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ABSTRACT

This paper describes the restructuring of the Virginia Department of Education, a process that began in 1990. Data were obtained from four sources: (1) Virginia Department of Education documents; (2) a prerestructuring study conducted by Price Waterhouse in 1989; (3) an evaluative report undertaken by the Joint Legislative Audit and Review Commission (JLARC); and (4) personal interviews with department staff. The Price Waterhouse study identified seven issues confronting the department: increasing student diversity; a changing workplace; local fiscal disparities; altered state-local relationships; the demands of state policymakers for outcome indicators; the activism of state policymakers nationwide in educational restructuring; and the need for a systemwide view of school improvement. The new structure features four hierarchical levels and three branches for student services; research, policy development, and information systems; and administrative services. A new request-for-proposal process, in which an "idea paper" can be generated by anyone within the department or local school division and is reviewed by top management in collaboration with experts, establishes an internal system of control. Although the change strategies appear to have worked, a midway evaluation report indicated the presence of poor staff morale, stress, and uncertainty. The recommendation is made to conduct a followup evaluation in approximately 2 years. One figure is included. (Contains 12 references.) (LMI)

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# POLICY

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# ISSUES

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Implementation of an  
Innovative Design:  
Restructuring the Virginia  
Department of Education

by Elizabeth L. Pitt  
Commonwealth Center for the Education  
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# POLICY ISSUES

IMPLEMENTATION OF AN INNOVATIVE DESIGN:  
RESTRUCTURING THE VIRGINIA DEPARTMENT OF EDUCATION

BY

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## FOREWORD

In 1990, states began to restructure their departments of education—a trend that often accompanied restructuring at the school level. While two AEL states—Kentucky and Virginia—were among those restructuring their departments, the impetus of change in those two states was quite different. In Kentucky, change was initiated by the supreme court decision that declared unconstitutional that state's entire education system. In Virginia, a Price Waterhouse study commissioned by the state board of education set department change in motion.

As Kentucky and Virginia restructuring efforts got underway, AEL's State Policy Program Advisory Committee agreed that a description of the

process and outcomes of restructuring in each state would be of regional and national interest. Staff then sought knowledgeable observers to document department restructuring in each state. Elizabeth L. Pitt, a doctoral student at the Commonwealth Center for the Education of Teachers, Curry School of Education, University of Virginia, agreed to prepare this paper on restructuring the Virginia Department of Education.

A companion paper on Kentucky was prepared by Eddy J. Van Meter, professor and chairperson of the Department of Administration and Supervision at the University of Kentucky. That paper, *Restructuring a State Education Agency: The Kentucky Experience* is also available from AEL.

## EXECUTIVE SUMMARY

Virginia education officials wanted to make their state's public education system among the top in the nation so that its students could function successfully in the global economy. So, in 1989, they commissioned Price Waterhouse to study the department and its work. That study revealed seven issues confronting Virginia's education system, especially the department of education. Those issues included: (1) the increasing diversity of students; (2) the changing workplace that requires technologically literate graduates who are capable of lifelong learning; (3) local fiscal disparities that affect educational quality adversely; (4) altered state-local relationships that result from efforts to strengthen school-based decision-making and professionalize teaching; (5) the demands of state policymakers for outcome indicators of student, school, and district performance; (6) the activism of state policymakers nationwide in reforming education; and (7) the need to view school improvement systemwide. These issues could not easily be addressed by a department of education whose mission, structure, and personnel practices emphasized traditional functions such as certifying education personnel, monitoring local compliance with state regulations, and implementing a variety of federal and state programs.

The Price Waterhouse study proposed applying contemporary organizational principles to the department, radically changing its functions to technical assistance, research, data-based information services, and evaluation. To support these new functions, the study said the department would need a very different or-

ganizational structure—one that applied contemporary organization principles such as a flatter structure and interdisciplinary teams. This change would improve communication, articulation, flexibility, and creativity, and the department would be better able to address the emerging trends of cross-cutting, interdisciplinary problems and critical issues. The study also recommended creating closer linkages between the department and other institutions, establishing an office that would combine treasury and education department staff who work on capital projects, and strengthening regional offices.

Not long after the Price Waterhouse study was released, newly elected Governor Douglas Wilder appointed Joseph Spagnolo state superintendent. He was expected to define the nature and extent of change in the Virginia department. He conferred with experts inside and outside the department and created a team to help steer the department through the transition.

Within two months, Spagnolo revealed his plan for restructuring the department, won the approval of the state board of education, and introduced his vision to department staff. The new department would eliminate 288 old positions and create 228 new positions—a net loss of about 60. Department employees could either re-apply for one of the new positions, seek employment outside, or be laid off. It took nearly five months for all the changes to be made, and, when the dust settled, 89 percent of the employees of the former department had applied for and won positions in the new department.

The restructured department has



only four hierarchical levels—state superintendent, deputy superintendent, division chief, and team members. The work is divided among three branches: (1) student services; (2) research, policy development, and information systems; and (3) administrative services. The new department is closely linked to the field. Ten regional field service offices—located on college or university campuses—are staffed by representatives, who act as “brokers” for department services to local divisions.

One of the most interesting aspects of the restructured work of the department is its request-for-proposal process that determines what work is to be done and who will do the work. The process begins with an “idea paper,” which can be generated by anyone in the department or a local school division. Top management discusses the merits of the idea paper, determines its relationship to the department’s purposes, identifies necessary resources, and decides whether or not to proceed. If approved, an internal request for proposals is prepared and posted.

To develop a response, division chiefs work within and across divisions with individuals who have the needed expertise. Top management reviews proposals and accepts or rejects them. This process establishes an internal system of control. Priorities are set, responses are creative, and staff are motivated to work on projects. During interviews conducted a few months after restructuring, staff reported working collaboratively on projects such as the Common Core of Learning, World-Class Education, and Work Force 2000.

Midway through the restructuring process, the Joint Legislative Audit and Review Commission of the Virginia Assembly (JLARC) evaluated the restructuring process. In addition,

the author of the issue paper conducted interviews with staff who were serving in the new positions. Both report similar phenomena. Early on, staff morale was poor, and the time permitted for restructuring seemed too short. Such reactions, says research, are not unusual for people experiencing change. Staff praised the new structure that opened communications and fostered collaboration, but felt unsure about how to work as teams and worried that they weren’t adequately serving those in the field. Most also felt some degree of stress and uncertainty.

Those who implemented restructuring of the department viewed the change as imperative to the accomplishment of the department’s new mission and sought to maintain the momentum of change. So far, their strategy of change seems to have worked, but it is far too early to judge the ultimate success of the restructured department. The author and the Joint Legislative Audit and Review Commission of the Virginia Assembly (JLARC) suggest an evaluation after two years of operation. At that time, certain questions will need to be answered. Those questions include: Has the quality of essential services to school divisions improved? Are department services and products delivered in a timely manner? Is the provision of products and services cost effective? Has a high level of trust developed inside and outside the department? Is the operation of the department consistent with its mission? Is the department’s mission compatible with the political ambience in which it must sustain itself? What are some of the early indicators of success or distress? Are local school divisions satisfied with the department’s provision of services? And, most important, has student learning and achievement increased?

## INTRODUCTION

In September 1990, Virginia Superintendent of Public Instruction Joseph Spagnolo set the stage for a swift and stunning change in the Virginia Department of Education when he announced, "We are going to take the department, put it in a box, wrap a bow around it, and bury it" (Schmidt, September 19, 1990, p. 18). The Virginia Board of Education agreed with Spagnolo's plan and unanimously approved the overhaul of the department as Virginia embarked on what has been described as the boldest restructuring, so far, of a state department of education (Schmidt, October, 17, 1990).

The move shifted the role of the agency from regulation to research and service (Update, November 14, 1990), reduced eight layers of bureaucracy to four, and cut 22 professional job classifications to seven (Schmidt, September 19, 1990).

We don't view this as the end of the process by any means, but more of a beginning, said Mr. Spagnolo. The main purpose of

this was not necessarily to save money, but to provide a vehicle for creating the type of change we think is necessary. (Schmidt, p. 18).

This paper tells the story of how restructuring progressed and draws from four sources of information: (1) pertinent Virginia Department of Education documents, (2) a pre-restructuring study of the department by Price Waterhouse, (3) a restructuring evaluation report by the Joint Legislative Audit and Review Commission of the Virginia Assembly (JLARC), and (4) personal interviews with department staff. Although the department's new form and function continues to unfold, descriptions of the restructured organization and the implementation processes are of interest to many. Policymakers from all states can observe how Virginia is applying contemporary organizational principles (i.e., Bolman & Deal, 1984; Drucker, 1990; Peters & Waterman, 1982) to a state department of education so that it can support school improvement.

## PRELUDE TO CHANGE

Historically, the Virginia Department of Education looked like most other state education agencies. It emphasized traditional functions such as certifying education personnel, monitoring local compliance with state regulations, and implementing a variety of federal and state programs. But in 1989, John Davis, then-Superintendent of Public Instruction, and the Virginia Board of Education sensed that wasn't enough. They sought to understand the education leadership challenges that might result from their efforts to make Vir-

ginia among the top states in public education (Price Waterhouse, 1989). So they commissioned Price Waterhouse to study the department and its work.

### THE PRICE WATERHOUSE STUDY

To identify needed improvements in decisionmaking processes, management practices, and organization frameworks, Price Waterhouse and its subcontractor, Pelavin Associates, examined the interrelationships and responsibilities of the board, the state superintendent, the department, local

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***Investigators concluded that the department and its work—mission, functions, structure, and personnel practices—were not designed to address the state's most important issues.***

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school district personnel, and others significantly involved in Virginia public education. To gather information and gain insights into education issues confronting the state, they conducted interviews, field visits, and focus group workshops. To understand the legal context of education, they analyzed the constitutional, statutory, and regulatory framework within which the department and other education policymakers worked. And to make sense of the Virginia context, they considered the activities and experiences of other states engaged in implementing reform initiatives by talking with state education policymakers in eight states that either had education governance structures similar to that of Virginia or had been engaged in statewide educational reform initiatives.

**Findings.** The analysis of data revealed seven issues confronting the state's education system, all of which had implications for the organization and work of the department. The issues included: (1) the increasing diversity of students; (2) the changing workplace that requires technologically literate graduates who are capable of lifelong learning; (3) local fiscal disparities that affect educational quality adversely; (4) altered state-local relationships that result from efforts to strengthen school-based decisionmaking and professionalize teaching; (5) the demands of state policymakers for outcome indicators of student, school, and district performance; (6) the activism of state policymakers nationwide in reforming education; and (7) the need to view school improvement systemwide.

Upon close scrutiny, Price Waterhouse investigators concluded that the department and its work—mission, functions, structure, and personnel practices—were not designed to address the state's most important issues. For example, an analysis of legal docu-

ments revealed that no statute or legislative statement established a mission or objectives for the department. Instead, it found an assortment of fragmented, uncoordinated missions created by the department and its subunits based on their interpretation of legislation, regulatory duties, or perceptions of needs. The study concluded:

Given the absence of both a concise statutorily defined Departmental mission and a formal linkage of the Board's mission to it, the Department's "mission" has become a collective sum of its parts. The net result of this is a generally understood mandate regarding public education, but with some lack of clarity regarding specific focus for issues such as balance between compliance versus assistance roles (p. VI-6).

The report also revealed a mismatch between the functions of the department and its organizational units. The functions included assistance in school improvement, compliance with laws and regulations, and internal operations such as personnel and matériel management. However, these functions could not be separated and clearly ascribed to the existing organizational units—compliance and field services, curriculum and instruction, and financial and support services—each of which engaged in technical assistance functions and compliance monitoring. Typical of most large bureaucratic organizations, the units operated relatively independently of each other. Isolation and autonomy characterized the work of those who staffed the unit.

The department's hierarchical structure was steep. Some divisions had as many as eight reporting levels within a chain of command that consisted of a variety of directors, assis-

tant directors, and supervisors. Overall, the number of reporting levels ranged from 4 to 8 with an agency-wide average of 6.4 levels (JLARC, 1992).

Closely linked to structural problems were personnel and administration problems. The report revealed limited, relevant professional development opportunities, unclear roles for contract staff, few mechanisms to support two-way communication between staff and top management, and limited strategies for recognizing staff performance.

**Recommendations for change.** The study not only documented the need for the change, it also recommended ways the department could change to better address Virginia's education issues. These recommendations drew upon best practices described in organizational studies in the private and public sectors.

The study proposed that the department be more responsive to its clients by radically changing its functions to technical assistance, research, data-based information services, and evaluation. Further, the report recommended that these functions be undertaken in collaboration with school divisions and institutions of higher education. Specifically, the report recommended that the department:

- re-orient technical assistance to meet local needs, identify the best sources for providing assistance, capture the time devoted to technical assistance, and evaluate results;
- increase the number of regional teams, and sufficiently fund these and model programs to facilitate local travel and communications;
- identify ways for institutions of higher education to expand their technical assistance role;
- strengthen technical support functions such as data processing so that

the department could better support internal systems development and provide technical assistance to local schools;

- establish an information clearing-house for local schools;
- assign the planning, policy research, and evaluation functions to a group of sufficient size and appropriate placement to shape the future of the department and address the issues; and
- involve higher education representatives in vision setting and strategic planning processes so that issues such as curriculum linkages, teacher education, teacher career enrichment ideas, and expanded higher education participation in technical assistance are considered collaboratively.

To perform the new functions, the study said the department would need a very different organizational structure. Instead of the highly compartmentalized, hierarchical structure with centralized decisionmaking, the study proposed creating interdisciplinary teams, and a flatter, less hierarchical structure—the kind of structure used in many successful private and public sector entities. This move would improve communication, articulation, flexibility, and creativity. The department would be better able to address its priorities, critical issues, and the emerging trends of cross-cutting, interdisciplinary problems.

The study suggested three alternative structures that would make these changes possible:

- (1) develop teams within the operational units coordinated by specific first-line supervisors, (2) use a matrix management approach to creating project-based teams, or (3) create new operational units around key strategic objectives (VI-44-45).

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Each of these options had positive and negative features in terms of the degree of disruption to current operations, complexity of implementation, and types of skills required by staff. However, all three options would require department staff to focus on a small number of key goals.

The study also recommended closer linkages between the department and other institutions and suggested three ways that could be accomplished. First, the department should establish: (a) a full-time special assistant position that reports directly to the state superintendent, (b) a public affairs position that is separate from a legislative liaison position, and (c) an office of external relations. Second, the department should create a unified capital projects

office that would combine treasury and education department staff who work in that area. Third, the department should unify and strengthen the regional office in southwestern Virginia by combining other field offices with it or with the state department.

To improve personnel administration, the study recommended that the department establish programs that provide management and communication training for department staff; create two-way rotation programs between department and division staff; assign specific support roles to long-term contract staff; highlight successful individual or team performance; and facilitate two-way communication among staff, top department management, and the board.

## THE CHANGEOVER: JUNE 1990 TO FEBRUARY 1991

*The time was right for  
change.*

In June 1990, not long after the Price Waterhouse (1989) study was released, newly elected Governor Douglas Wilder appointed Joseph Spagnolo state superintendent. When he took office on July 1, 1990, he brought with him a keen understanding of the problems confronting schools, a reputation as a respected local school superintendent, and a history of successful innovative efforts. The time was right for change. What remained was to define the nature and extent of that change.

In an interview with the author, Spagnolo recounted the details of the early stages of transition. He had accepted the appointment with the understanding that the governor advocated significant change in the state education system and would support reform efforts beginning with the department itself. In the month before

he officially took office, Spagnolo wrestled with the question of *how* to shape the new organization and implement the types of changes he believed were necessary. He conferred with informed experts inside and outside the department about pathways and impediments to change. Common to all discussions were the references to too much bureaucracy, sagging morale, and an overall "bad" image, despite the fact that individual staff were held in high regard. These conversations confirmed for Spagnolo the need to look beyond the existing department and its staff to create a new department. The prevailing culture of the department dictated that people work within the bureaucratic boundaries. A new department would be made up of many of the strong, experienced staff members,

but it would also include people from the outside who would not possess institutional memory. The outsiders would bring strong personalities and independent minds to shape the new department and to carry out its mission.

At this early stage, Spagnolo made some key appointments to create a team to help steer the department through the transition. The team played a key role in providing wise counsel to Spagnolo, continuity in essential department activities, and political connections to the legislature throughout the period of change within the organization.

The transition team and Spagnolo talked with local superintendents, university people, and other key interest groups to decide what organizational changes should be made. Based on these conversations, Spagnolo and his team designed innovations in the department's mission, functions, structure, and staffing.

Two months after he took office, Spagnolo revealed the plan for restructuring the department, won the approval of the state board of education, and introduced his vision of a restructured department of education to department staff. He had taken to heart the reported need to adapt the department's structure to its functions. He moved decisively to flatten the organization by reducing the layers of authority and the number of positions. He reconfigured staffing patterns to facilitate a team-oriented, interdisciplinary approach to the department's work.

On September 7—called Black Friday by many staff—Spagnolo met with the entire department staff and spoke at length about his ideas and ideals and asked for comments and input. He announced that new positions were being created and that the target date for implementation of the

changeover would be January 1, 1991. On that date, most department positions were to be eliminated and new positions created. Department staff who wished to work in the restructured department were asked to submit applications and compete for the new positions. Those who wished to leave could either retire or seek employment elsewhere. Those who had reached 50 years of age and had served the department for at least 25 years were permitted to retire with all the benefits of regular early retirement usually reserved for those at least 55 years of age with 30 years of service. Younger employees who did not meet these requirements for retirement tried to keep their options open by seeking positions outside the department—a discouraging task in a time of economic recession—as well as by applying for the new department positions.

By December 1990, Spagnolo had also appointed eight of the 10 new division chiefs, who would provide key leadership in the redesigned department of education. The appointment of this group was considered key, since they were responsible for hiring people to fill the remaining positions in the redesigned department. But, the January deadline for having the positions filled and the redesigned department in place proved too ambitious. Most positions were not filled until February 16, 1991.

The redesign of the department eliminated 288 department positions and created 228 new positions. Thus, the restructured department had about 60 fewer positions than the old department. When the staffing appointments were complete, about 70 percent of the *positions* in the restructured department were staffed by people from inside the department. About 89 percent of the *employees* of the former department continued to work in the redesigned department. The remaining staff either left to take advantage of the early retirement incentive or were laid off (JLARC, 1992).

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*Here reconfigured staffing patterns to facilitate a team-oriented, interdisciplinary approach to the department's work.*

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*The most critical role for a state education agency is to act in ways that improve the learning experiences and achievement of children and youth.*

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## THE RESTRUCTURED DEPARTMENT EMERGES

### THE REFOCUSED MISSION

The new department's organization is based on the belief that the most critical role for a state education agency is to act in ways that improve the learning experiences and achievement of children and youth. That new focus is reflected in the new mission statement:

All persons who are responsible for education must ensure that all children receive the learning experiences necessary for growth and adaptation in a changing world. To that end, the mission of the Department of Education, in conjunction with the Board of Education, is to improve the delivery of essential education services and to increase student learning and achievement (Virginia Department of Education, 1991).

This statement is much more focused than the multiple missions that had emerged and accumulated over time prior to the reorganization. Interviews with staff and public statements by the state superintendent demonstrate the high level of emphasis given to the mission's three themes: (1) quality education for all children, (2) delivery of essential services, and (3) increased student learning and achievement.

### THE NEW ORGANIZATIONAL STRUCTURE

The restructured department has only four hierarchical levels—state superintendent, deputy superintendent, division chief, and team members. In addition, while the newly restructured department still has three

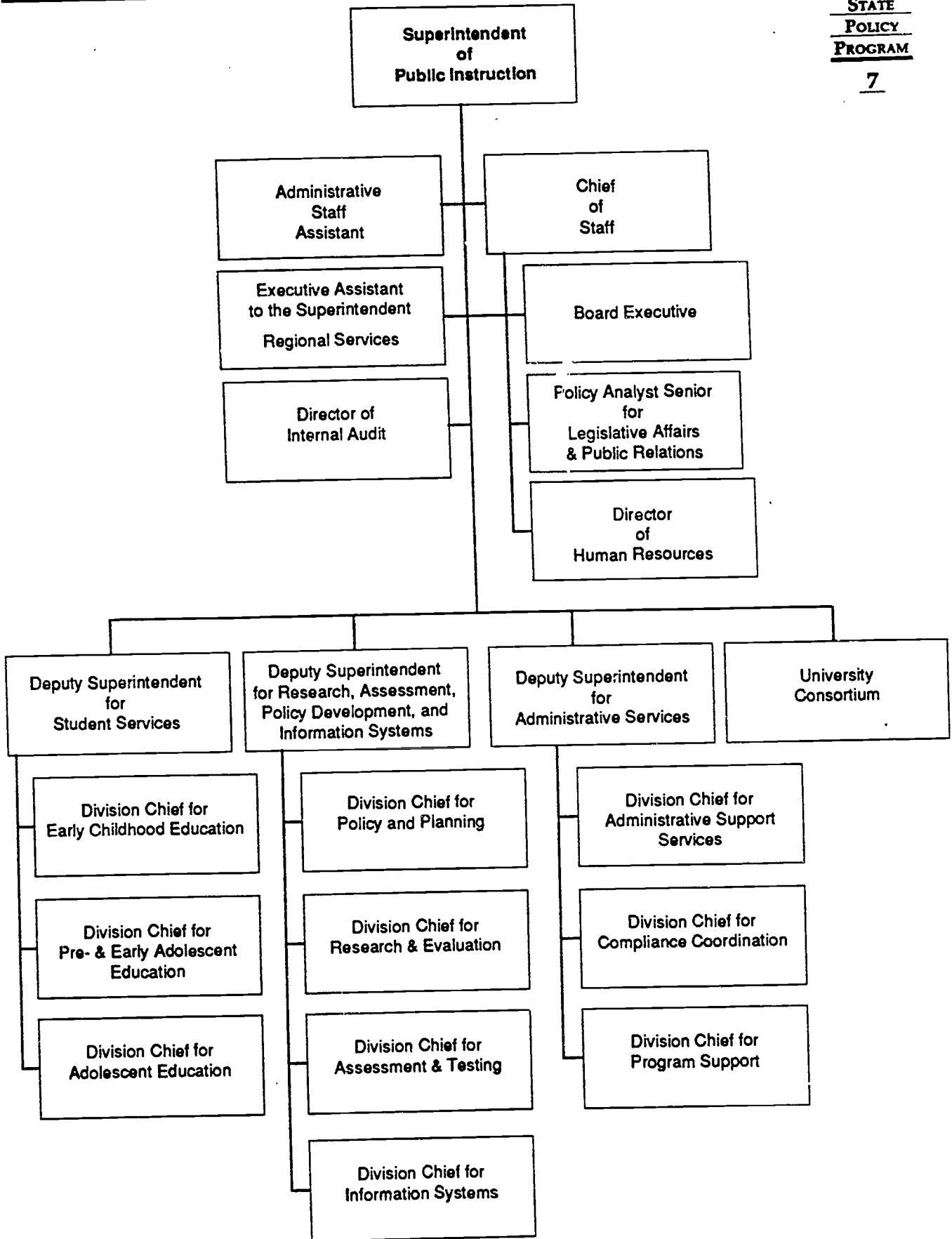
units, those units now reflect the vision of a department whose function is research and service (JLARC, 1992).

The restructured department consists of three branches: (1) student services; (2) research, policy development, and information systems; and (3) administrative services (See Figure 1). The student services branch houses three divisions based on the developmental stages of children—early childhood, preadolescent, and adolescent. Eighty-seven professional and 22 support staff are expected to provide on-site services that directly pertain to student learning (JLARC, 1992).

The Research, Assessment, Policy Development, and Information Systems branch houses four divisions: (1) assessment and testing, (2) policy and planning, (3) research and evaluation, and (4) information systems. Forty-two professional and 14 support staff seek to identify education practices that work and disseminate those practices so that student learning can be improved (JLARC, 1992).

The Administrative Services branch houses three divisions that provide services such as administering school funding and checking for local compliance with federal or state regulations. One hundred twenty-six professional and 32 support staff maintain these administrative needs, but plan to de-emphasize compliance work and increase efforts in student learning issues (JLARC, 1992).

The new organizational structure also includes mechanisms that more closely link the department



**Figure 1. Virginia Department of Education Organizational Chart**



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*The new organizational structure also includes mechanisms that more closely link the department to the field.*

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to the field. Prior to the restructuring, six regional offices were located in Abingdon, Appomattox, Portsmouth, Radford, Roanoke, and Staunton. Most of the staff assigned to these offices were subject-matter specialists, most in vocational education. With restructuring, the six sites were replaced with 10 regional field service offices located on college or university campuses. These offices are staffed by field service representatives who act as "brokers" for department services to local divisions. The role of the regional field service representative is to:

- locate resources, assess needs, and develop improvement plans for school divisions;
- facilitate service delivery and monitor the effectiveness of and satisfaction with those services; and
- collaborate with others to identify trends and practices in (a) research and development, (b) service coordination, (c) regional purchasing, and (d) program development (JLARC, 1992).

#### A NEW FUNCTION FOR THE DEPARTMENT

The functions of the department were changed to be consistent with the new mission statement. The 1992 report by JLARC says that the desire was

...to de-emphasize regulations and standards, increase service provision, and focus on improving and measuring outcomes, such as student learning and achievement (p. 1).

Although functions of the new department continue to include monitoring and technical assistance, the emphasis has shifted. As recommended by Price Waterhouse (1989), more targeted attention is given to research and development, policy research, and evaluation, and efforts are underway to

improve the state data base. Technical assistance is now client-oriented, and reflects the belief that collaborative arrangements within the department and between the department and local school districts are important. The focus of monitoring and compliance has changed from standardizing inputs to focusing attention on school outcomes such as student learning and achievement.

These shifts in department of education functions may be a problem, however. The JLARC (1992) restructuring evaluation report, while not necessarily opposed to the department's new role of monitoring outcomes, reminded the department of its constitutional obligation to monitor compliance. The report pointed out that the system of accountability for achieving quality education had been created by the Virginia Constitution, which gave the General Assembly the responsibility for ensuring a high quality educational program. In addition, the constitution gave the state board of education the responsibility for determining and prescribing standards of quality for the state's school divisions. The standards are enacted into state law, each school division is required to meet those standards, and the standards can be revised only by the General Assembly.

Prior to the reorganization, Virginia had been moving toward achieving the comprehensive standards of quality, but the department's shift away from regulation and monitoring appears at odds with its constitutional and statutory responsibilities (JLARC, 1992). While the Outcome Accountability Program and the Pilot Program to Reconceptualize Education—two new accountability programs designed to fit the department's new mission—will inform changes to existing standards, the JLARC report also observes that

"comprehensive outcome accountability is a distant, uncertain goal" (p. 76), and the timeline for development is long and complicated. So, the report urges the department to main-

tain a balance between the old system of standardizing inputs and the new system of monitoring school outcomes such as student learning and achievement.

## THE RESTRUCTURED WORK OF THE DEPARTMENT

In the past, decisions about work priorities were fragmented and department staff worked independently (Price Waterhouse, 1989). With the new structure, a request-for-proposal (RFP) process determines what work is to be done, and the work is accomplished by interdisciplinary teams who agree to work on a project.

The process of choosing an appropriate project and the qualified team members who will work on that project begins with an "idea paper" (JLARC, 1992, p. 12-14). Anyone in the department or a local school division may prepare an idea paper for a project argued to be within the scope of the department's work. The idea paper is submitted to one or more of the representatives of top management who discuss its merits, determine its relationship to the department's purposes, identify the resources that will be needed, and decide whether or not to proceed. If an idea paper is approved, an internal RFP is prepared and posted with deadlines for submission. By working within and across divisions with individuals who have the necessary expertise, division chiefs develop a response. The proposal is brief (two to three pages) and includes an approach, methods, deliverables, timeline, budget, list of stakeholders, evaluation plan, project team mem-

bers, and a team leader. Top management reviews proposals in light of the work and direction of the department and decides to accept or reject the proposal.

The idea paper and request-for-proposal process establishes an internal system of control. Management sets priorities for the department, keeps the agency focused on its priorities, encourages more creative responses to local needs, and attracts the most motivated staff to work on projects. Although the department may take on fewer projects, the quality of work is likely to improve.

By the second half of 1991, the restructured department had begun to function, and attention focused on the nature of the project work. Interviews conducted by the author revealed that team members representing the department, universities, school divisions, and businesses had begun to collaborate on projects such as the Common Core of Learning, World-Class Education, and Work Force 2000. Other initiatives included attention deficit disorders, school choice, year-round schools, and school restructuring. The challenges for the department are to communicate effectively to the wide range of stakeholders across the state and to produce products for local school districts and state policymakers.

## REFLECTIONS ON THE RESTRUCTURING PROCESS

The restructuring of the department was the object of a JLARC survey and a series of interviews conducted by the author. While both yielded similar information, each provided a unique reflection of an organization undergoing change.

### A MID-RESTRUCTURING SURVEY

A November 1990 survey conducted by JLARC, before new job assignments were announced, found that staff morale dropped throughout the early stages of the reorganization. For example, 84 percent of staff members disagreed with the statement, "agency morale is good," while only 10 percent agreed (JLARC, 1992). One respondent commented:

Large numbers of employees, while conceding that changes were necessary, are still depressed and confused because they do not see how the changes were worth the insults and stress they have suffered (p. 45).

Additionally, 75 percent of the survey respondents disagreed with the statement, "employee trust in management is good" (JLARC, 1992). Respondents reported:

- A climate of distrust exists, and I'm not sure it will ever improve.
- The ill will and bad feelings, lack of trust, and confusion were not worth what seems to be developing.
- Enthusiasm and excitement are still missing. In general, employees still seem to question trustworthiness of management in relationship to job security (p. 47).

The competitive hiring process seemed to be the aspect of the restructuring

process that was most closely connected to low morale. For example, respondents commented:

- How can one possibly explain and appropriately describe the stress, the strain, the long delays?
- I don't believe people had to lose their jobs and go through the "rehiring" process to effect this change.
- The hiring process was the most humiliating professional experience I have ever had (JLARC, 1992, p. 23).

These and other survey results led the authors of the JLARC (1992) report to conclude that planning for restructuring was inadequate, the competitive hiring process was inefficient and inappropriate, and the cost savings that resulted from the restructuring were low. Authors of the report argued that more time was needed to work with staff, to test the new structures and work processes, and to conduct the hiring process.

The hiring process itself took much time and energy. More than 200 positions were redefined and subjected to the competitive process, requiring management staff to:

- develop five new classification descriptions and submit them to the Department of Personnel and Training (DPT) for review,
- develop over 220 new position descriptions and submit them to DPT for review,

- revise and re-submit position descriptions rejected or found inadequate by DPT,
- fill 10 top management positions (the division chiefs) so that those individuals could be involved in the remaining hiring effort,
- advertise more than 200 new positions below the chief level,
- screen thousands of applicants for the positions,
- make offers to successful applicants,
- lay off staff not hired through the process (JLARC, 1992, p. 24).

The JLARC report also argued that more planning time would have allowed more testing of internal work processes, more feedback from the field, and more specificity in the redesign. The department countered that a "change of this type, which is difficult, is best done quickly and done with the needs of the employees clearly kept in mind" (JLARC, 1992, p. 24).

The survey report questioned the hiring process due to apparent similarities in the old and new position descriptions, interpretations of staff layoff policies, and concerns about the future of employee protections. On this point, the report observed:

There are important values and consequences embedded in decisions about the role of seniority, merit, and competition in a personnel system. To protect the integrity of the State Personnel system, those questions need to be resolved in the form of policy, so that employees are treated with consistency. The system is not equitable if the decision is left to ad hoc judgments of individual agency heads (JLARC, 1992, p. 39).

Finally, JLARC reported that the financial payoff that resulted from restructuring was small—a net savings of only 2.6 percent. But department officials disagreed with the report's conclusions, noting that the report only calculated personnel savings. The department argued that it had also absorbed a 20 percent budget reduction—"more than \$4 million in cuts to its approved budget accomplished in part due to efficiencies in the reorganized structure" (p. B-14 and B-15). Further, the department argued, improvement of services, not cost reduction, was the primary purpose of restructuring.

#### PERSONAL INTERVIEWS WITH STAFF IN THE RESTRUCTURED DEPARTMENT

The information gathered by the author during interviews with about 20 department of education staff in the summer of 1991 tended to confirm the JLARC survey findings. For example, the respondents complained of low morale, the speed of implementation, confusion about the design and work of the department, and unclear role definitions. In addition, respondents noted other aspects of organizational behavior that had positive as well as negative results.

**Communication.** Respondents acknowledged that the new structure opened the organization, allowed individuals to work with many people, and fostered collaboration. Yet, they complained that communication was difficult across a flattened hierarchy and throughout teams. Deputies or division chiefs were viewed as having access to detailed information, but in the less-formalized structure, respondents expected organizational communication to be more personal.

**Team building.** Respondents appreciated the opportunity to work across disciplines on multidisciplinary teams. But they also reported that collaboration raised areas of disagreement about focus, purpose, and methodologies that do not arise in more autonomous work environments.

**Capacity building.** Many respondents expressed a need for ongoing professional development to help them in their new work, and some wanted to know more about sophisticated research designs and analytic tools. Others observed that the department needed more staff who were educational researchers.

**Field connections.** Connections with education practitioners appeared to be important to the respondents. The new process for securing department services required local superintendents to work with regional field representatives to obtain department services. Respondents worried that the new process would confuse or annoy school division superintendents. Others were afraid that the department would not be able to provide a full range of customized technical assistance to large numbers of local school districts, and that the inability to deliver services would erode trust in the department.

**Personnel.** The author concludes that the quick implementation of new organizational structures, work processes and staffing changes produced a large amount of stress among de-

partment employees. Respondents reported that day-to-day responsibilities appeared to receive less attention, and some complained about "shaky" daily operations, insufficient routine functions, and avoidance of the "nuts and bolts" work.

Taken together the interviews seemed to indicate that sensitivity to individuals needed to be fostered, but such feelings of fear and uncertainty among those involved in change is typical. This sense of personal anxiety is captured by Hoffer (1967) as he tells his story:

Back in 1936 I spent a good part of the year picking peas. I started out early in January in the Imperial Valley and drifted northward, picking peas as they ripened, until I picked the last peas of the season, in June, around Tracy. Then I shifted all the way to Lake County, where for the first time I was going to pick string beans. And I still remember how hesitant I was that first morning as I was about to address myself to the string bean vines. Would I be able to pick string beans? Even the change from peas to string beans had in it elements of fear (p. 3).

If even minor changes such as this result in a temporary loss of self-confidence, the reactions to the major reorganization of the mission, functions, structures, and work processes of the department should not be surprising.

## CONCLUSION

Those who implemented the restructuring of Virginia's department of education viewed it as imperative to the future accomplishment of its mission and sought to override the possibility of the change being "smothered by the powerful old routines" (Baldrige, 1983, p. 218). They moved quickly to put the new organization in place (JLARC, 1992). So far, their strategy seems to have worked. The restructuring has survived the initial trials of staff resistance and legal scrutiny, and the "honeymoon" with the state legislature and local school divisions continues. Employees who were uncomfortable with the change have either opted to leave, retire early, or adapt to the new system.

Overall, staff of the redesigned department expressed enthusiasm about the new role of the department and its new function as a "think tank." Thus, the redesigned department appears to have the potential to enable department staff to break free of bureaucratic procedures and, instead, engage in proactive, responsive actions in support of Virginia public education.

It is far too early, however, to judge the ultimate success of the restructured department. Research in or-

ganizational change (Kanter, 1991) shows that it takes time to develop and implement innovations, time to provide professional development, time for employees to recreate innovation, and time to learn from trial and error experiences. Thus, the author concurs with the JLARC recommendation that the General Assembly conduct another study in about two years to evaluate the ultimate success of the department. At that time, key questions should be asked to ascertain the effectiveness and responsiveness of the RFP and team concepts. Those key questions include: Has the delivery of essential services to school divisions improved? Are department services and products delivered in a timely manner? Is the provision of products and services cost effective? Is there a high level of trust inside and outside the department? Is the operation of the department consistent with its mission? Is the department's mission compatible with the political ambience in which it must sustain itself? What are some of the early indicators of success or distress? Are local school divisions satisfied with the department's provision of services? And, most important, has student learning and achievement increased?

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