain that change is gradual and orderly. Also, it is not necessary that each division be equally decentralized or even that the decentralized program be constant. The Union Carbide Corporation completely decentralized a portion of its activities in Canada. It found the president of the Canadian branch did not handle the decentralized program to the liking of the parent company. Profits were not stable and the operation was not effective. The parent company had but two alternatives; one, to remove the president and continue the decentralization under a new president; or second, to analyze the weakness and work with present personnel. Company officials determined to go the route of an analysis of the weakness of the decentralized plans under the current president. The parent company then assisted the local president by centralizing the portion of his operation that was causing the company to be ineffective. This support to the local president could be for a short time or it might be indefinitely. It is perfectly possible that no other company of Union Carbide would be subject to this form of central organization "required" help.

Union Carbide officials are in agreement that the principle of decentralization is sound but there is nothing sacred about it. A division of Union Carbide directly related to the central office is constantly studying and revising organizational charts. Even the most recent chart included with the study in Exhibit 4 was outdated when it was given to the writer, even though it had been prepared within the

past six month. Personnel changes are a part of the outdating, but more than this, new personnel, new company presidents, will many times dictate the extent and areas that the decentralized program will work.

The Union Carbide Corporation officials insist that all management-employee programs must be a two-way street. The most elaborate program for decentralization on paper will not work if management refuses to operate within the framework of the plan.

Central administration of the Union Carbide Company is located on the fifty second floor of the offices in New York City Uptown Plaza. All lower floors of this building house one division of the company. The afternoon and next morning were spent in interviewing employees who were responsible to the eastern division president. For the most part, Union Carbide employees are graduate engineers with master's and doctor's degrees. Secretarial help is carefully selected, and the pay scale for such employees demands the top pay in the field. Division employees understand that they are a part of a parent company, but their latitude within their own division is almost unlimited. They look to the parent company more as an adviser than as a boss. They need the expertise and the experience of the president and the various vice-presidents of the parent company. The vice-president of their division becomes a link between their own company and the central office. Their "boss" is the president of their company. While Union Carbide does not have a profit-sharing plan similar to that of Sears, Roebuck and Company, employees understand that the profits of their

division reflect directly to salaries, fringe benefits, and their general welfare. Lines of communication between employees, immediate supervisors and even company presidents appear to be open. While they are encouraged to proceed through channels, they also are not condemned for speaking directly with company officials. This is particularly true if employees have ideas pertaining to overall company policy, or perhaps a suggestion for the improvement of the division of the Union Carbide Corporation.

The Union Carbide Corporation does an excellent job in giving local units autonomy and responsibility. As it gives these to the employee, it defines the role of the central office as one of service. Here the fine line is drawn that such service could quickly turn to centralized control if the local responsibility and autonomy are misused. The company has committed itself to a general philosophy of decentralization. This means that any time a particular division must return to centralization in order that the company division operate effectively, employees understand that this is only "temporary".

Summary

Table 6 shows that in the case of the three companies studied, each decentralized due to the size of the business, but only one was aware that this would improve the employer-employee relation.



TABLE 6

	Decentralization due to		
	Size of Business	Number of Products	Employer-Employee relations improved
Ford Motor Company	X		Yes (by-product)
Sears, Roebuck and Company	X		Yes
Union Carbide Corporation	X	X	Yes (by-product)

Note: In each instance, company administrators feel that employer-employee relationship has improved. Sears, Roebuck and Company was the single company that initiated decentralization with this end in mind.

It is significant, however, that all of the companies agree that the decentralized plan works to their advantage in labor relations.

As big business considers profit its number one objective, a direct question was asked as to the relationship of productivity and cost of operation. Table 7 answers this question.

Here, again, it is significant that even with increased costs as reported by the Ford Motor Company and Union Carbide, the centralized mode of operation is not considered as a possibility in any future reorganization.

TABLE 7

	Principle reason for decentralization	Relationship of decentralization to productivity and cost of operation
Ford Motor Company	The size of the company made central adminis- tration unwieldy and cumbersome.	1. Cost of decentralization much higher than centralized organization. 2. Higher morale leads to higher productivity.
Sears, Roebuck and Company	Same	Definitely causes individual Sears stores to sell and move more goods; attitude of clerks, local decisions for type of goods.
Union Carbide Corporation	Same	Decentralization is a costly operation. No alternative when company produces 1400 different products.

It certainly could be concluded by studying the three companies referred to in this survey, that for the Ford Motor Company, Sears, Roebuck and Company, and Union Carbide Corporation, decentralization is a true and tested part of their operation. The company approach to this way of doing business is logical, orderly and with a fair share of time given for implementation. It must be remembered that in each instance the company started with a handful of employees not too many years ago. If there is one thing that we can be certain of in America, it is that, industrially, we hold a place equal to none in the world. We would be well advised to study industry to determine the methods used that work towards efficiency, good judgment, and balance of



operations. Industrialists are quite different from the educator. While educators can measure the learning potential and, in part, what is actually learned of the youngster, they are too many times faced with a delayed reactor, and it takes many years to measure the good of the product.

American industry builds, it builds quickly, and it builds well. Mistakes cannot be tolerated over long periods of time or the industry will fail. While bureaucracy can continue in the lives of government officials, schools, and universities, it can continue in industry only if industry finds that it profits by this mode of operation.

In each instance, the industry studied voluntarily moved to a decentralized form of operation. There was no pressure group from the outside saying that this must be done. Had General Motors been included in the list studied, one might have concluded that pressure groups from the strikes of the 30's were instrumental in initial decentralization. This was not true with Ford, Sears, Roebuck, or Union Carbide. In each instance, the company made a simple judgment. We cannot continue to control a business where management is removed from the employee.

In each instance, industry has held onto central reins in specific segments of the business. It is possible that the profits system has dictated it thus.

In Chapter V, an analysis of the same type of data analyzed

in Chapter IV will be made and selected decentralized schools will tell their stories.



CHAPTER V

PRESENTATION OF DATA FROM SELECTED SCHOOL SYSTEMS

For this study on decentralization, the public school systems of the Cities of Chicago, Detroit, Milwaukee and New York were used. Each one of these systems would be considered a large city school system in the United States. It would be the type of system that would conceivably decentralize for much the same reasons as industry; its size would almost dictate thus. In the tables that will be presented later in the chapter, it will be noted that the reasons for decentralization in the case of public schools are quite different from those which dictated industry to decentralize.

The word decentralization, while to industry indicating an orderly process, has certain overtones in relation to public schools that would cause some educators and many school oriented laymen to be somewhat wary of the term. Also, it must be recognized that decentralization of school systems, for the most part, has been taking place only over the past three or four years. The decentralization has been dramatic, and in some instances almost traumatic, as in the case of New York City.

In this chapter, an attempt will be made to analyze each school's system, particularly establishing the steps that were taken toward

decentralization, the reason behind this move, and an examination of the results that are available.

Chicago Public Schools

Were one to take a look at educational programs in the great cities throughout the United States and particularly focus the attention on decentralization, it is not impossible the City of Chicago and its public school system would go completely unnoticed. In looking at decentralization today, we are finding in the news media many more dramatic moves toward decentralization than would be found in the Chicago schools.

A prejudice of the writer must be pointed out with the Chicago Public Schools. The industries and school systems made a part of this study have been analyzed over the past twelve- to fourteen-month period. In the case of the Chicago schools, however, the writer has been making a study that started back in the early 50's. The Chicago Public School system is possibly the best example in the nation today of an educational program that is truly decentralized, and that has been thought out over a number of years, and that operates much without public comment due to the orderly progression that brought about the changes toward decentralization.

To understand the Chicago Public Schools, it is necessary to go back quite a few years in the history of the school system. It also is necessary to examine the schools, not as a decentralized unit, but as a large centralized school system with many of the problems that

come with this size school district. Under the direction of Dr. Herold Hunt in the early years of his superintendency, the Chicago Public Schools operated as a centralized school system, equal to none in the United States. It attempted to administer the lives of its sixteen to seventeen thousand teachers and administrators from a central office. It was not possible for Dr. Hunt to assume all of this responsibility. Consequently, many assistant superintendents were appointed. For the most part, these superintendents concerned themselves with specific divisions of the school system. There was an assistant superintendent in charge of plant operation, one in charge of instruction, one in charge of the financial program, and another in charge of personnel. In all, ten assistant superintendents to Dr. Hunt assumed the responsibility of attempting to run specific phases of the program as it was administered to the thousands of teachers and hundred of thousands of youngsters. In addition to this, the philosophy of Dr. Hunt and the Chicago Board of Education at that time was one of considerable student freedom of choice. It was possible for secondary school students from the tenth through the twelfth grade, and even some eighth and ninth grade students, to make selections early. They could not only select the type of course work that they wished to follow, but also it was possible to select the school they wished to attend. During the 40's, there was not the racial and minority group tension in the United States, but there still was a definite feeling of a need for segregation in our large cities. School boundaries were necessarily

changed as population shifted from one section of the city to another and thus minority groups were found taking part in areas that were, generally speaking, totally set up for the majority. As the minority group moved in, parents became alarmed, and under the system of free choice, were directing their children to other schools. A program that Dr. Hunt had envisioned as allowing students to have the choice of their schools, their teachers, their subjects, particular curriculum, as well as the geographical area, moved steadily forward. It gradually became almost a monster on the shoulders of the Chicago Board of Education. Schools that were partially segregated now became completely segregated. Large high schools on the north side of Chicago found themselves overcrowded with completely white population. Teachers went on double shifts. Students were coming in as early as 7:30 a.m. and going until 5:00 p.m. All of this was taking place while some south side high schools had extra rooms with no one in attendance. Schools in the southern sections of the city were able to open peaceably at 8:30 in the morning and close at 3:15 in the afternoon. Many rooms stood empty. Parents, not realizing exactly what was happening, were demanding of the Board of Education that new buildings be constructed. They concluded with double and triple shifts going on in the high schools and some junior high schools. The city was growing at such a rate that it could not contain its student body. The Chicago Board of Education and the superintendent knew what was happening, but did not know the immediate answer. It

was easy to give permission to attend any school that one wished; it was somewhat difficult to take this permission away. Other factors were becoming clear to the Board also. The system was much too large to administer from one superintendent's office. The assistant superintendent of schools had charge of but one phase of the local program. The principals found themselves in an almost autonomous society, but being hemmed in on every side by assistant superintendents who controlled at least a part of their day's activities. There were no adequate guidelines to explain to the principal exactly how far he could go in administering the program autonomously. Members of the Board of Education recognized an emergency.

A wise group of eleven men and women, however, knew that to press the panic button at this time would cause even further troubles. They directed School Superintendent Hunt to think through an administrative setup that was different from the present program. While they did not like the idea of losing the power, and were no different from many boards of education in this respect, they recognized that such power was already lost for all intents and purposes in many areas. It was therefore at the end of Dr. Hunt's tenure of office as Chicago's school superintendent that the plan for possible district superintendents was devised. To some degree, it was implemented prior to his leaving office. The real job, however, of operating the new school system under a decentralized plan of eighteen school districts, became the responsibility of Dr. Willis

as he assumed the general superintendency of the Chicago schools in the mid 50's. One must not conclude that the administration of Dr. Herold Hunt was unsuccessful. He had arrived in Chicago as general superintendent of a centralized school system at a time that this school system had as one of its major problems the articulation of its curriculum. There was an apparent inability of the administration to communicate with the general public. Dr. Hunt did much to alleviate these conditions. He was a strong educator, and in the field of curriculum, he initiated many changes in the school program. Citizen groups were freely employed on a voluntary basis to work with classroom teachers and school administrators. It could well be concluded that it was Dr. Hunt who pointed the way to eventual decentralization, as it was through his community groups that it became most evident that the Chicago Schools were made up of many communities within the large city community. Many times the community groups, in talking with Dr. Hunt, expressed the thought that Chicago should re-think decentralized programs of its administrative structure. Parents frequently asked if it would not be possible to have some local autonomy; to have some of the decisions that they make bear direct fruit and be implemented and established as a policy of the central board of education. Dr. Hunt gave much thought and study to areas of mobility, to racial minority, to non-English speaking students, and many others. Further, he recognized that to allow the public to come in at the decision-making level, it was necessary to

give them resource personnel for help. By 1954, the Chicago School System found itself with thirty-one bureaus, each one having to do with a different extension of the schools. All of these bureaus were headed by competent personnel who could be looked upon as resource personnel by citizens' groups. While these were initiated under Dr. Hunt in the fields of curriculum, research, and extension of program, they soon moved into the field of educational expenditures, equipment operation and control, health services, lunchrooms, maintenance and repair of buildings, plant engineering, architectural services, purchasing, and many others.

It was in 1955-56, however, that the Board of Education faced the word decentralization and looked the program squarely in the eye. The eighteen district superintendents, a program only on paper at the time but now being implemented by Superintendent Willis, was soon expanded to nineteen such districts. Each district employed a district superintendent of schools. In each instance, this district superintendent had one thousand or more teachers under his direct supervision. As Dr. Willis pointed out to the Board of Education, this meant that each one of the nineteen district superintendents was operating a school system that was equal to or larger than the city of Denver, Colorado. He pointed out to the Board that the district superintendent could study his own area, make recommendations to the general superintendent, and implement a program that could be quite different from other programs in the city. In effect, this meant that there were now

nineteen smaller school districts operating under the jurisdiction of the general superintendent of schools, but each with as much latitude to operate the small district as the superintendent saw fit. The district superintendent, as he grew in stature, affected directly the fiscal budget of the Board of Education. These superintendents no longer operated from the central office. They now had offices set up on their own areas. This necessitated additional personnel, office space, furniture, and equipment. The plan had been carefully worked out, however, and the real advantages of the central board office were not lost. Central purchasing allowed the schools to take advantage of the best possible price under competitive bidding. The central personnel office aided in setting up procedures in a single interpretation of policies, salary schedules, leaves of absence, etc. The idea thus generated by Dr. Hunt and enhanced by Dr. Willis was directly related to the financial and budget allocation of the public school system. In an attempt to take full advantage of the broad equalized base, centralized purchasing personnel were maintained in the central office. The motto of Dr. Willis at this time was "quality and flexibility must be emphasized for a progressive school system." Such a school system was in evidence in the City of Chicago at this time.

The monster of free student choice was still upon the schools as Dr. Willis took office. Thousands of families each year were requesting permits in order that their children not attend schools with

minority groups. Teachers were being paid overtime to teach extra classes. Financially this "favor" was costing some nine million dollars per year. Under the new administration, the program was discontinued. Students were required to attend schools in the district in which they lived. District superintendents were asked to certify the number of buildings needed to house the number of students living within their area, and a real effort was made to solve the problem of inequality. During the 1959 school year, only nineteen transfer permits were issued, and the request came from a total of 450,000 children enrolled. Had the previous system continued, it is conceivable that it could have partially bankrupt the school system. Dr. Willis was directed to make the change, not so much in the light of segregated or non-segregated schools, but in the light of the pure dollar and cents financial deficit that was being incurred by allowing the freedom of choice in the school system. It is somewhat ironic to note that the very problem that plagued Dr. Willis as general superintendent in his later years, the establishment of the decentralized units and the adherence to strict geographical boundaries, was the phase of his administration that caused him to be commended coast to coast during the early years of his school administration.

On January 11, 1960, the Chicago Daily Tribune quoted R. Sargeant Shriver, Jr., who was then president of the Chicago Board of Education, as saying that the schools in Chicago would open the second semester of 1959-60 school year short 15,000 classroom seats. Mr.

Shriver, in an attempt to outline for the Chicago public what was happening to growth of the city schools, went on to say that 72,000 seats had already been added in the last five-year period and there was still unprecedented shortage. Students in the city were increasing some twelve to fourteen thousand each year. Five hundred additional teachers were employed each September. The general budget was showing a ten per cent increase per year. The \$100,000,000 Chicago School budget in 1955 had been presented in 1960 as a \$294,000,000 budget. Teachers in the United States were grossly underpaid and the Board of Education in the City of Chicago had taken definite steps to correct the situation. Chicago had risen from thirteenth to first in a study of sixteen big cities in the year 1960. All of these problems, according to the Board president in the year 1960, were definitely tied in with increased population, cities within cities, inner cities, and a need to interpret schools to the public. Mr. Shriver contended at this time that the most significant single move of the Chicago Schools was to decentralize its program, placing the administration under district superintendents, who, while they still had a large school system to maintain, could be somewhat closer to the general public than could the LaSalle Street office in downtown Chicago.

On May 22, 1969, a second survey of the Chicago Schools was made. Dr. James Redmond, general superintendent of the schools on this date, set up appointments with the writer and administrative assistants, headed by Dr. James D. Moffat, who is first assistant to

general superintendent of schools. A continuity of the work of Dr. Hunt, Dr. Willis, and now Dr. Redmond, was very evident. Chicago boards of education have been consistent in their approach. There has been no dramatic overhaul of the total organizational programs since decentralization began in the mid 50's. Today, in place of the nineteen original districts, there are 27 districts in the City of Chicago. In May of 1967, Superintendent Redmond recommended to the Board of Education that the system further decentralize into three areas. The purpose of this reorganization was to make it possible for decisions to be made in the local area they affect. Subsequently, the detailed plan was drawn up and the twenty-seven school districts were divided into areas A, B, and C.

The major factors in determining the geographical area boundaries were pupil membership and attendance, ethnic background, professional staff, pupil performances, and facilities to create a balanced workload and to take into consideration socio-economic conditions. These plans were reviewed with a number of citywide, as well as local community, groups to insure better understanding and acceptance.

Each area has a similar organizational staff. Administrative personnel work in the area and the schools they serve. Broad, long-range planning with appropriate feedback to the central board and administration is planned.

Certain innovated features or plans, such as magnet schools

and metropolitan intercommunications, have been put into effect; area associate superintendents and their staff began full scale operation with these new programs in September of 1968.

The associate superintendent in charge of an area now replaced the general superintendent relative to the hiring of staffs, and he may submit a total area budget to the Board of Education. Once this is approved, it is returned to the area superintendent who can control expenditures, and decide changes, etc. within the framework of the total money approved.

The central personnel office now has the sole function of screening applicants and giving tests. Once this work is complete, the personnel file is sent to the area superintendent. He may then be selective in his hiring. Areas are pointing out that, in most instances, they hire only home-grown applicants from Chicago.

When asked the reason for the further decentralization over and above the eighteen and nineteen original districts, all administrators are in agreement that the Chicago School System, as it was set up in 1959 with its nineteen district superintendents, became unmanageable, with too much bureaucracy, too much delay, and answers not filtering either down or up fast enough to effect proper changes.

The new area approach has also required additional buildings. For the most part, old schools that have been abandoned as regular school buildings have been used for administrative offices. There is now an attempt being made to centralize services in each of the

areas.

In the mid 50's when Dr. Willis took office, the Chicago Board of Education determined that it should meet as a board in individual school areas, in elementary schools throughout the city. This plan was started during that year. In the year 1969, the central Board of Education still follows the policy of meeting in various parts of the city. Usually these meetings are for specific purposes. Sometimes a small committee for the central board will meet. Meetings are informative, to answer questions of the local citizen on his own home grounds. In addition to this, the Chicago Board of Education holds three regular board meetings each month. The Chicago Board is appointed by the mayor. Board members are appointed at large, and in most instances they are retired from regular work, usually are well to do and can give the proper time to the position. The Chicago boards, according to administrators, have always had a sympathetic understanding of the City of Chicago and its problems.

In order to better understand the new area concept of decentralization, the Exhibits 5a, b, and c, pages 162, 163, and 164 should be studied. It will be noted on Exhibit 5c, page 164, that the district superintendent now has an intermediate staff. Prior to 1967, the district superintendent had a direct line to the deputy and general superintendents of schools. This also graphically presents the new offices that have been created under the area superintendent; that of pupil personnel, area programs, curriculum services, community

and human relations, administration and plant operations. It should also be noted in studying these exhibits that no additional policy-making boards at the neighborhood level have been formed. One board decides the policy for the Chicago Public Schools and this is the central Board of Education. In interviewing administrators, however, it is quite evident that this Board has long since concluded that the recommendations of the administrative officers and community groups should be followed in establishing policies. In studying the map of the City of Chicago, reference is made to Exhibit 6, page 165. On this map the twenty-seven districts are outlined. Each district operates under the jurisdiction of a district superintendent. These specific area maps follow on Exhibits 7, 8, and 9, pages 166, 167, and 168. Each area has over 160,000 students, area C having over 200,000. Approximately 7,000 to 7,500 teachers are employed in each area, and all areas contain 130 to 180 elementary schools feeding into nine to ten junior high schools and twelve to twenty-four senior high schools. These are in addition to the special services of hospitals, special education, etc.

As Chicago continues its orderly decentralization, a review of the program in 1969 shows it to be very little different than at the beginning of Dr. Willis' administration in the mid 50's. The magnet school would be considered one of Dr. Redmond's contributions to the new Chicago Schools of today. The concept of this building is embodied in the name itself. Special curriculum, staff, resources,

and facilities of the school would act as a magnet to draw children of many differing racial, socio-economic, and cultural backgrounds to a stimulated learning environment. This also could be done in a setting of willing integration. The first magnet school is to be located on the Marine Drive Campus. One of its outstanding attractions will be a communications art center where high quality programs will be developed in writing, art, music, theatre, photography, and television. The focus of the magnet school is experimental at the present time. Two other magnet schools have now been recommended for the inner city schools. Each would be located in different parts of the city. It is the present plan that magnet schools will still fall under the jurisdiction of area superintendents.

As the section on the Chicago Schools is concluded, attention is drawn to Tables 8 and 9 listed on the following pages. It is significant that the Chicago Public Schools, as they formed their program for decentralization fifteen years ago, developed it with a totally new organizational chart. It was this chart that devised the original eighteen districts and directed the general superintendent, in effect, to decentralize the school system. In each of the cases following, Detroit, Milwaukee, and New York, a decentralized program was put into effect in but a part of the school system. Table 9 partially explains the reason for this difference. In the case of both the Milwaukee and the New York Public Schools, the philosophy that dictated the purpose of decentralization was more or less

superimposed upon the board of education. These boards consequently were not prepared to decentralize the entire operation of the public school system.

TABLE 8

	Decentralized program superimposed on centralized organizational chart	New organizational chart
Chicago Public Schools		X
Detroit Public Schools	X	
Milwaukee Public Schools	X	
New York Public Schools	X	

TABLE 9

	Philosophy of program of decentralization promoted from without the system	Philosophy of program of decentralization promoted from within the system
Chicago Public Schools		Board of education directed superintendent
Detroit Public Schools		Administration and board in accord program should be initiated.
Milwaukee Public Schools	Partially racial	
New York Public Schools	Principally initiated by groups outside the board and administration (Mayor's office played a major role)	

Detroit Public Schools

The Detroit Public School System, while not as large as that of the City of Chicago, has inherent in it the problems of all large city school systems today. One factor is that the trend of the student enrollment in Detroit is not quite parallel to that of other cities in the United States. We are hearing that the population is decreasing in most of our large cities. In 1943, school census of the City of Detroit was 399,724. In 1967, this had increased to 428,429. Other than 1945, 1946, 1947, and 1967, all other years have shown

increases in student population. In 1952 and 1953, the increase was in excess of 12,000 children. In 1967, there was a decrease of 8,555 students, which was almost two per cent of the enrollment figured from 1966. Other than this, the City of Detroit population showed a bit more stability than some cities of its size.

On April 22, 1969, interviews were held with administrative staff members of the Detroit Public School System. Dr. Charles Wolfe and Dr. Al Skelley directed the interviews and further directed the writer towards teachers and administrative personnel in decentralized sections of the city. Dr. Wolfe is the executive deputy of the public school system and Dr. Skelley has been given specifically the assignment of establishing the guidelines in the field of decentralization. Miss Julie McCarthy also works in the area of decentralization and was available for the interviews. She is specifically charged with the assignment of decentralization in the elementary schools. Dr. Skelley also works as attorney for the Detroit Board of Education.

As was mentioned earlier in this chapter, the Chicago Public School System and its administration are well established in the total pattern of decentralizing its schools. It does not feel at all threatened by anyone talking to administrative personnel. A parallel could easily be drawn between the interviews with the Chicago administrators and similar interviews with business and industrial leaders.

Detroit administrators parallel in their thinking much of the action that has been taken in Chicago over the past fifteen years. Semantics becomes a bit cumbersome as one discussed decentralization with specific administrators. According to Dr. Wolfe, decentralization began in the Detroit Public Schools in 1929. At this point, such decentralization was confined to the elementary schools only. Principals were then assigned a constellation of elementary schools and several principals would be responsible to one supervising principal. Dr. Wolfe defines this as decentralization. It was somewhat difficult to ascertain just how autonomous was this supervising principal; although it was generally conceded that many decisions could be made particularly in the area of curriculum, the teaching of basic reading, arithmetic, and social studies, without going through the central office, other than for a rubber stamp type of approval. At this time, the supervising principal was responsible to an assistant superintendent of schools.

Decentralization of elementary schools in Detroit as early as 1929 came about principally because of the number of schools; there were too many children, teachers, and administrators to manage from a central office where each principal was responsible to an assistant superintendent.

It was in the early 30's that the junior and senior high schools were added to the program of decentralization. By the mid 30's there were eight regional superintendents appointed to handle specific

geographical areas of the city. In 1962, this number was increased to nine.

Under General Superintendent Dr. Samuel Brownell, the central office was reorganized in the late 50's and at this point it was patterned somewhat as the Chicago system. It had assistant superintendents in areas of administration, personnel, and finance, with each regional superintendent operating through the assistant superintendent in the area of the assistant's assignment. (Note: Dr. Brownell and Dr. Willis were close personal friends and it followed that Detroit schools might pattern, at least in part, after schools in Chicago).

The regional superintendents maintained their offices in the region over which they had control. In the late 30's, 40's, and early 50's, the regional superintendents and their principals had a good deal of latitude in the selection and placement of personnel and the type of curriculum that was offered. It was quite possible that curricula in geographical boundaries of the city were markedly different.

The Detroit Board of Education officials admit that up to the present they have found no satisfactory way to decentralize the budget or any of the financial structure. Personnel is actually less decentralized today than it was fifteen years ago.

Dr. Wolfe mentioned that approximately ten years ago officials of the Atlantic and Pacific Tea Company were sent into the Detroit School System to study the personnel policies. A and P was trying to

determine if it could decentralize in the same way that the Detroit schools had decentralized. He pointed out that the A and P Company, even prior to this, was known as one of the more highly decentralized companies in the United States. A local manager of A and P established his own personnel practices. The only way to move up in the organization is to start from a stock boy, and such positions are usually filled by relatives or friends of good customers of the company. The personnel department of A and P initiated the study at the time that there was a Negro boycott throughout Detroit and the NAACP charged unfair hiring practices. At the conclusion of this study, the A and P Company set up a series of standards in which they copied fourteen of seventeen hiring practices of the Detroit Public Schools, claiming that this was more truly decentralized than was their own operation.

Today the decentralized programs in the City of Detroit that show the most promise seem to be those aided by federal monies. The Butzell Complex is a program of elementary schools surrounding the Butzell Junior High School where a large portion of a six million dollar Title I grant is being used. According to Dr. Wolfe, this would be the most significant decentralized school program in the city today. The project is written with one purpose; to compare the achievement of students of this section of the city as they operate their program with smaller classes and much para-professional help. In response to questions, are the teachers happier or do they get

more work done in a decentralized setting, do teachers feel closer to the administration, is the bureaucracy broken down, administrators feel that there is no conclusive evidence that this would be true.

Citizens' groups in the City of Detroit, especially in the NAACP, are requesting complete decentralization. They wish appointment or election of separate boards, complete autonomy in the staffing and administration of schools, selection of all personnel, and the right to hire and fire. The Detroit Board of Education, at this point, is studying the matter, and they have asked for opinions of their counsel.

The decentralization definition of the late 20's and mid 30's no longer fits the definition as it is used by the public today. Today it means separate school districts within the city. The NAACP claims that the central administration is irrelevant, dysfunctional, and specifically inappropriate for the Negro.

It is significant to note that in 1968, the Michigan legislature considered the Montgomery Bill which would be the establishment of nine separate school districts within the city limits.

The administration has considered the possible function of locally elected boards that would be responsible to the central board. The minority groups reject this thinking as they are fearful that local boards will become "advisory only".

Dr. Wolfe mentions that, in his judgment, under the pressure

for decentralization, the schools are actually less decentralized in some of their functions than they were in the late 30's. An example of this would be in personnel selection. The Board of Education has not completely discarded the notion that it might consider screening of four qualified applicants for a position as principal and then allow a local board to do the final screening and recommending for appointment. Board officials point out that one of the deterrents to making this kind of selection comes in the percentage of disadvantaged living within the city. The boundaries of the City of Detroit have been the same for forty years. The housing area of the disadvantaged, however, has increased, and in 1969, instead of covering fifteen per cent of the area, homes for the disadvantaged are covering seventy to seventy-five per cent. Board officials, therefore, are skeptical as to how much decision-making can be handed over to local groups.

While on paper it appears that the Detroit Public Schools is a miniature Chicago school system in some respects, closer analysis does not bear this out. In referring to Exhibit 10 on page 169, you will note the organizational chart. On the extreme left hand side of the chart the regional superintendents (nine in number) are listed. These superintendents also have assistants, physical plant managers, and principals reporting to them. In effect, this is much the same role as the district superintendent in the City of Chicago. The Detroit program, however, does not give the degree of autonomy to the regional superintendent as does Chicago. Building principals in the

City of Detroit are very directly responsible to the deputy superintendent in charge of curriculum. This is a central office function and even the regional superintendent finds himself in a position where many of the decisions are made centrally.

The truly decentralized program in the city is the Butzell District. In this instance, every effort is being made to divorce the operation from the regular program of the public school system. It is an attempt for this area to become independent through the use of federal funds. A separate office for curriculum planning and evaluation has been established within the Butzell District. Were this type of program to spread throughout the city, Detroit would then possess a decentralized program more nearly approaching that used in the City of Chicago. It can only be concluded that the Butzell District is the only area actually representing the type of decentralization discussed in this research. Decentralization prior to this time has apparently been an attempt to give some authority to local principals and regional superintendents without the accompanying responsibility of making the program operate. Tables number 10 and 11 answer this question in part.

TABLE 10

	Decentralized programs prior to 1957		New programs (decentralized) since 1965
	Yes	No	
Detroit Public Schools		X	Two areas added
Chicago Public Schools	X		Essentially unchanged
Milwaukee Public Schools		X	Clusters formed
New York Public Schools		X	Three experimental areas

TABLE 11

	Decentralization initiated due to racial or sub-culture tensions, pressure groups, or other outside influence	Other reasons
Chicago Public Schools		School system re-structured in 1950's mainly due to financial problems
Detroit Public Schools	Partially	
Milwaukee Public Schools	Partially	
New York Public Schools	Yes	

As the decentralization of industry and of the Chicago Schools was discussed with Detroit school officials, they concluded that Detroit, in fact, was not decentralized prior to 1957. Two areas of decentralization programs have been added as late as 1965. Table 11 further clarified this position as all schools other than the City of Chicago conclude that their program of decentralization is due to racial or other pressure groups who cause outside influence to dictate a portion of the school's program. School authorities point out that these pressures have come about suddenly in many instances and have made it next to impossible for administrators and policy boards to set programs in motion in an orderly manner.

The Milwaukee Public Schools

The Milwaukee Public School System, number 11 in the total number of large school districts in the United States, shows student enrollment of 241,484 in the year 1968. A city census of approximately 750,000 with the greater Milwaukee area of an excess of one million people, places this city in the setting that should be considering some form of modification for its school program to meet today's needs. Milwaukee is a typical large city with the solid inner city core. Community groups have been interested in education through the years, and within the last five-year period, the voice of minorities has been heard frequently at meetings of the Board of Education.

While Milwaukee has been ripe for a change over the past five

to ten years, it has been fortunate that no unusual demands have been placed upon it. The school system has not been forced to act at the whim of pressure groups. In addition, a relatively new superintendent of schools, Dr. Richard P. Gousha, was employed by the Board of Education with the express directive to make some specific recommendations for the reorganization of the school system administratively. Many educators have viewed the Milwaukee schools with envy.

Dr. Gousha's office has sent several detailed reports to the Milwaukee Board of School Directors. (This Board is comparable to the board of education in Michigan cities). The initial reports were concerned with central management only. Milwaukee operates a dual system of administrative services. The superintendent of schools and the secretary-business manager are both responsible to the Board of School Directors in a parallel administrative function. Dr. Gousha, while not recommending any immediate change in this form of administration, indicates in several of his messages to the Board of Directors that he favors the single administrative approach over the dual one now in operation.

The organizational chart of the Milwaukee Schools is not too unlike that of other large cities. In reviewing the chart, it would appear that it is almost completely centrally autonomous. A deputy superintendent reports to the superintendent of schools and assistant superintendents report to the deputy. Departments of personnel, planning and long range development, relationships, administrative

services, curriculum and instruction, pupil personnel, and municipal recreation and adult education, all report directly to the deputy superintendent of schools.

A special academy study committee evaluated the school system and on January 23, 1968, Dr. Gousha reported to the Board of Directors. The panel's judgment was that ".....in many respects Milwaukee Public Schools equal or exceed schools in other large cities....there is in the panel's judgment, however, much which needs to be done in Milwaukee to provide an educational quality equal to that which would meet the needs for today's pupils." That quotation summarized, according to Superintendent Gousha, what the study meant to him. He then outlined his plan to the Board of Directors:

1. The schools must identify their basic needs.
2. They must reorganize to meet these needs.
3. They must decentralize certain program operations to insure greater staff participation and citizen involvement.
4. They must improve communications in order to promote real understanding of the "big city" problems in public education today.
5. They must strengthen relationships on many fronts.
6. They must seek to gain support of all kinds in order to get the job done.

It will be noted at this point that the decentralization was mentioned

as but one of six possible areas to be studied. While the Board of Directors and the superintendent felt some pressures to have some things done in the Milwaukee Schools to better meet the needs of the students, there was no particular pressure to decentralize or to "give away" parts of the school system, at least not to the extent that has been evidenced in other cities.

Dr. Gousha emphasized to the Board that there must be more long-range program planning in the development in our large cities. More than this, there should be a closer coordination for education, business, and recreation operation; improved articulation between elementary, junior and senior high school; a broader flexibility in the planning and programming and budgeting operation; greater recognition of the growing importance of the principal's role; and a better and more direct communication within the school system and in the metropolitan community at large. He went on to say that without increased staff involvement in school system planning, evaluation and community relations education in today's large cities will fail. There must also be, according to Dr. Gousha, a wider opportunity for experimentation within the schools at different grade levels and various subject fields. These must be guided by the pupils' needs in that particular area. Certain supervisory assistance and supporting services that are provided by the board must be decentralized. Administrative supervision and ancillary services, together with business operations, are maintained for the purpose of facilitating

classroom instruction. Supervisory and supporting services should be organized in a closer relationship to elementary and secondary schools and in different areas of the city.

Dr. Gousha is pointing toward the area of decentralization; however, he is proceeding in quite a different way than has been done in the schools of Chicago, Detroit and New York. When the Milwaukee superintendent talks about decentralization, he is using the term synonymously with deploying groups of people out into the community. In other words, send a team in the field of art, music, physical education, and perhaps even social studies into one area of the community; send a second team into a second area, etc. At this point there is no indication that he plans to do more than add to the teams that are now available for services in the field of education. It does not seem to be in his thinking, at least in the early reports, that decentralization would mean to give away authority and responsibility. The superintendent's basic philosophy is to study the need of the student in the particular community in which the schools are located. Once these needs are determined, then send to these areas specialists to work with these specific groups of youngsters and parents. In this way, in the terms of Dr. Gousha, you are decentralizing your school system by making your specialists available to special areas.

While this is a different approach than is used in decentralizing other cities, it could ultimately lead toward the same end.

While Detroit and New York have decentralized but small areas of the total school systems, the Milwaukee Public Schools, under the directives of Dr. Gousha, are anticipating the reorganization of the total school system under a plan called "cluster".

The Board in control of the schools approved the superintendent's recommendation and fourteen clusters were in operation in May of 1969. Each cluster contains a high school, its feeder junior high schools, and, in turn, the feeder elementary schools. Two clusters are combined to make up what is known as a program service area. There are now seven program service areas in operation in the City of Milwaukee. The program service area contains two district senior high schools, at least two feeder junior high schools, and from fifteen to twenty feeder elementary schools. Such an arrangement spans K through 12 education, recreation programs and developments, and serves to strengthen articulation between the three levels in Milwaukee's 6-3-3 plan of school organization. Each program service area would contain a senior high school and its feeder schools from different sections of the city, both inner and outer. Because the socio-economic characteristics of Milwaukee's many neighborhood communities vary, it is their plan to pair groups of schools so that personnel involved may retain a city-wide perspective to gain a better understanding of the different educational need of social problems, and share varying ideas about the education and recreation programs. It is also their hope that such an approach within the school system will work against the

polarization of community attitude toward education in general and toward programs planned to meet individual needs of children in particular. This is an important objective of the proposal.

School principals and recreation directors from each of the program service areas will meet regularly with the superintendent and his staff. It is the hope that communications will thus be improved, and it will stimulate a cross fertilization of ideas about K-12 and the adult education and recreation program across the state. Such meetings were held in the 1968-1969 school year on a trial basis. They are found to be fruitful, according to administrators, as far as the "feedback" from the field. In addition to this, elementary, junior high, and senior high principals continue to meet in their respective groups to discuss other matters of common concern at their grade level of operation.

It is not the plan of the superintendent that the service areas remain static. He wishes them to be fluid and flexible. He feels for this plan of school clusters to work, the organization must change from time to time, schools must be shifted from one school cluster to another and program service areas must be altered whenever such change is deemed desirable.

It is at this point that the superintendent uses the word decentralization as he reports to the Board of Control. He speaks of program services area teams and then uses the word decentralization almost synonymously. It is his intent to build upon a supervisory

plan that has been in operation in the elementary schools in Milwaukee for several years. This is a plan whereby a team of generalists in kindergarten, primary and intermediate education, and specialists in art, music, and physical education, work with the school staff. These teams are organized as needed. The secondary school supervisors would relate the teams as much as it is possible to do this within a limited number of supervisors that are now available. Consideration is being given to a two-step approach.

1. Modifying of the present policy with respect to released time for department chairmen in secondary schools whereby each department chairman, whose responsibility so warrants, would be provided at least one period of released time per day and
2. Providing in each program service area for one department chairman in each required subject field to be released a portion of each day to serve as a supervising teacher in the program area of the secondary schools for the subject concerned.

School psychologists and social workers would also be employed to work on these team structures. Each team would have a team leader. This person would be responsible for calling the meetings and working with the building supervisors to make certain when the team is needed.

This use of the word decentralization is quite different from the decentralized program as envisioned particularly in the

schools of New York and Chicago. There is no attempt in the Milwaukee Public School System, nor through outside groups of parents, to define decentralization as the giving away of authority from the central office. Dr. Gousha, on the other hand, feels that it would be much more appropriate to tie together your service area planning group with a central office in order that meetings may be established centrally to examine the various points of view in divergent service areas. This possibly explains the fact that while the City of Milwaukee Schools are being quoted in many magazines as working toward decentralization, in talking with individual teachers in the city, they were not too much aware that decentralization had actually taken place. It must be recognized that such a program has been initiated within the past two years, however. If the story of industry is to be duplicated in education, the direction taken by the Milwaukee Schools could well prove to be one of the wiser ones of the day. Milwaukee is first reorganizing its central administration, then appointments of area leaders, and then moving to teachers and community groups. At present, the area leader would probably be the only person who would recognize that a program of decentralization is being initiated. Dr. Gousha, in one of his bulletins to the Board of Control, mentions that "we are seeking to make a reasonable beginning that will enable us to evaluate the success of increased decentralization in our program. It is our aim to organize and operate with the main focus upon local needs of the more than 150 schools in Milwaukee while we retain those

centralized activities which are essential to a system wide operation."

It is significant also to note that the administrative officers heading the Division of Relationships in the Milwaukee Schools, under the direct supervision of Dr. William M. Lamers, are most enthusiastic about the plan that is being initiated in Milwaukee. Dr. Lamers pointed out that in his many years of experience with the universities and public schools in the City of Milwaukee, he felt the approach now being taken by the superintendent and Board of Directors was sound and would lay the foundation for a fine administrative unit in the future. Dr. Lamers also added that as much time is being taken at present to assure a sound reorganization of central facilities as is being taken to consider what mode of operation should be decentralized. When the question was raised as to the feasibility of local advisory boards advising the clusters of appropriate activities, Dr. Lamers said that the plan was to make use of local citizens wherever possible, as well as school student groups, particularly in the secondary schools. These will be ad-hoc committees set up to make the specific studies and recommendations. The committee will then be thanked for their services, and new committees will be formed. This will do two things:

1. It will give large numbers of lay citizens and students a chance to participate in specific recommendations to area leaders and
2. It will not place the emphasis upon single advisory boards.

Advisory boards could be the final outcome of such clusters of city schools, but this is several steps ahead of the thinking of administrators and board members at the present time.

Dr. Lamers further stated that inasmuch as the Milwaukee Schools are operating a large per cent of the cluster program under federal grants, it is imperative that central direction be given. He used as an example his own department, the Division of Relationships of the school system. This department is designed to:

1. Track legislating policies and trends of thinking.
2. Communicate and interpret the needs to all agencies and to all members of the Milwaukee school staff.
3. Make considered judgment as in the availability of such funding and its relevance to programs in the Milwaukee Schools.
4. Keep the school system informed concerning all such matters.
5. Assist in the preparation of interpretive reports of programs funded.

The Milwaukee School System, as it studies the feasibility of decentralization in the future, together with many other phases of its new cluster program, does have a central advisory board which is appointed. In the case of both Chicago and Detroit Public Schools, no such board aids in the decisions of the school system. New York City school administrators, under pressure, appointed three such

boards. The group of citizens used in Milwaukee is purely advisory.

The New York Public Schools

As one studies the great cities of the United States, and then includes New York as one of these, it is immediately recognized that while all of the cities included in this study are close to 1,000,000 people in total population, the City of New York, with its in excess of 8,000,000, presents an entirely different set of problems. Also, one cannot examine the public school system without examining the parallel governmental function. Through rivers, canals, bays, and the Atlantic Ocean, New York City is divided into five boroughs. These combined boroughs are referred to as the City of New York and operate under the political structure of a single mayor. Each borough, however, has a borough president, and it is found that this president refers to local councils for many problems that are solved within the boroughs of Brooklyn, Manhattan, the Bronx, etc. Geographical boundaries are separate as well as the sociological grouping of the particular communities. The part of New York referred to as Manhattan is made up principally of the downtown Wall Street area, the uptown business and theatre section, and literally hundreds of thousands of people in apartments. Brooklyn, taken by itself, might make up a second Detroit or Milwaukee. The Bronx, with its large middle class society, has a quite different set of problems than the Borough of Manhattan. In effect, the five boroughs of New York have been

decentralized politically for many years. The size of the city units of government have made it impossible to operate under a single unit.

The Board of Education of the City Schools of New York has toyed with phases of decentralization for the past twenty-five to thirty years, but never has taken any one phase seriously enough to operate in the manner in which the Chicago schools decentralized in the late 40's and early 50's. Politics dictated that certain divisions of the public school system be given some autonomy. This autonomy was not structured through board policies, however, and many times was removed or reshuffled as new political parties took power. The mayor's office had always been influential in the selection of candidates to the board of education. Assistant superintendents and building principals have seen fit through the years to form organizations to act as pressure groups upon the central administrative offices. Unions have so dictated the powers of the non-instructional group that the custodians of the city, with their publicity in 1965, reached national headlines as their contractual arrangement with the school system was revealed to the public.

The magnitude of the New York Public School System made it most cumbersome. Here is bureaucracy operating at its height. Individual initiative was stifled, and motivation was at an all-time low. In addition to this, the teaching personnel were faced with a volatile student body who, due to sheer numbers, blasted forth to make teaching an almost impossible task.

The one redeeming feature of the entire system was the number of children whose parents were not American born. The Europeans who had established their residence in New York City were most anxious that their children have an American education, and in many instances, even in the midst of turmoil, were able to insist that these young people study and obey the rules.

For many years following the policy of the structure of the city, local advisory boards worked with a central board of education or with the borough chief of affairs. The general superintendent of the New York Public Schools leaned heavily upon the assistant superintendent for recommendations in handling the business of properly running the school system.

This report was discussed in an earlier chapter in the review of the literature available on decentralization.

The Board of Education and the mayor of the City of New York pleaded for several years for the New York State legislature to provide temporary financial assistance to meet the needs of the schools within the city. In the spring of 1968, the legislature took action and provided such relief. In doing so, it requested the mayor to submit a plan which would encourage the community and the parents to participate in the creation and redevelopment of educational policy. The mayor submitted such a plan. His plan dealt in a great measure with the administrative structure. The Board of Education disagreed with the mayor's recommendation as it was their considered judgment

that the schools could be reorganized without a drastic change of administrative structure. The Board, its president said, has long committed itself to decentralization and parent involvement. The Board therefore submitted its plan to the state legislature.

In the plan submitted for decentralization by the New York City Board of Education, the first and most important feature, as they termed it, was for an increase in the permanent state aid basic allotment. The flight of the middle class and the influence each year of tens of thousands of deprived children into the city are aggravating the problem. These youngsters demand different techniques and more money. There is an urgent need for better coordination with other basic services such as health, housing, employment, and recreational opportunities. Such changes would not be possible without additional state support. At one point the local board requested:

"It will do no good for the legislature merely to replace old rigidities with new straight jackets. Flexibility is essential."

The legislative proposal specifically submitted by the New York City Board of Education contained the following pertinent points:

1. Local school boards should be made operating bodies with the right to exercise any powers granted to them by law and delegated to them by the central board of education.
2. Appointment of the district superintendent should be by the local school boards subject to compliance and state certification.

3. Local boards should be given specific authority to grant or deny permanent tenure upon the recommendation of the district superintendent to the local board.
4. Amend the present law so as to permit elementary school principals to be appointed on the basis of a qualifying examination, rather than a competitive examination.
5. The central city board of education should be vested with the authority to delegate any of its power to local school boards as from time to time it shall determine to be in the best interest of education.

Note: The central board of education would plan to give to local school boards specific authority to determine their own priorities consistent with city-wide standards within the funds of resources allocated to them by the central board of education.

6. The central board recognizes the primary rights of the legislature to determine how members of the board of education should be appointed. It is desirable to increase the panel that selects board members by permitting the mayor to add up to four additional members to reflect the diversities of views and background of the people of New York City.
7. The sections of the law that inhibit the ability of the central board of education to allocate authority to

local school boards should be repealed.

It is apparent that the central Board of Education was sincerely dedicated to a plan of decentralization as it presented the seven points referred to in the previous paragraph. The Bundy Report had already been received and reviewed. It was determined that three districts would be set up experimentally in the City of New York with full powers to act as a decentralized district. The districts selected were Public School 201, near the Harlem area of Manhattan; Two Bridges in lower Manhattan, not far from the Chinatown area; and the Oceanhill-Brownsville District in Brooklyn. It should be pointed out that prior to the plan for decentralization, Public School 201 had been fraught with problems. The central Board of Education had constructed the building, an air conditioned modern structure, and had told the public in the district that it would be an integrated school. When the local community was told that the integration would mean fifty per cent Negro and fifty per cent Puerto Rican, they refused to allow their children to attend school in the new building and it was boycotted for many months prior to the plan for decentralization. Two Bridges was in an area where the delinquency rate was high, and the Oceanhill-Brownsville District had also been fraught with racial problems prior to being selected as one of the areas for decentralization.

Each one of the three districts selected established a local governing board elected by the people. These were, for the most part, lay people, with few educators on the boards. The unit administrator

was appointed by the local board subject to the approval of the central Board of Education of New York.

Even though decentralization had a history as far back as 1961, the central School Board of New York had never written clear cut guidelines that would limit the powers of the local board of education. Each local board asked for such clarification. In the midst of preparing the guidelines which were finally made available in December of 1968, the Oceanhill-Brownsville District local board decided to test its power. It found there were nine teachers in the school system who should not be a part of the school district's decentralization plan. These particular teachers were vocally opposed to decentralization, and it was the unit administrator's and the local board's judgment that they could not help the system, but instead would hinder it as it moved forward to decentralize. The central board was requested to effect transfers for these nine teachers. Receiving no directive from the central office, the local board dismissed the teachers. The United Federation of Teachers moved in at this point and called for a city-wide strike of all school teachers in New York.

The New York Board of Education had been dealing with local boards for several years, but they had stressed community involvement, not community control. In changing to control, the board worked through its attorneys and felt that it needed legislative action. Board members claimed, and rightfully so, that under the New York

statutes they had no power to give away their authority to other local groups for decision-making.

Mr. Norman L. Bronbacker, special assistant to the superintendent of schools in charge of the decentralized programs, says that even today purchasing and finance are very much centralized in the New York system. "Personnel is subject to the central board; however, it is very infrequent", he says, "that anyone is turned down." A recent case was cited where a principal was not qualified but was approved merely because the local board and unit administrator requested that he be named the principal.

Due to the number of personnel problems, both with teachers and local citizens, together with the attitude of the teachers' union during decentralization, it is difficult to draw conclusions as to the final outcome of decentralization in the nation's largest city. Mr. William Grenne, an assistant unit administrator for the Oceanhill-Brownsville District, said in an interview that in his estimation, they're merely talking decentralization, but holding onto the purse string so the central board has the ultimate power. Mrs. Washington, in a similar position at the Two Bridges School, is in agreement. She claims that the local district must control its own finances. In response to the question whether decentralization is working in the Two Bridges area, Mrs. Washington says, "Yes, it is limited at this point, awaiting further legal action."

Mr. Rhody McCoy, the unit administrator for Oceanhill-Brownsville,

claims that any legislation that is considered currently in Albany is merely fooling the people.

It was the general consensus in all three districts, from an administrator's point of view, that the teachers would rather be responsible to local boards even though they realize at present that they are under much heavier scrutiny and must perform better.

It is really not fair to draw conclusions from three experimental districts in a city the size of New York. The very fact that these districts are operating in a glass cage will cause them to operate much differently than they will in future years if they are allowed to move in on their own.

For the most part, the decentralized schools in the City of New York are operating under federal funds. During the last school year, Oceanhill-Brownsville received \$674,620 from the federal government; Public School 201 complex \$696,724; and Two Bridges \$285,318. There are additional federal funds available through Titles II and III of the ESEA. During the same period of time (approximately one year) that the above funds were made available, the Ford Foundation also gave \$181,000, plus an additional \$18,000, for a summer project in industrial arts in Oceanhill. The question as to the anticipated life of the demonstration district is academic since the New York State legislature decentralization bill passed on April 30, 1969. This bill specifically states that the three districts now decentralized in New York will be absorbed into the newly-created districts on

February 16, 1970.

The New York legislature, in passing the bill that is currently law in the State of New York, has recognized the problems originally outlined by the New York Board of Education. The new legislation defines the authority of the central Board of Education. It gives it the power to delegate to local boards practically complete authority in the operation of a school system. The new local boards will operate with a superintendent appointed by the local boards. These superintendents, after a given period of time, will be empowered to appoint the general superintendent of the New York Public Schools.

It is next to impossible to evaluate the program of decentralization in New York during the years 1968 and 1969. It is clear, however, that the power structure controlling the schools, the city and the legislature, are all in sympathy with the decentralization of the New York Public Schools. As one unit administrator put it, "I have been in the New York system for twenty-seven years, and it is impossible to operate a system of this size from a central office or, for that matter, from five borough locations."

It is the feeling of some educators in New York City that the central office should be little more than an office to evaluate, provide budget direction, test and screen. Once these activities are taken care of, all other controls should be at the local level.

Before concluding the section discussing the decentralization in the three school districts, it is significant to note Table 12.

In this table, the Chicago Public Schools are the only school system to date that are carrying the burden locally of supporting greater than fifty per cent of the decentralized program from local funds.

TABLE 12

	75-100% of budget of decentralized program under federal titles	50% or less under federal titles
Chicago Public Schools		10% federal 90% local
Detroit Public Schools	80%	
Milwaukee Public Schools	75-80%	
New York Public Schools	90%	

Conclusions

In studying the school districts of Chicago and Detroit, Milwaukee and New York, there is no doubt but that these school systems are trying to implement long range educational plans which can make some major contribution toward improving the quality of life in their particular setting. It is their hope that this will reduce the critical backlog of overcrowding and obsolescence. Each school district, it appears, is attempting to provide a long range plan to guide the school system in its future decision-making. In each case, they are underscoring community involvement as imperative for success.

Each school system is clearly documenting the tremendous backlog of human, physical, and fiscal needs existing in their city, and they conclude that such is true in every large urban school district throughout our nation.

It is certainly true that no public school system can solve by itself the major educational socio-economic human problems facing the cities today.

Massive commitments by business and industry, by local citizens, together with federal and state money are needed; a metropolitan or regional system of education is certainly needed; major decentralization of certain decision-making powers is needed; a total "system" approach to coordinating all of the variables impacting the urban schools is needed. Most of all the people of the city need to thoroughly understand the critical nature of urban problems and to commit them to solution.

Human despair, deprivation, and decay cannot be tolerated within American society. Alienation and polarization between city and suburbs, black and white, high income or low income, represent a self-defeating strategy within our democracy.

While school systems generally appear to be on less firm footing than is industry, they are following a path dictated by industry over the last two decades. As we discarded the one-room red brick schoolhouse, we are now aware that we discarded not only its shortcomings, but its virtues. Our giant move to centralize all

education and bring it under one roof, and hence to make it pay its own way, appears to have been a bit short sighted. To return to the one-room school is unthinkable. To re-examine some of its virtues is sound.

The final chapter will summarize the findings of both industry and school districts in the area of decentralization, draw conclusions from them, and make recommendations.



CHAPTER VI

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

To summarize this study is to understand that the clear-cut measuring stick that can be applied to many studies is not an efficient tool to compare decentralization in business, industry, and education.

X Employees and employers agree that the closer the administration and management are to the employee, the more nearly they can understand each other. Central control in a business or school district representing the size unit studied simply cannot work effectively without granting a degree of decentralization. Thus the first question could be answered, yes; communications are improved. The reader must bear in mind that decentralization is defined in this study under a somewhat variable base; Milwaukee schools with their centralized-decentralization of area services, each reporting back frequently to a central office, is much different from the New York City Schools where the central Board of Education has literally given away portions of its school system. There controls are by local boards and local administrators.

The Union Carbide vice-presidents, who are given unlimited latitude in decentralizing under numerous division presidents, are



contrasted with the select 300 of the Ford Motor Company, who are trained and hand picked by Henry Ford II.

In each instance, though, communications are improved, according to both employers and employees, as one gives local autonomy, no matter how it is done.

The second question: Is the time involved in operating a centralized school system cumbersome and unwieldy? is also substantiated in the study. In answering this question in the positive, the burden of proof is more with business and industry than with school districts. In each instance, Ford, Sears, Roebuck and Company, and Union Carbide Corporation, officials readily admit that there was no second choice. Decentralization was necessary for company survival. Officials of these companies would go a step further to say that any company the size of Ford, Sears, Roebuck, and Union Carbide that claims to be operating a centralized business either does not understand its own organizational pattern, or the company is in danger of failing.

The school system that would support this point of view would be the Chicago district. Here education had the trial period in the 30's and the 40's of attempting a centralized program, and they admit that curriculum, program, physical plant, and budget all suffered, practically to the point of chaos. While the Detroit and Milwaukee schools support this point of view, they have no positive proof to date that a decentralized program can cure the ill. ↵

Bureaucracy and confusion are spoken of as if the words were



synonymous. Industry, business, and school personnel all agree that a bureaucratic system is not an efficient system. If one must cut red tape for results, then time is being used unnecessarily and probably unproductively. The employee is more sensitive to this than is the employer, possibly because the employee understands but a part of the total process. That which some employees define as red tape, employers may define as sound business procedure.

Of the seventy employees interviewed, each spoke of the "red tape" phase of business. They wanted answers quickly, and no one seemed to be happy with a business so large that he could not reach the "boss". Employees showed impatience with anything representing the "brush-off".

As the employees interviewed became conversant with the definition of decentralization, they were in agreement that there is a direct relationship between centralization and the level of confusion and misunderstanding. Teachers in the New York schools pointed out that they could not be certain at this point whether the improved communications and lack of confusion were a result of decentralization or merely because they were part of an experimental program.

This would substantiate the findings of the General Electric Company in the 30's when they concluded that no evaluation of a program should be made while the experiment is in progress.

Question number three concerns itself primarily with motivation:

Is there an endless chain of command to reach either the bottom or the top resulting in the stifling of enthusiasm and productivity? Examples



of this are on every front. The teacher is enthusiastic if she knows her work will be noticed by the student, the parent, the administration, and perhaps by members of the board of education. Industry has operated an incentive system for years. Recognition by the one in charge is always a boon to the employee, especially when this recognition points out the positive, the good, and the productive.


New York teachers in Public School 201, Oceanhill-Brownsville, and Two Bridges, claimed in the interviews that they are happy now to work harder, put in longer hours, take additional university work, and evaluate themselves much more carefully than before, simply because they are now a part of the team. They know the unit administrator personally and are certain that he has a direct interest in them. In several instances, they now know members of the local board of education. Union Carbide employees almost feel "ownership" in the company. Sears, Roebuck officials have done an excellent job in convincing their employees that the local team determined direct profit, not for some gigantic enterprise in Chicago, but to a local store, its manager and employees in Toledo, Ohio. The harder they work, the more profit they reap.

Business and industry are in agreement that decentralization does not necessarily lead to greater productivity and it is never a less-costly operation. Business and industry are decentralized at the point that they can no longer be controlled centrally.¹¹ If industry is convinced that it is not so large as to lose central control, it should



proceed cautiously toward decentralization.

"Working conditions are improved as management becomes aware of needed change." A decentralized school or business will normally have improved working conditions over a central program, particularly is this true if the degree of decentralization extends itself to some autonomy in the area of finance.

" As to the improved climate for learning in the schools, the decentralized school system, according to the teachers, has a more  highly-motivated teacher. If it is true that the degree of motivation of the teacher is directly related to learning progress of the student, then the student could learn more under a decentralized school system. It would probably be more accurate to conclude that the more highly motivated the teacher, the greater number of available experiences for the student, which in turn would improve students' learning. Also, it is usually concluded that the highly-motivated teacher will reach out to bring a greater number of students under her influence.

Conclusion

Upon completion of a study of decentralization of a specific number of large corporations and schools, there is no doubt that business and industry have moved far ahead of education in determining their needs. A part of the reason for stagnation of school districts in this respect is probably inherent in their organization. The United States Constitution, in giving to the states the right and responsibility to



control education, implied that education should be more of a local responsibility than of one for the federal government. States, in turn, gave this responsibility to local districts with practically unlimited power. Boards of education, whether in Pottersville, Michigan, or Buffalo, New York, have practically the same power. Each board has guarded this power zealously and legislative bodies have not been quick to take away power once it is given. Thus the thirty-five teacher school system with its counselors, principals, superintendents and board of education has had no reason to decentralize. It is a grassroot operation. The same structure of school system, with one-half million students in attendance, however, finds some good reason to decentralize, but the same regulations control its board.

Industry has found itself with no such delimiting legislation to follow. Business and industry, like schools, for the most part, began small. The Henry Ford Company started in a back yard machine shop. Mr. Ford, Sr., as late as 1920, was going from door to door among Detroit businessmen asking for handouts (as little as a dollar per employee was acceptable). This helped him to build a business. The Ford Company empire that resulted had no restrictions as it expanded. Other than the federal government legislation prohibiting monopoly, the automobile manufacturers are free today to build their business, control or not control specific divisions, centralize or decentralize their operations in any way that they desire.

It is evident that the Board of Directors of Union Carbide is



actually not as powerful as the Board of Education of Three Oaks, Minnesota. This Minnesota School Board can completely restructure its educational program, fire its twelve teachers, and change its curriculum overnight. The Board of Union Carbide would have no such power over its employees. Much more, if Three Oaks, Minnesota, became a world power industrially, and its school faculty increased from twelve teachers to twelve hundred teachers, its board of education would still have much the same power.

It is necessary to understand the primary difference in controlling boards of business, industry, and education, to understand the reason for education clinging to an archaic, bureaucratic, educational administrative structure long after it has outgrown it. This is true while those in business and industry made some rapid adjustments thirty to forty years ago.

It is also evident that in education the stockholders, better known as the general public, can and are insisting upon some dramatic changes in the manner in which public education operates. As much as the public may be criticized for not adequately supporting public schools, the Cities of Detroit, Chicago, Milwaukee, and New York, insisted that their schools be administratively structured in such a way that the citizen has a more direct involvement with his school system. This, despite the rise in cost as the schools become decentralized.

It must also be concluded that to tie decentralization in only with increased productivity or a better climate for learning is a



* mistake. Productivity does not necessarily increase as decentralization takes place, and control groups have not been set up in the learning laboratories to determine whether a youngster learns more in a decentralized setting than in one that is centralized.

† The focal point of this study might lie in man's ability to understand man. Primary groups work more effectively than secondary groups. To go from a to b and even from c to d is not too difficult, but to cover from a to z takes a much more comprehensive administrative structure. It is a fine line that tells us when we cannot effectively administer centrally. As soon as this point is reached, decentralization should be considered.

Recommendations

America is a new nation, and even today in the cultures of the world, finds itself in its infancy. It would be helpful in building this new world that a careful study be made of the cultures of the past, select their strengths, and discard some of their weaknesses.

Education, business, and industry are not three separate entities, but one. Each is made of the same citizens playing a slightly different role. Educators must learn from those in business. The educator must study and re-study, evaluate, and change to make the business of education as productive as possible. Decentralization is but one way of running the store. If the words central control become synonymous with ineffective, bureaucratic, cumbersome, and the like, then central control is due for restudy and probably for change.

A final word to recommend for the future:

1. The educator should determine the most effective means to meet the need of a youngster while holding in balance an organization whose employers and employees, together with the public they represent, hold mutual respect for one another.
2. Business and industry should continue to use their practically unlimited resources to give leadership not only to the business and industry but also to the society it represents. Many of the decisions made by business and industry will be applicable to the surrounding society. Government, municipalities, and particularly schools, should be encouraged to work with business and industry to determine the direction for the future.



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APPENDIX



EXHIBIT 1

QUESTIONS ASKED OF 70 EMPLOYEES

1. How long have you worked (or taught) in _____?
(Name of school or industry)

Note: Interviews not included if length of employment was less than five years.

2. Are you familiar with the word "decentralized" as it is applied to _____?
(Name of school or industry)

Note: If answer to Question 2 is Yes, proceed to Question 3.

3. What do you understand this to mean?

Note: If answer to Question 2 was No, a brief explanation was given as follows: "The management of your company (or school board) has adopted a policy that allows your particular branch of the company to operate at least partially as an autonomous division; i.e., quite apart from the main company. You make many of your business decisions without asking the permission of Mr. Henry Ford or the Central Office of Sears Roebuck in Chicago. As a teacher in the Chicago Schools, you do not need to contact the LaSalle Street Office of the Board of Education."

Note: The above explanation evoked one of two responses. The first and most prevalent was (a) "That's right. I'd just never heard it referred to as decentralization", or (b) "I guess I don't know what you're asking me."

For those who responded with (a), the questions continued. Others were not included in the 70 employees interviewed.



4. Under the program of Decentralization of your company (or school) how would you rate the business relationship of the employee and the employer? (Rate one through five, with one the highest rating.)

Note: This is not necessarily the individual employee-employer relationship, but how such relationship is observed generally.

5. Under the program of Decentralization of your company (or school) how would you rate the personal relationship of the employee and the employer? (Rate one through five.)

Note: Same as Number 4 above.

6. How aware are you personally that you are employed in a business (or school) where the policy is for a decentralized form of operation? (Rate one through five.)
7. Can you find answers to your questions easily? i.e., do you have confidence your immediate superior can give you an answer without a long wait to go through top management - a process that might take weeks or even months?



EXHIBIT 2

SAMPLE QUESTIONS ASKED OF ADMINISTRATIVE PERSONNEL, CHICAGO PUBLIC SCHOOLS. MODIFICATIONS OF THESE IDENTICAL QUESTIONS WERE ASKED OF SCHOOL ADMINISTRATORS IN DETROIT, MILWAUKEE, AND NEW YORK CITY.

TYPES OF QUESTIONS FOR CHICAGO ADMINISTRATOR

1. How many district superintendents? (There were 18 in 1959.)
2. Is the system still decentralized, allowing the 18 district superintendents to operate an autonomous program?
3. Is it decentralized beyond this point? In other words, have any specific areas within the 18 or more districts been decentralized similar to the Oceanhill-Brownsville, Two Bridges, or P.S. 201 districts? How has this been done? Is it through federal funds?
4. Does the Chicago School System still maintain that Personnel and Finance, as well as Budget Control and Purchasing, should remain central?
5. Has there been any pressure by minority groups to operate a portion of the city under an elected board?
6. In 1959, a budget director was named for the Chicago Schools. How much local autonomy is there today in the budgeting of money for a specific district?
7. Are there any advisory boards to the board of education?
8. What is the total school budget? (Perhaps a financial statement could be procured.)
9. Is there any specific part of the city operating a decentralized program where a visit could be made?

If such a visit were arranged, the following questions could be asked:

- a. Do you really feel decentralized?
- b. Does the system that the central office claims it operates and the system that you actually operate coincide?
- c. Do you believe in decentralization?
- d. How much do you actually have to say about budget control?



EXHIBIT 3

SAMPLE LETTER WRITTEN TO KENNETH RUSH, PRESIDENT OF UNION CARBIDE CORPORATION, ESTABLISHING REQUEST FOR INTERVIEW.

THIS LETTER ALSO SENT TO HENRY FORD II, FORD MOTOR COMPANY;
A. M. WOOD, SEARS, ROEBUCK AND COMPANY; AND THE SCHOOL SUPERINTENDENTS
OF DETROIT, CHICAGO, MILWAUKEE, AND NEW YORK CITY.

Dear _____:

I almost feel apologetic in writing you as I am certain that industrialists are fully as busy as educators. Having been a superintendent of schools for the past twenty years, I have a fairly good idea as to just how busy that is.

We are taking a direction in education, however, that causes me to feel certain I should be talking to someone in industry, and specifically in _____, as your company appears to me to be a leader in the area of my concern.

From what I understand, the _____ Company has decentralized your operation, and your management apparently feels it is a sound direction in which to move. We are now finding pressure on us in education to move in this same direction. The Chicago Schools have decentralized with more than average success. New York City has tried it in a somewhat different manner, and has met with some stumbling blocks.

I should appreciate it if you could direct me to the person in your company who would fully understand your policy in relation to a decentralized operation. I could be in _____ at _____ and hopefully could get your point of view by discussing this matter with you.

Sincerely,



July. 1968



EXHIBIT
5-A

ORGANIZATIONAL CHART,
CHICAGO PUBLIC SCHOOLS

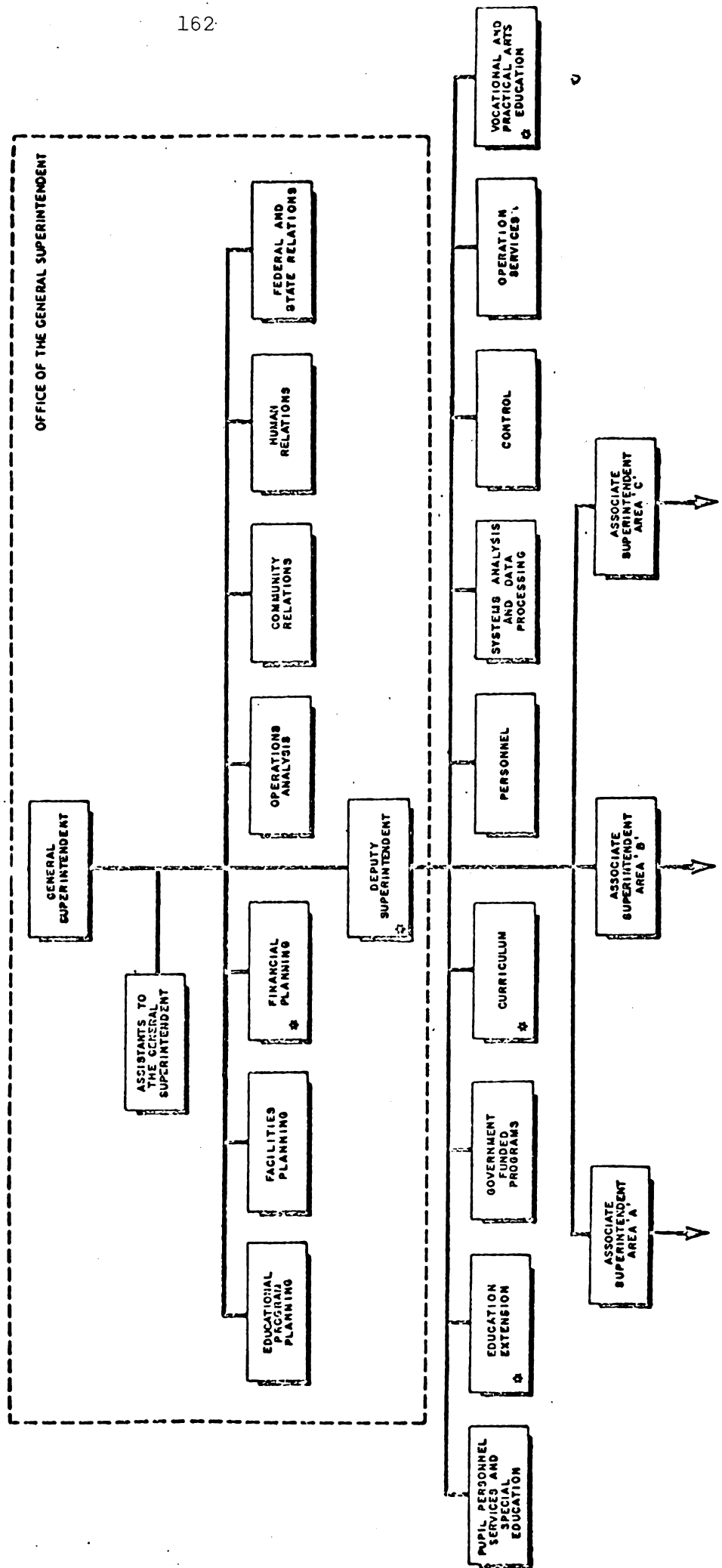


EXHIBIT
5-B

ORGANIZATIONAL CHART,
CHICAGO PUBLIC SCHOOLS

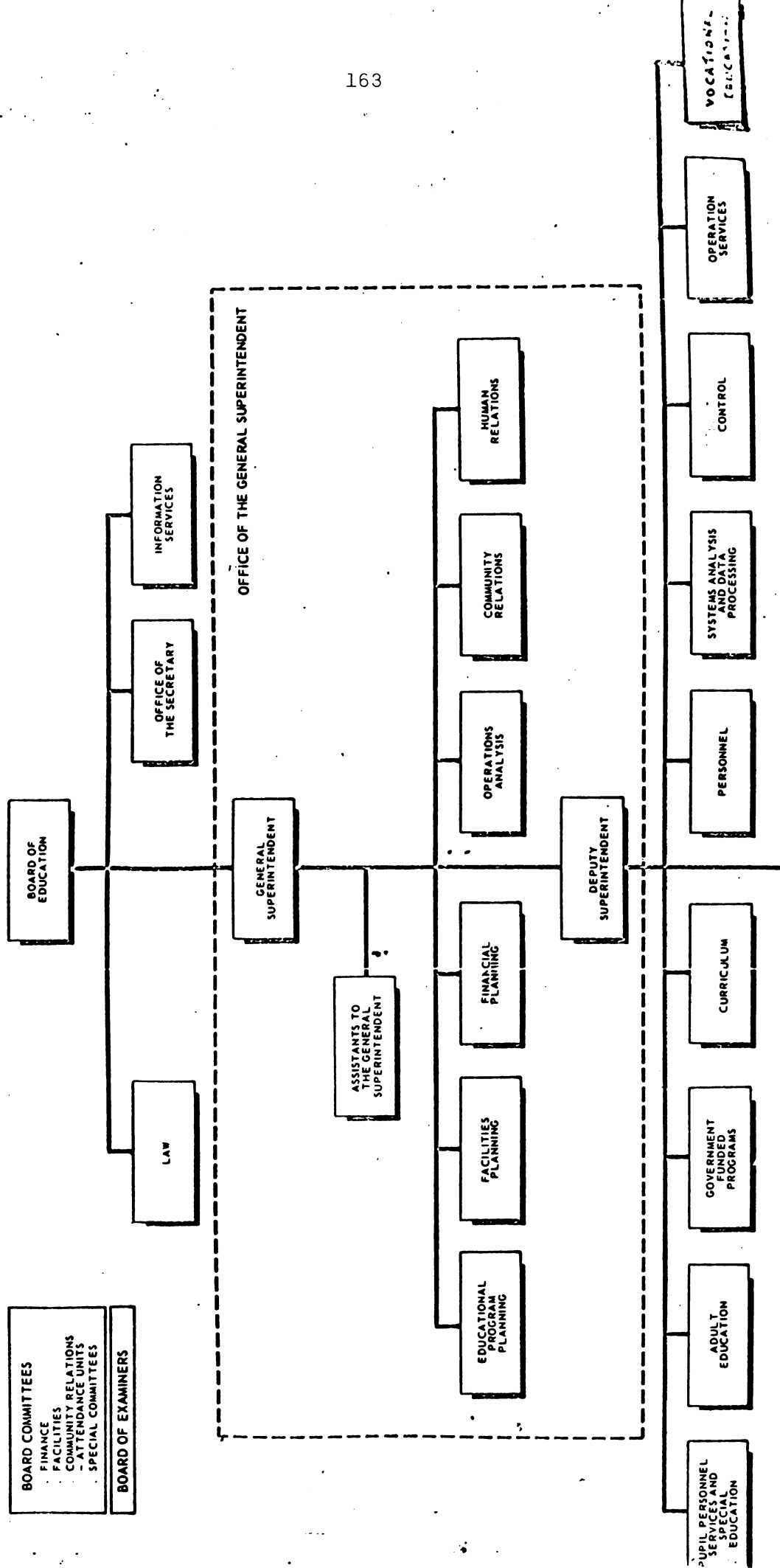
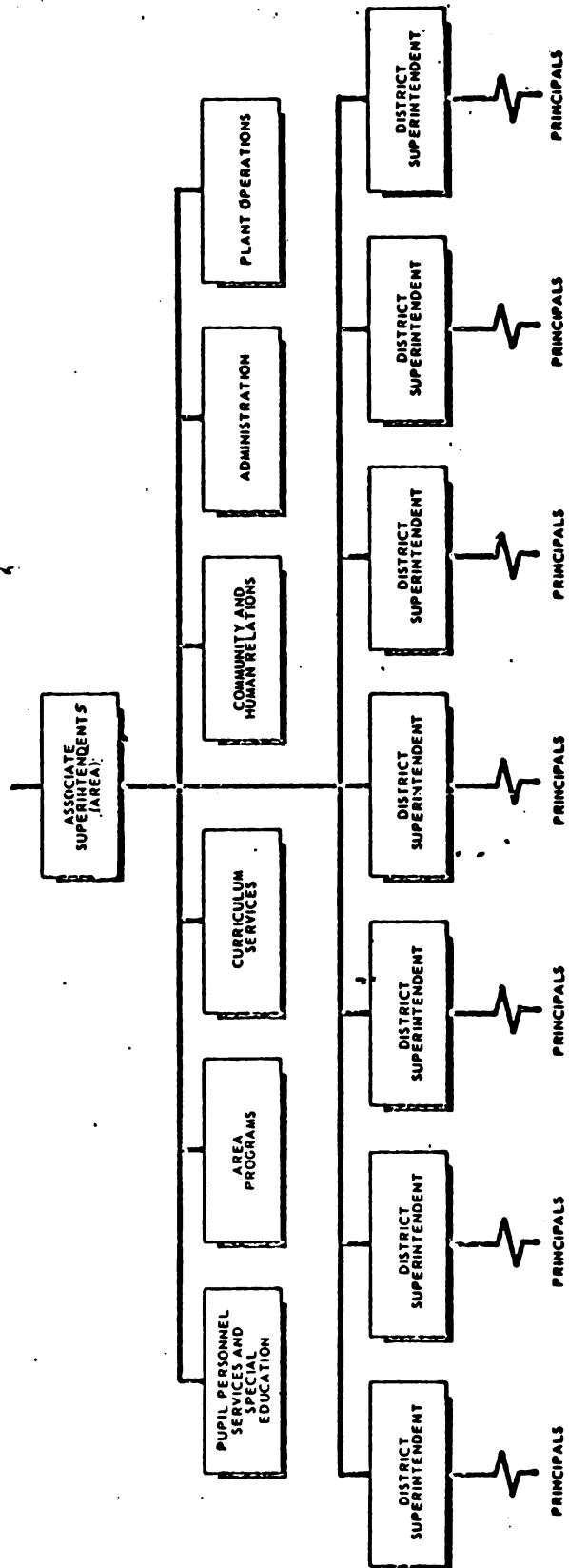
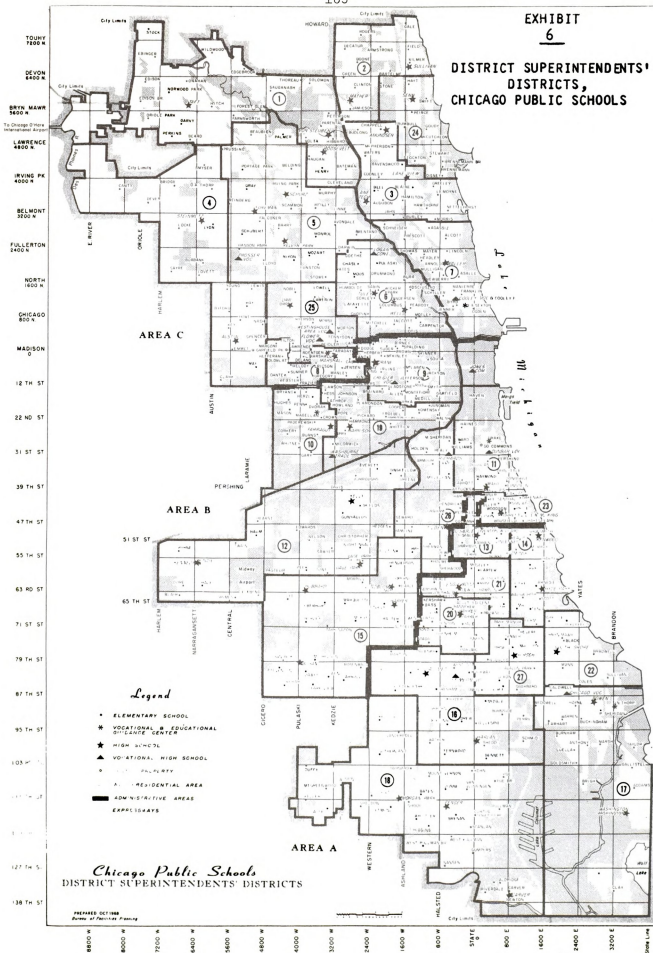


EXHIBIT
5-C
ORGANIZATIONAL CHART,
CHICAGO PUBLIC SCHOOLS



DISTRICT SUPERINTENDENTS'
DISTRICTS,
CHICAGO PUBLIC SCHOOLS

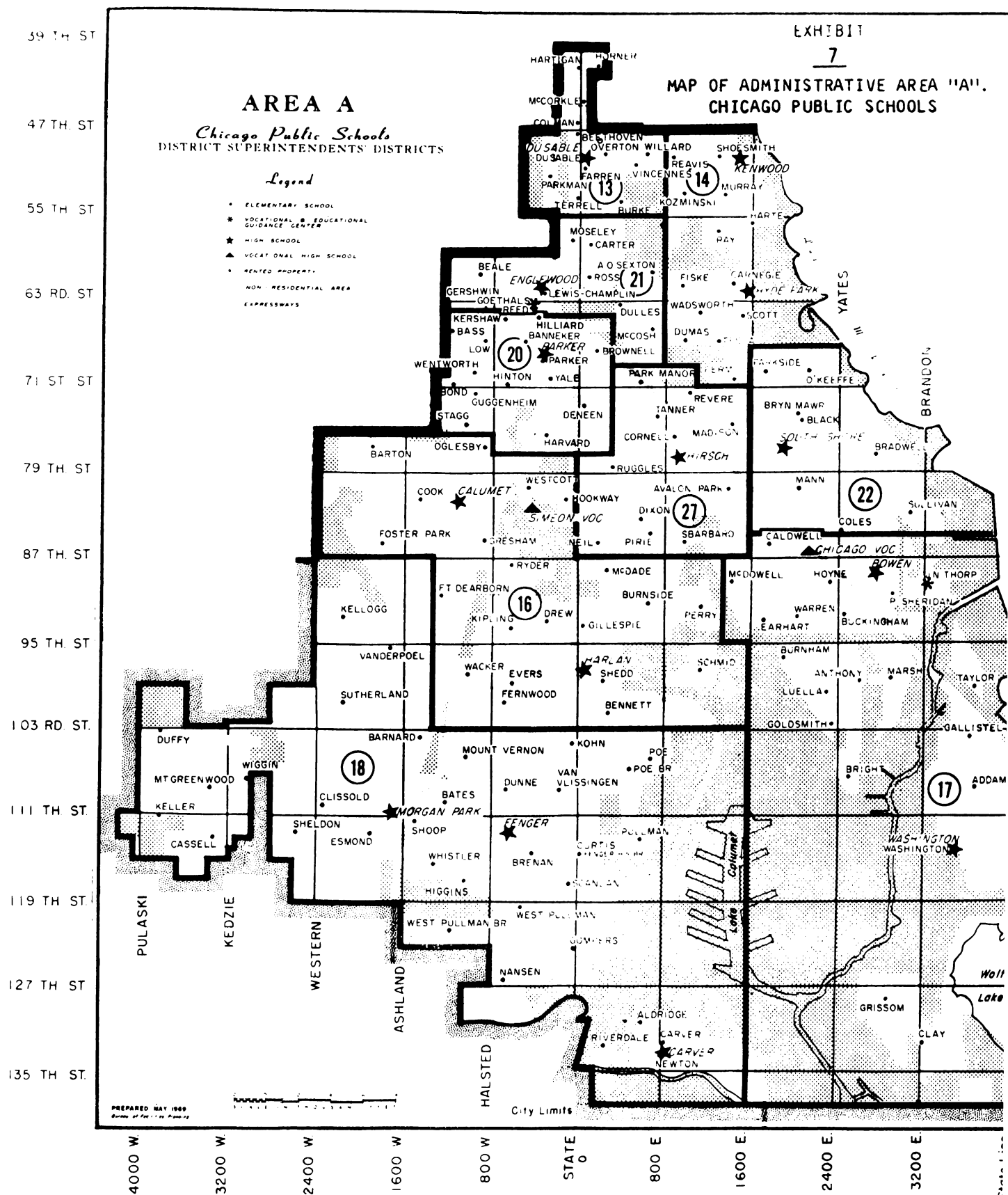




EXHIBIT 8

MAP OF ADMINISTRATIVE AREA "B".
CHICAGO PUBLIC SCHOOLS
AREA B

Chicago Public Schools

DISTRICT SUPERINTENDENTS' DISTRICTS

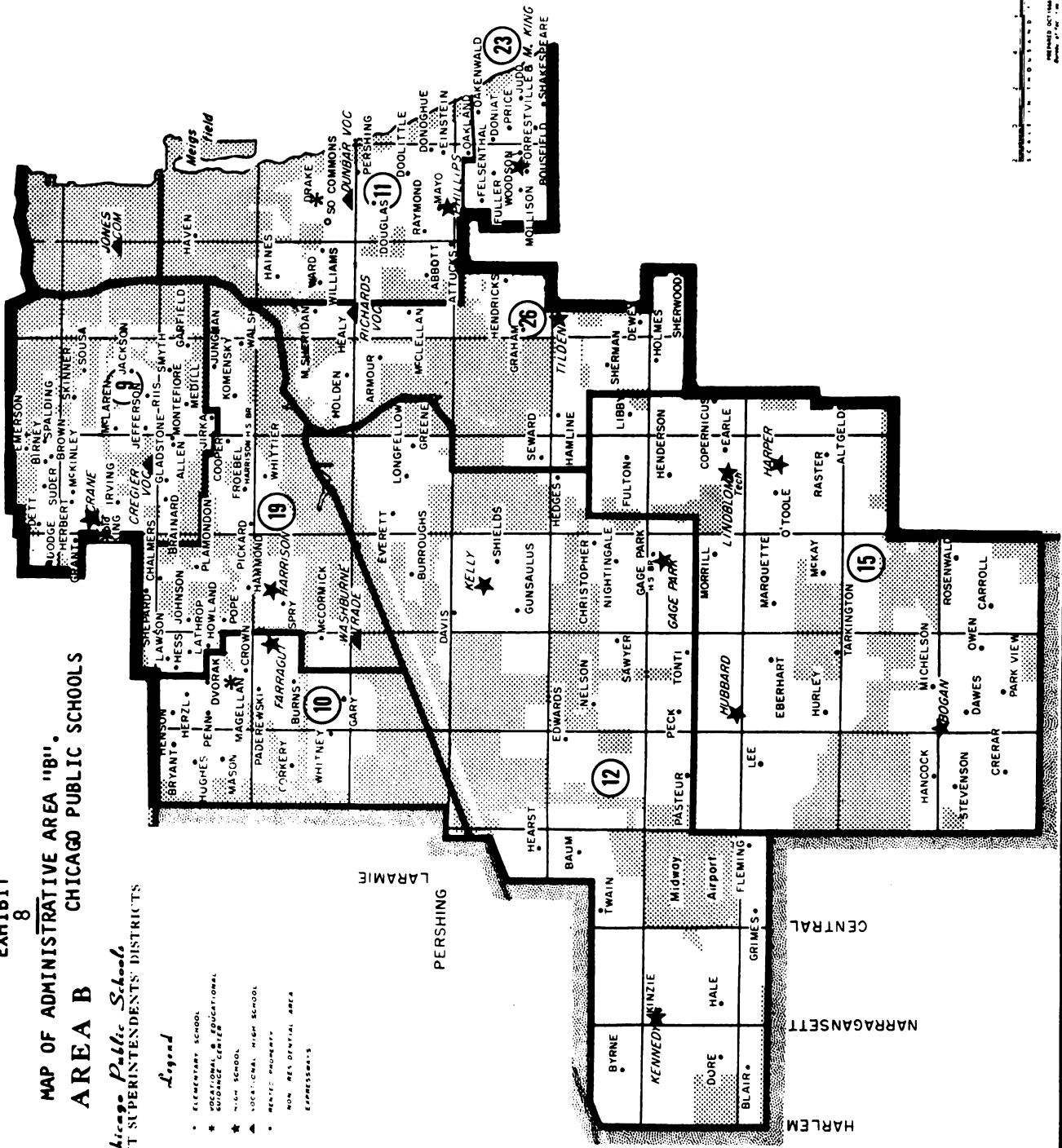
Legend

- ELEMENTARY SCHOOL
- ★ VOCATIONAL & EDUCATIONAL RESOURCE CENTER
- ▲ HIGH SCHOOL
- ▲ VOCATIONAL HIGH SCHOOL
- RENTED PROPERTY
- NON-RESIDENTIAL AREA
- EXPRESSWAYS

LARAMIE
PERSHING

HARLEM
NARRAGANSETT
CENTRAL

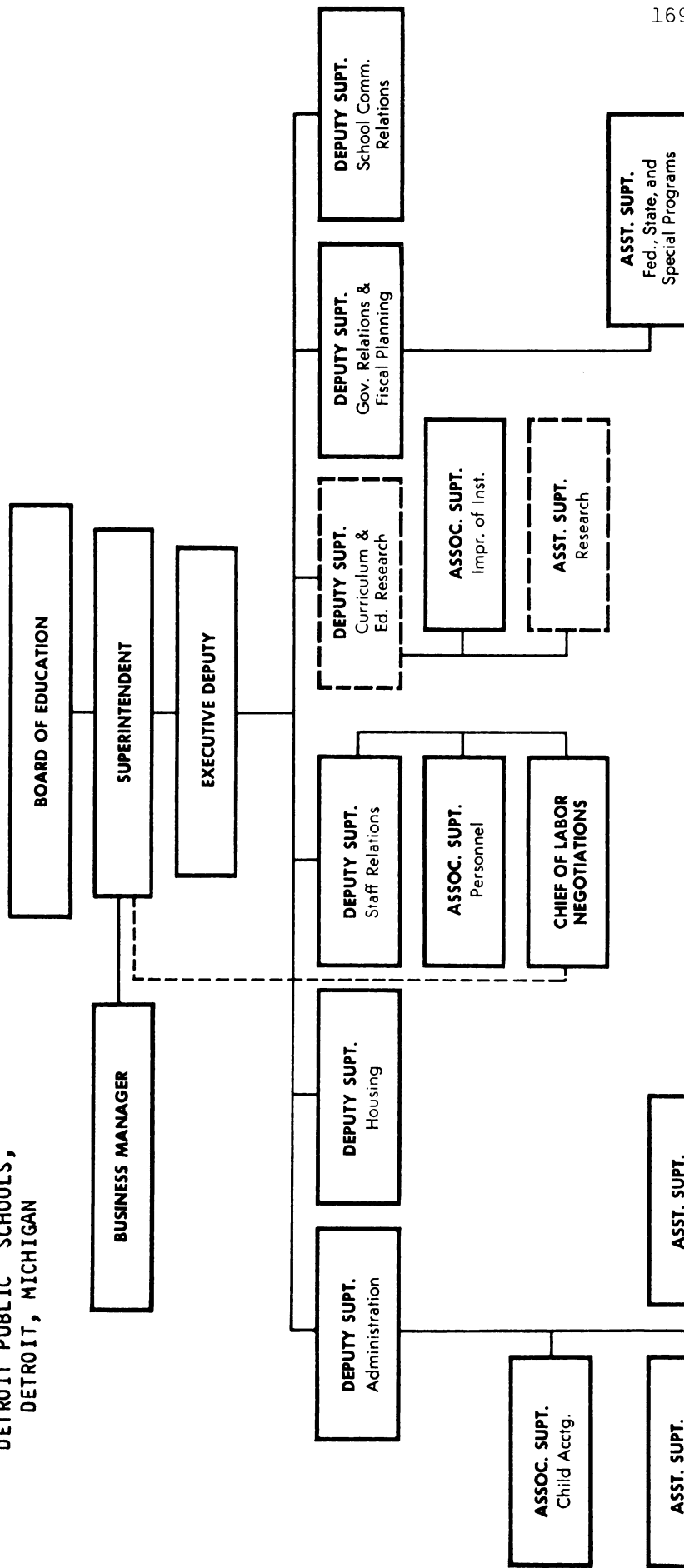
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5600 W
4800 W
4000 W
3200 W
2400 W
1600 W
800 W
STATE
800 E
1600 E



EXHIBIT

10.

ORGANIZATION CHART
DETROIT PUBLIC SCHOOLS,
DETROIT, MICHIGAN



ADMINISTRATIVE STRUCTURE
OF THE
DETROIT PUBLIC SCHOOLS

June 1968

(central department structure omitted)

11

COPY OF ORIGINAL LETTER SETTING INTERVIEW WITH D. B. EMMERT, DIRECTOR OF ORGANIZATION AND MANAGEMENT PERSONNEL, FORD MOTOR COMPANY.

Ford Motor Company,

D. B. EMMERT
DIRECTOR, ORGANIZATION AND
MANAGEMENT PERSONNEL PLANNING OFFICE
PERSONNEL AND ORGANIZATION STAFF

THE AMERICAN ROAD
DEARBORN, MICHIGAN

March 4, 1969

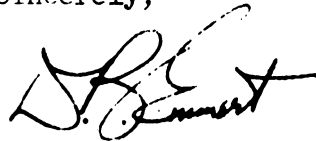
Mr. W. L. Austin
Superintendent
Muskegon Public Schools
Muskegon, Michigan 49440

Dear Mr. Austin:

Your letter of February 25, 1969 to Mr. S. E. Knudsen has been referred to me.

I would be glad to discuss with you the Ford Motor Company's policies on decentralization on either of the dates you indicate. I would suggest that we meet either at 9 o'clock or 2 o'clock on whichever day you prefer.

Sincerely,



EXHIBIT

12ORIGINAL LETTER SETTING INTERVIEW WITH R. E. BARMEIER, DIRECTOR OF
Executive Offices PERSONNEL PLANNING AND RESEARCHSEARS, ROEBUCK AND CO. *Chicago, Illinois 60607*
December 10, 1968

Mr. W. L. Austin
Superintendent
Board of Education
3276 Boltwood Drive
Muskegon, Michigan 49441

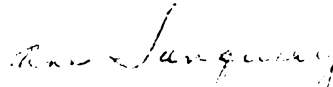
Dear Mr. Austin:

This is in response to your recent letter to Mr. A. M. Wood concerning Sears organization structure. Mr. Wood has referred your request to Mr. R. E. Barmeier, Director of Personnel Planning and Research.

I feel certain Mr. Barmeier would be glad to spend some time with you to discuss our decentralized form of organization. He is currently, however, out of the office and will not return until December 17th. Your letter will of course be referred to him upon his return to the office. I am sure he will be in contact with you as soon as possible thereafter to set up an appointment convenient to both of you.

I trust this handling will be acceptable to you. If it is not, however, please let us know and we will attempt to make other arrangements.

Very truly yours,



(Mrs.) Jane Langworthy
Staff Assistant
Personnel Planning & Research

5:10

13

COPY OF ORIGINAL LETTER SETTING INTERVIEW WITH R. E. BARMEIER, DIRECTOR OF PERSONNEL PLANNING AND RESEARCH, SEARS, ROEBUCK AND COMPANY.

Executive Offices

SEARS, ROEBUCK AND CO. *Chicago, Illinois 60607*

December 16, 1968

Mr. W. L. Austin
Superintendent
Board of Education
3276 Boltwood Drive
Muskegon, Michigan 49441

Dear Mr. Austin:

I have just returned to the office following a vacation trip and have had an opportunity to read your letter of December 14th to Mr. A. M. Wood regarding a visit to Sears to discuss our policy of decentralized operation.

I will be in the office December 30th and 31st and will be pleased to see you either day. Perhaps you can let me know which day would fit best into your schedule.

For your information, my office is located in Room 500 of our Main Administration Building at 925 So. Woman Avenue, Chicago, Ill.

In case you decide to phone me, my number is Area Code 312-265-2790.

Sincerely,



R. E. Barmeier
Director of
Personnel Planning & Research

RE: 100

14

ORIGINAL LETTER SETTING INTERVIEW WITH JOHN SHANKLIN, VICE-PRESIDENT AND
SECRETARY OF UNION CARBIDE CORPORATION.

UNION CARBIDE CORPORATION

270 PARK AVENUE

NEW YORK, N. Y. 10017

JOHN F. SHANKLIN

VICE PRESIDENT AND SECRETARY

April 17, 1969

Dr. W. L. Austin, Superintendent
Muskegon Public Schools
3276 Boltwood Drive
Muskegon, Michigan 49441

Dear Dr. Austin:

Mr. Rush, President of Union Carbide, has referred your letter of April 14, to Mr. Shanklin. He is out of the city at the present time, but I have established that he will be able to see you on Friday, April 25, at 10:00 a.m., if this time would be convenient for you. Mr. Shanklin is located on the 49th Floor at 270 Park Avenue. His telephone number here is Area Code 212, 551-6412.

He will expect you at the above time. However, I believe he would appreciate it if you would drop him a note confirming whether you will be here at that time.

Very truly yours,

Secretary to Mr. Shanklin

dr

EXHIBIT 15

LETTER OF APPRECIATION TO D. B. EMMERT, DIRECTOR ORGANIZATION AND
MANAGEMENT PERSONNEL, FORD MOTOR COMPANY.

April 29, 1969

Mr. D. B. Emmert, Director
Organization and Management Personnel
Ford Motor Company
The American Road
Dearborn, Michigan

Dear Mr. Emmert:

Just a note to thank you so much for the generous amount of time
that you were able to give me this past week while I was in Detroit.

Your knowledge of your company's operation was most helpful, and it
seemed to set the stage for my week's activities as I studied
industry. Many of the comments that you made were supported by both
Mr. Rush, president, and Mr. Shanklin, vice-president, of Union
Carbide Company.

I have had high regard for the Ford Motor Company through the years,
and the kindness shown to me by a man such as yourself--and other
officers of the company--in arranging for the interview, has tended
to strengthen my feelings.

Thanks, again.

Sincerely,

W. L. Austin
Superintendent

WLA da

cc: Mr. Henry Ford, II
Mr. S. E. Knudsen

EXHIBIT 16

LETTER OF APPRECIATION TO R. E. BARMEIER, DIRECTOR PERSONNEL PLANNING
AND RESEARCH, SEARS, ROEBUCK AND COMPANY.

January 8, 1969

Mr. R. E. Barmeier, Director
Personnel Planning and Research
Sears Roebuck and Company
Main Administration Building, Room 500
925 S. Homan Avenue
Chicago, Illinois

Dear Mr. Barmeier:

Just a note to thank you so much for the time you generously
gave me on December 30. I certainly learned in good detail about
the organization in discussing the Sears Roebuck program with you.

I am particularly impressed, as I discuss the business operation
of a company such as yours, with the insight that you have into
not only your own business operation, but also business in general.
Of course, it was most helpful to me to know that you had also
been on a board of education.

I will try to keep you briefed if we find more information in the
direction of decentralization. I hope this may open some doors
for public schools.

Thanks, again.

Sincerely,

W. L. Austin
Superintendent

WLA da



EXHIBIT 17

LETTER OF APPRECIATION TO JOHN F. SHANKLIN, VICE-PRESIDENT AND SECRETARY, UNION CARBIDE CORPORATION.

April 29, 1969

Mr. John F. Shanklin
Vice-President and Secretary
Union Carbide Corporation
Union Carbide Building
270 Park Avenue
New York, New York

Dear Mr. Shanklin:

I can't tell you how much I appreciate the time you spent with me this past Friday in New York. It was most helpful.

Of the several interviews that I held during the week, I look at my time spent with you as the most beneficial. I believe your background as a member of the board of education helped bring the picture more clearly into focus. You understood the direction in which I was moving, and I felt you were speaking the same language.

It was most courteous of you to give so generously of your time.

Sincerely,

W. L. Austin
Superintendent

WLA da

Mr. Kenneth Rush

EXHIBIT 18

LETTER OF APPRECIATION TO KENNETH RUSH, PRESIDENT, UNION CARBIDE CORPORATION, NEW YORK, NEW YORK.

April 29, 1969

Mr. Kenneth Rush, President
Union Carbide Company
Union Carbide Building
270 Park Avenue
New York, New York

Dear Mr. Rush:

Just a word to thank you so much for setting up the interview with Mr. Shanklin this past week.

You certainly are to be congratulated on the fine impression that your company makes through its top executive personnel. Mr. Shanklin not only made me feel much at home, but also spent a leisurely two hours with me in giving me the background of your company and its work in the area of decentralization.

In these busy days, it always makes me feel most appreciative that we have our top industries manned by men such as yourself and those with the knowledge of Mr. Shanklin.

Thanks, so much, for aiding me with the arrangements.

Sincerely,

W. L. Austin
Superintendent

WLA da

Mr. John F. Shanklin



EXHIBIT 19

COPY OF ORIGINAL LETTER AND MEMO TO DR. CHARLES J. WOLFE AND DR. NORMAN DRACHLER, DEPUTY SUPERINTENDENT AND SUPERINTENDENT OF SCHOOLS, RESPECTIVELY, OF DETROIT PUBLIC SCHOOLS, DETROIT, MICHIGAN.

SIMILAR LETTER TO DR. ALVIN G. SKELLY, DEPUTY SUPERINTENDENT, DETROIT PUBLIC SCHOOLS.

April 29, 1969

Dr. Charles J. Wolfe
Executive Deputy Superintendent
Detroit Public Schools
5057 Woodward
Detroit, Michigan

Dear Dr. Wolfe:

Just a note to thank you so much for the time you generously gave to me this past week while I was in Detroit. It was just the type of information I was seeking, and it was most helpful to have it directly from the man who is in the program.

I hope that I may get into Detroit later to visit one or two of the schools in your decentralized program.

It seems to me that your approach to this is far ahead of even the City of New York, where I visited later in the week. You have some fine things going on in Detroit which might well result in the direction of the future for education in cities of your size.

Thanks, again.

Sincerely,

W. L. Austin
Superintendent

WLA da

cc: Dr. Norman Drachler



MEMO FROM W. L. AUSTIN

To Dr. N. Drachler

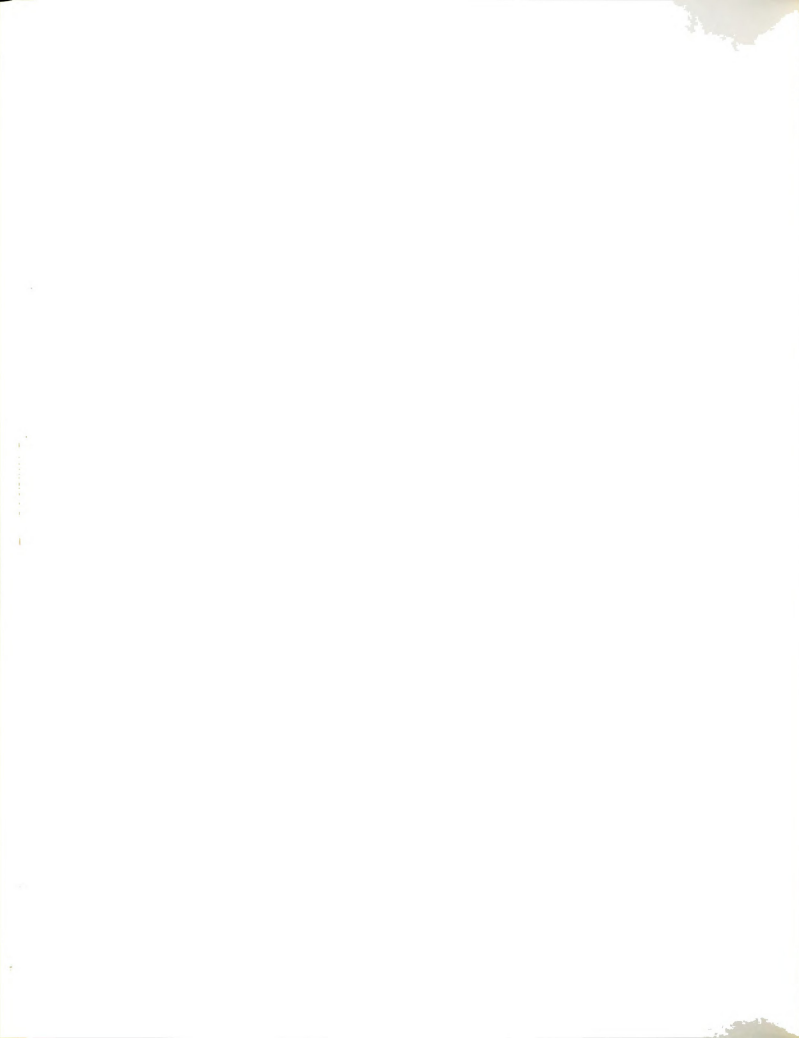
Date 4-29-69

Subject: Interview - Dr. Wolfe

Dear Norman:

Thanks so much for arranging this for me.
It worked out fine. Dr. Wolfe and Dr. Skelly
did an excellent job.

Bill



COPY OF ORIGINAL LETTER ESTABLISHING INTERVIEW DATES WITH DR. RICHARD P. GOUSHA, SUPERINTENDENT OF SCHOOLS, MILWAUKEE, WISCONSIN.

MILWAUKEE PUBLIC SCHOOLS

ADMINISTRATION BUILDING
8225 WEST VLIET STREET
MILWAUKEE, WISCONSIN 53208

April 16, 1969

Dr. W. L. Austin
Superintendent of Schools
Muskegon Public Schools
349 West Webster Avenue
Muskegon, Michigan 49440

Dear Dr. Austin:

I appreciate your compliments.

I would, of course, be happy to have you visit the Milwaukee Public Schools. If you will drop a note to Dr. William M. Lamers, Assistant Superintendent, Division of Relationships, telling him of your prospective time of arrival and departure, he will make arrangements for you to meet some of the key staff people responsible for our cluster operations.

Meanwhile, for your further information, I enclose copies of my recommendations to the Board, providing for rather general reorganization of the central office and the schools. The development of program service areas and clusters were part of a broader change program.

Very truly yours,



RICHARD P. GOUSHA
Superintendent of Schools

EXHIBIT

21

COPY OF ORIGINAL LETTER FROM DR. BERNARD E. DONOVAN, SUPERINTENDENT OF SCHOOLS, NEW YORK PUBLIC SCHOOLS, NEW YORK, NEW YORK.

BOARD OF EDUCATION
OF THE CITY OF NEW YORK
110 LIVINGSTON STREET
BROOKLYN, N.Y. 11201

BERNARD E. DONOVAN
SUPERINTENDENT OF SCHOOLS

April 11, 1969

Mr. W. L. Austin
Superintendent of Muskegon Public Schools
Administration Building
349 W. Webster Avenue
Muskegon, Michigan 49440

Dear Mr. Austin:

In response to your recent letter concerning your visit to New York City, I would very much like to have you received by Mr. Norman Brombacker on my staff who has been handling our decentralization matters for the past two years. He will also arrange for you to talk to some of our staff who have been involved in decentralization. If you know the time of your coming to the Board of Education in April, I would appreciate your writing directly to Mr. Brombacker concerning this. He can be addressed at 110 Livingston Street, Brooklyn, New York 11201.

Very truly yours,

Bernard E. Donovan

Bernard E. Donovan
Superintendent of Schools

BED:al

Mr. Norman Brombacker



EXHIBIT 22

COPY OF LETTER OF THANKS TO THOMAS CHEEKS, SCHOOL COMMUNITY RELATIONS,
MILWAUKEE PUBLIC SCHOOLS, MILWAUKEE, WISCONSIN.

SIMILAR LETTERS TO: WILLIAM POLLARD
SUB-SYSTEM PROGRAM COORDINATOR
MILWAUKEE PUBLIC SCHOOLS
MILWAUKEE, WISCONSIN

VICTOR WERTSCHNIG
GOVERNMENTAL RELATIONS
MILWAUKEE PUBLIC SCHOOLS
MILWAUKEE, WISCONSIN

DR. WILLIAM M. LAMERS
ASSISTANT SUPERINTENDENT
MILWAUKEE PUBLIC SCHOOLS
MILWAUKEE, WISCONSIN



May 29, 1969

Mr. Thomas Cheeks
School-Community Relations
Milwaukee Public Schools
5225 W. Vliet Street
Milwaukee, Wisconsin

Dear Mr. Cheeks:

Just a note to thank you very much for the time given me this past Friday while I was in Milwaukee.

It was very informative, and I feel your system is making real strides. I know it is always using precious time for the visiting firemen to descend upon you, but you were most gracious.

Good luck to you in the future. When you take that trip by Clipper to Muskegon, don't fail to look me up.

Sincerely,

W. L. Austin
Superintendent

WLA da



EXHIBIT 23

COPY OF LETTER SETTING INTERVIEW WITH DR. WILLIAM M. LAMERS,
ASSISTANT SUPERINTENDENT OF SCHOOLS, DIVISION OF RELATIONSHIPS,
MILWAUKEE, WISCONSIN.

May 6, 1969

Dr. William M. Lamers
Assistant Superintendent
Division of Relationships
Milwaukee Public Schools
5225 West Vliet Street
Milwaukee, Wisconsin

Dear Dr. Lamers:

Dr. Gousha has referred me to you for information regarding the organization of the Milwaukee Public Schools. I know how busy school men are today, and certainly appreciate your willingness to meet with me and to refer me to other members of your staff.

I plan to be in Milwaukee on Friday, May 23, and could be available at 10:30 that morning, or early in the afternoon. Please let me know if this date is convenient for you, and which time of day you prefer.

Thanks, again, for your help.

Sincerely,

W. L. Austin
Superintendent

WLA da

Reply envelope enclosed

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