The last decade of a century is usually a time of retrospection and celebration. But the mood of the United States today is hardly upbeat. There is a general pessimism, so uncharacteristic of the American temperament, that is nowhere more pessimistic than in appraisals of our public schools. The acute observer sees little that is happening in terms of real improvements in student performance. The few instances of change that make a difference do not go further than those singular institutions struggling to make reform work. Most reforms are actively resisted, not replicated. The alarms announced seven years ago in A Nation at Risk are still heard in this land; its agenda for change is largely unfulfilled. My hope is that pessimism does not lead to despair.

Several years ago, I watched with anticipation to see what Richard Green would accomplish as the newly appointed chancellor in New York City. His untimely death did not permit this gifted and sensitive educational leader a full opportunity to make reform more than rhetoric in the nation's largest school district. Chancellor Green's short tenure indicated why educational change is so slow to advance. Making leadership work is a major problem. One of his proposals almost served as a model of why the reform movement is unable to generate demonstrable gains in student learning. The chancellor, considering a package of changes in the earliest
grade levels, immersed himself in the development, evaluation, and promulgation of a new test to determine advancement from kindergarten into the higher grades. My silent reaction to this extended and personal commitment by what might be the nation's most important school administrator was to ask a question: In what other business organization would a chief executive officer deal with such an item—admittedly important—with such devotion as to ignore the larger policy issues then awaiting resolution in New York City? Even more importantly, could a multi-billion dollar enterprise like the New York City public schools be successful if its principal administrators were so much immersed in particular decisions relating to the educational program? These questions are not meant simply to endorse the cliché that schools should be run like businesses. My point is the failure of most school administrators to consider the reality that educational improvement requires a long-term strategy and dramatic changes in the entire structure of the public schools.

Some months ago, I participated in a Business Roundtable Conference composed of 175 CEO's from all regions of the country. Despite the focus on reform, the fragmentation of the very substance of reform left a decidedly negative impression on most of the corporate participants. Just as particularity is an impediment to systemic reform, complexity suggests to business people that educational problems are impervious to improvement. Business executives are outsiders with regard to American schooling. One hundred and seventy-five corporate leaders were willing to endorse a strategy for reform; few needed to be informed of all the problems and scattered manifestations of experimentation everywhere in the nation. What they should have considered were those limited number of strategies that
can make a difference.

The engagement of business in educational issues does not require an insider's intense involvement with every academic and professional item on the reform agenda. The corporate executive who wants to remodel a business does not rely on a program that will make a difference slowly or one that requires extended attention to every detail of change. Nor would a CEO be satisfied with the appearance of business reorganization that is nothing more than a public relations gambit. The business leader wants to know what are a corporation's major goals, what are its successes and limitations, how managers at all levels are performing, what rewards are available for success, how achievement is measured, in what specific ways the whole process is coordinated, and how top managers are held accountable. The so-called "bottom line" in the business world is the objective measure of profit and the long-term health of a company.

The public schools are deeply troubled, even if their main supporters still do not accept the threat of their very survival. Reform is essential. Drastic change is inevitable. In the next century, the urban schools will be very different from current institutions, even if we are yet unable to conceive of their future structures. The questions remain: What can be done that will make a difference in the schools? How can we speed up the process of restructuring to insure the evolution of new urban school models? My belief is that the same incentives that corporations utilize to reorganize their operations are vital models for educational reform. The concept of incentives also has the promise of simplicity in creating a new reform agenda.

Among the first incentives to be considered are those that affect
students. Most nations have students working hard in their equivalent lower schools because students want to advance into college. The reality of severe limitations on enrollment into postsecondary institutions elsewhere is one of the most striking contrasts between the United States and virtually the rest of the world. Is it too much to suggest that as long as students are not required to perform at their highest rate of academic potential, there is a disincentive to achievement in the lower schools? Why work hard if college admission—except perhaps for a small segment of the most demanding private and public universities—is still probable for students whose academic achievement falls below their potential? It is also possible to establish incentives for better student achievement by tying grants and scholarships more closely to high school achievement. One way to revive the academic culture of urban public schools is to send a message to students that their academic success will be rewarded immediately after graduation.

The same message is critical for non-college-bound students. Too few businesses are indifferent to how well prospective employees who need require much of high school graduates, perhaps because at present recent high school graduates did in high school. A student who greater academic expectations are unrealistic or maybe because businesses barely pulled or almost never show up is given practicing the same conduct their own extensive educational programs to remediate the average public school graduate. American corporations have an obligation to make hiring and placing entry-high school performance more important in developing job classifications for lower-paid employees. Perhaps government programs can assist by establishing incentives for job-creation based on academic performance at the high school level. We must remind every student that academic success is ultimately a foundation for a better life.

Incentives are also needed for adults who dominate America's public
The same message is critical for non-college-bound students. Most businesses are indifferent to how well prospective employees who are recent high school graduates did in high school. A student who barely passed or almost never showed up is given practically the same consideration for hiring, job placement and starting salary as one who worked hard and had a good attendance record. American corporations have an obligation to make high school performance more important in hiring and placing entry-level workers. Perhaps government programs can assist by establishing incentives for job creation based on academic performance at the high school level. We must remind every student that academic success is ultimately a foundation for a better life.

Incentives are also needed for the adults who work in America's public schools. The idea of incentives has been around for some time in public education. Typically, however, it has come to us in the form of individual merit pay, which has been resisted on the grounds of subjectivity, unfairness and the negative effects of pitting teachers against one another. These are all legitimate complaints. However, the idea of incentives is nonetheless sound. We ought to find ways of rewarding whole schools on the basis of improved student performance and thus use incentives as a way of encouraging innovation and risk taking and teamwork. How incentives might work in public education is not at all clear; it will require thought and experimentation. But it is clear that we already have an incentive system in our schools, one
that discourages new ideas and practices, risk taking and collegiality. And this system does not work.

The answers to our educational problems cannot be hierarchically and bureaucratically imposed. For one, schools are very different. The problems facing urban schools are different from those in suburban schools, and there's even great variation within districts. Second, even if a solution imposed from above were to work today, it probably wouldn't tomorrow. What we need is to build into our schools the capacity to respond to problems as they arise, to adjust and to change practices, not on the basis of the latest fad or panacea but on the basis of the best available wisdom about teaching and learning. And I believe that incentives can help develop this capacity for self-renewal in our schools.

Without self-renewal there will be crushing challenges to the public schools by the end of this decade. Their very survival is at stake. The threats that come from vouchers and other schemes to privatize education represent dissatisfaction with public school failure. Every stimulus to change must be considered to overcome the resistance to change inherent in the public school bureaucracy. The next century demands nothing less than a transforming educational renewal.