

Preparing for Growth

Human Capital Innovations in Charter Public Schools

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Introduction and summary

Charter schools and successful charter management organizations that run them have grown significantly over the past decade but they must dramatically increase their scale in order to meet the demand for high-quality public school options for America's children. Today, the nearly 5,000 existing charter schools represent 5 percent of the nation's public schools. For charter schools to be a viable alternative to the more than 2.5 million students in the nation's lowestperforming 5 percent of schools, the number of slots in high-performing charter schools needs to grow almost tenfold.

Historically, however, charter schools have opened at a consistent sectorwide rate of approximately 300 schools to 400 schools per year, a pace that simply will not meet the need. The upshot: Better-performing charter management organizations, or CMOs, must grow at much higher rates, which will require significant resources, including talented people, to make this happen.¹

The limited supply of effective leaders and teachers is one of the key barriers standing in the way of more rapid growth for CMOs. Current research on rapid growth among highly successful companies suggests that the reliable supply and strategic use of high-quality talent is critical to any organization's growth.² Researchers find that the number-one school factor affecting a student's learning is the teacher, and effective school leaders also significantly influence student outcomes.³

Additionally, the National Study of CMO Effectiveness found that CMO leaders "overwhelmingly expressed belief that their success hinges on the strength of their people, primarily in schools, but also in the central office."⁴ At the same time, other recent studies indicate that CMOs have an inadequate pipeline of school leaders and face a looming shortage of teachers on the horizon.⁵ Unless CMOs find strategies to overcome this challenge, they will not be able to meet the demand for growth. To learn more about CMOs' human capital initiatives aimed toward overcoming this barrier, we conducted case studies of CMOs that have dealt with issues of growth and addressed human capital constraints. Together, these CMOs—Green Dot Public Schools, IDEA Public Schools, High Tech High, KIPP, Rocketship Education, and YES Prep Public Schools—are taking a range of approaches to address their human capital constraints and therefore may provide valuable lessons for charter operators considering expansion, new CMOs, and next-generation efforts to support growth even among mature CMOs.

The CMOs in our study and detailed in this report employed diverse strategies to ensure they have enough great teachers to staff their schools and allow for growth. These approaches fall into the following broad categories: finding and keeping the best talent, growing in-house talent, and extending the reach of teachers to more children. These CMOs cited finding good leaders as a major challenge to growing the charter sector. They take a variety of approaches to address this challenge and to ensure they have enough principal candidates to support the opening of new schools. These approaches include building an internal pipeline, recruiting teachers with high potential to be future leaders, extending the reach of good leaders, and making the job of principals more manageable.

Though CMOs have made great strides in their ability to staff their schools with great teachers and leaders, they still see significant barriers that may prevent them from achieving their human capital goals. These barriers include state and federal policy barriers, a continued shortage of great teachers and leaders, technological limitations, and limited resources.

Through our study we identified key strategies and lessons learned from the practices of six CMOs. Below, we summarize those strategies and provide ideas for next-generation growth. We found that successful CMOs:

- Formalize processes and infrastructure
- Make the most of the people they attract
- Import and induct management talent

In the pages that follow, we will detail these findings, but briefly let's examine each of these in turn.

Formalize processes and infrastructure

The CMOs we studied emphasized the importance of formalizing processes and investing in infrastructure to better recruit, induct, and support teachers and leaders. They did this by first determining what worked well—such as looking for specific competencies when recruiting teachers and leaders and providing summer boot camps or residencies to ensure teachers are prepared—and then making those practices an institutionalized part of their programs. Next-generation efforts should build on these experiences by making customary the practice of selecting some candidates as teachers who have the potential for becoming leaders. In the screening process schools should look at candidates for not only what they can provide in the near term as teachers, but also as leaders in the long term. Once they are on the job, schools should provide promising candidates with opportunities to grow their leadership skills.

Make the most of the people they attract

The CMOs we interviewed all implemented strategies to make the most of the best candidates they could find. They did this by providing additional training, narrowing the responsibilities associated with the role of "teacher" and "principal" to make the job more manageable, and extending the reach of the best teachers and leaders to serve more students. Next-generation efforts should extend the reach even further by getting great teachers in front of more students. This may be done by offering successful teachers the choice of having larger classrooms in exchange for proportionally enhanced pay; redesigning teachers' roles and schedules to free up the best teachers' time and allow them to teach more students; encouraging teachers to specialize in particular areas of instruction and work with students who would most benefit; and taking advantage of technology-enabled resources to provide students with access to great teachers remotely.

Import and induct management talent

All of the CMOs we studied have experience working with teachers prepared through nontraditional routes. Many of the CMOs have become adept at choosing teachers with great potential and providing resources and training to help them be successful. CMO's next-generation efforts should develop ways to import *leadership* talent from outside sectors. Though charter operators have been more

successful with homegrown leaders, it is unlikely that the internal pipeline will be sufficiently large to fuel the kind of rapid, exponential growth needed to meet demand. To grow more rapidly while maintaining quality, the best and most innovative charter organizations need to identify ways to provide proven outsidesector leaders with the training and residency experiences that will make them successful in school leadership.

The growth of highly successful charter schools presents one of the nation's best opportunities to close achievement gaps and meet rising global standards. Finding the talent to fuel that growth presents a challenge that left unaddressed will leave that opportunity on the table. Today, leading CMOs are tackling these human capital challenges and other CMOs would do well to examine their practices and build on them. At the same time CMOs need to adopt next-generation approaches to address human capital needs that catapult them to even higher levels of growth of quality environments, with the potential to meet the high demand for better school options.

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