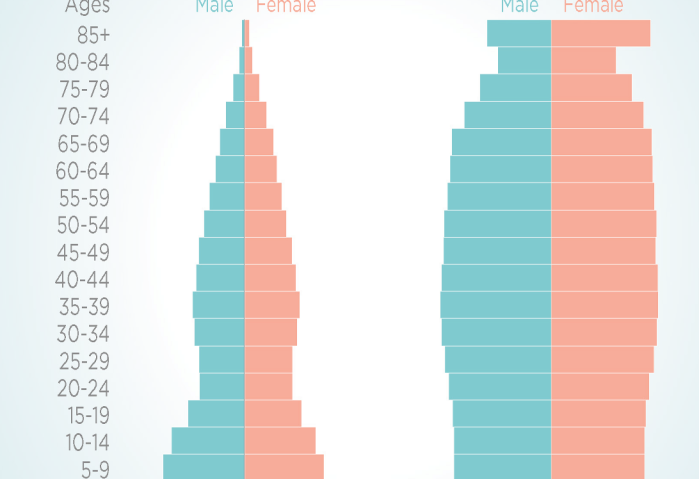# Leading through Disruption: Riding the Tailwinds and Bucking the Headwinds

Donna Orem
orem@nais.org

Disruption happens when a new approach meets the right conditions. And the conditions, it turns out, are always changing.

Source: Deloitte, Patterns of Disruption

Acceleration of Forces

Five Global Forces

Five Global Forces

Asymmetry: The growing wealth gap

Disruption: The growing influence of technology

Age: Changing demographics

Polarization: The increasing fracturing of communities

Trust: Growing mistrust in core institutions

Source: Adapted from PwC ADAPT framework

Let's Hear From You

Which of these forces do you see providing the most challenge in the years ahead?
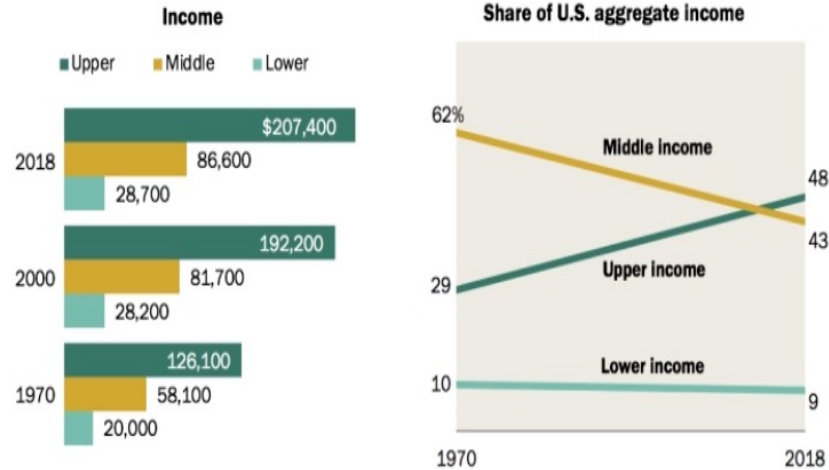
The greatest opportunities?

Asymmetry

The gaps in income between upper-income and middle- and lower-income households are rising, and the share held by middle-income households is falling

Median household income, in 2018 dollars, and share of U.S. aggregate household income, by income tier
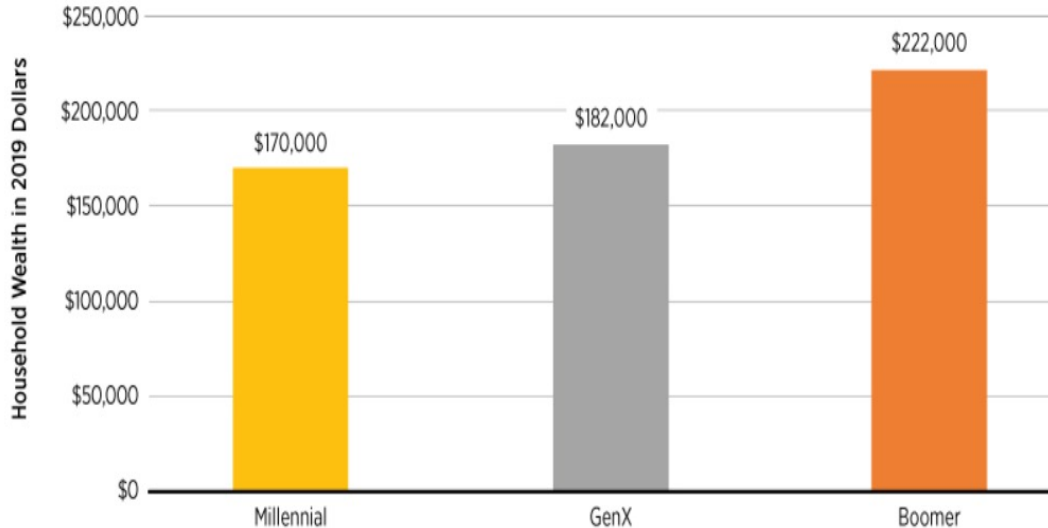
Income disparity in the US is growing and is being further exacerbated by the pandemic.
The middle class is shrinking with about 1.9% moving to the upper class and about 0.8% falling into the lower class.

Average Real Wealth by Age and Generation, First Quarter 2021
Midpoint Age 32-34

Generation by generation, real wealth is declining, while costs are going up for just about everything.

Household Income

Summary   Median   High Income   Distribution   Race/Ethnicity   Change in Average

A family will need to earn **$160,001** per year to afford a tuition of **$27,000.**

Market View estimates between **6.7%** and **15.4%** of families in a 30-minute drive of your school can afford full tuition.

⚠ *Tip: If below 15%, your tuition affordability may begin to see strain in your market.

Breakdown   ⊞ COPY   ⬇ CSV

PERCENT OF TUITION AFFORDABILITY	FAMILY INCOME REQUIREMENTS	FAMILIES
100%	$160,001	6.7-15.4%
80%	$145,001	15.4-24.1%
60%	$125,972	15.4-24.1%
40%	$110,001	24.1-32.0%
20%	$90,001	32.0-42.0%

Every school market has a different affordability profile, which will continue to change because of mobility. Where does your school want to be to live its vision, mission, and values?

Asymmetry Challenges & Opportunities

Fiduciary:

- Can we meet financial aid requests for the coming year?

Strategic:

- Does our financial approach to our market support our mission and values?
- Should it flex along with the realities of how our market is changing?
- What implications of the "barbell effect" must we be able to manage?

Generative:

- What would we do differently if we were to prioritize access over other goals?
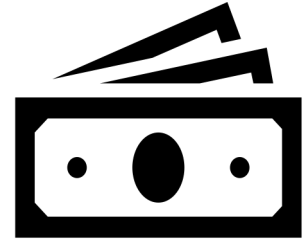
Polarity Map: Financial Stability/ Access & Affordability

Long-term Gains from Access & Affordability

1. We impact more students
2. Community diversity enhances learning outcomes
3. Over time, an increase in numbers of students drives financial sustainability.
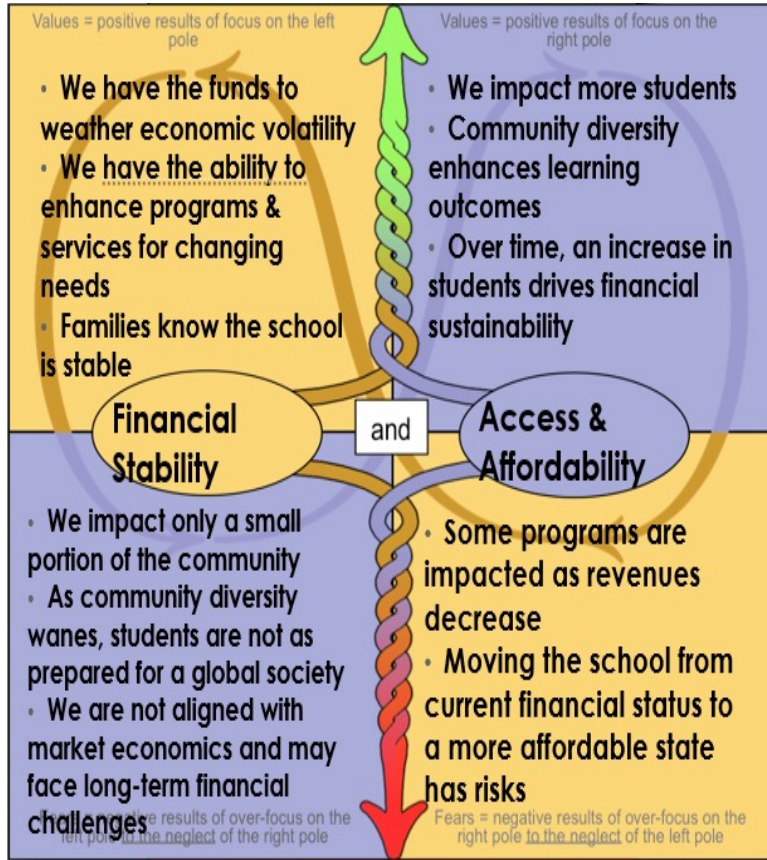
Disruption: The Growing Influence of Technology

Pros of Technology for Children

- Helps children learn
- Effective classroom tool for teachers
- Prepares students for future tech careers
- Improves multitasking
- Improves visual-spatial development
- Improves problem-solving & decision-making

Source: Western Governors University
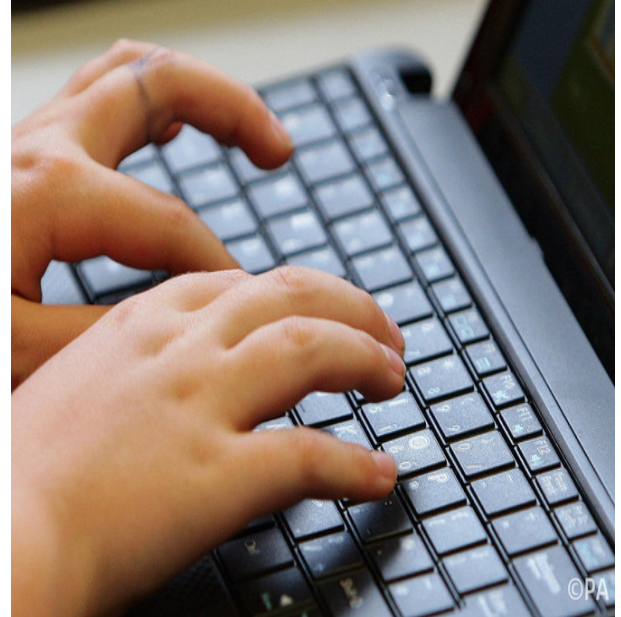
Cons of Technology for Children

- Lower attention span

- Increased risk and lack of privacy

- Risk of depression

- Obesity

- Falling grades

- Bullying

- Social interaction issues

Source: Western Governors University

A majority of parents today say parenting is harder today than two decades ago, with many citing technology as a reason why

% of U.S. parents who say that for most parents, parenting is ...

Easier than it was 20 years ago

7

About the same 26 · 66

DK/Ref 1

Harder than it was 20 years ago

Among those who say it is **harder**, % who give these as the main reasons

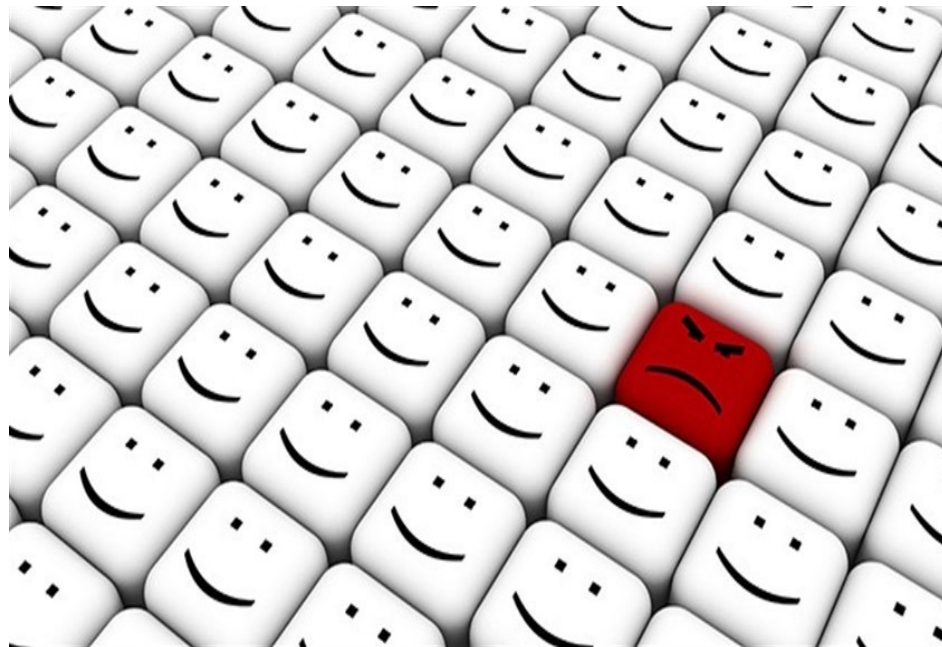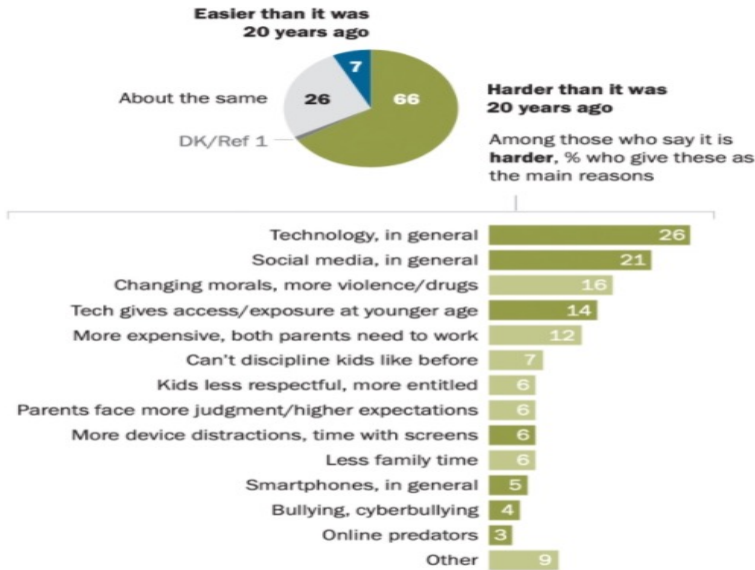|	
Technology, in general	26
Social media, in general	21
Changing morals, more violence/drugs	16
Tech gives access/exposure at younger age	14
More expensive, both parents need to work	12
Can't discipline kids like before	7
Kids less respectful, more entitled	6
Parents face more judgment/higher expectations	6
More device distractions, time with screens	6
Less family time	6
Smartphones, in general	5
Bullying, cyberbullying	4
Online predators	3
Other	9

Note: Based on parents who have at least one child under the age of 18 but may also have an adult child or children. Those who did not give an answer are not shown. Verbatim responses have been coded into categories and figures may add up to more than 100% because multiple responses were allowed.
Source: Survey of U.S. adults conducted March 2-15, 2020.
"Parenting Children in the Age of Screens"

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Is technology making it harder to parent? Many parents think so, with concerns ranging from social media to the perils of too much access.

Share of Tasks Performed by Humans vs Machines 2020 and 2025 (expected)

As humans and machines increasingly work together, jobs involving communications, reasoning, decision-making, creating, managing, and advising will be the realm of humans.

	Share of task hours (%)
Information and data processing	
Looking for and receiving job-related information	
Performing complex and technical activities	
Administering	
Identifying and evaluating job-relevant information	
All tasks	
Performing physical and manual work activities	
Communicating and interacting	
Reasoning and decision-making	
Coordinating, developing, managing and advising	

Legend: Machine 2020 — Human 2020 — Machine 2025 — Human 2025 — Human-machine frontier 2025

Source: World Economic Forum

Skills Growing in Demand by 2025

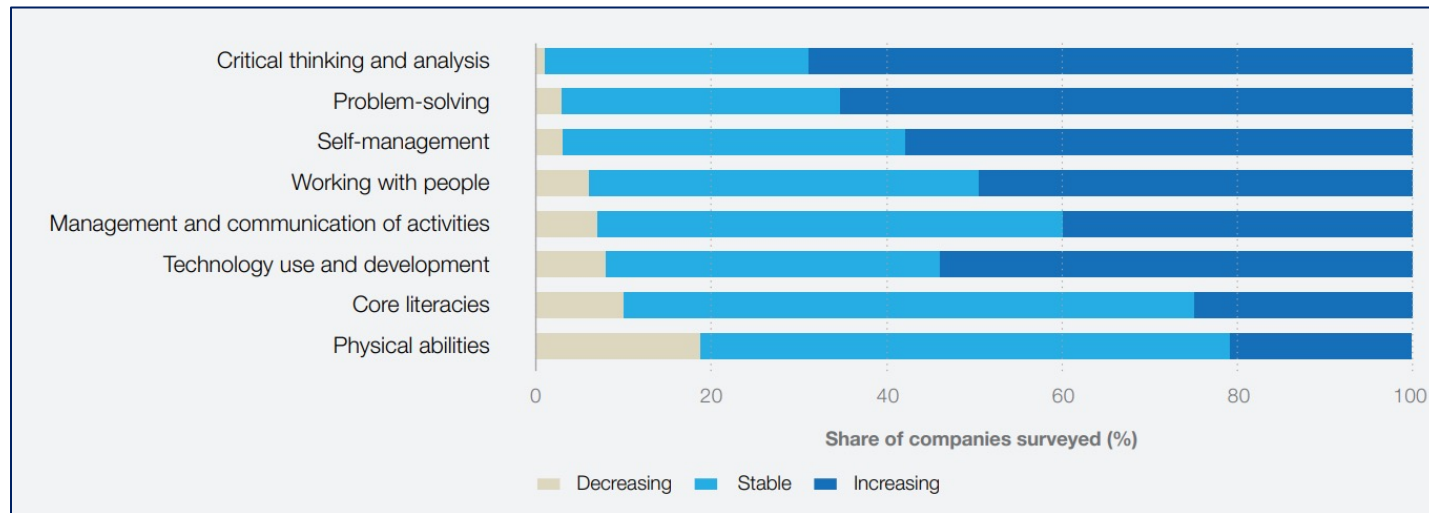Critical thinking, problem-solving, self-management, and working with people growing in importance in the next five years.

Relative importance of different skills groups

Source: World Economic Forum

Future Impact: How Technology Could Change Education Post-COVID

- **Online learning will increase access** and invite a wide array of learners
- **Virtual and augmented reality** will increase engagement
- **Biometrics and facial recognition** could improve safety
- **Gamification** will employ game elements to make learning interactive
- **Artificial intelligence will enable data-driven decisions** to increase efficiency and save costs
- **Smart campus tech** will leverage devices and data for a connected experience.

Source: CB Insights

Disruption Challenges & Opportunities

Fiduciary:
- What risks and legal challenges might the accelerating forces of technology bring to our school?
- Which are the most likely to occur and what is their potential impact?

Strategic:
- How can we better leverage technology to enhance efficiencies and/or improve quality?

Generative:
- What is the portrait of a healthy community in a technology-fueled society?
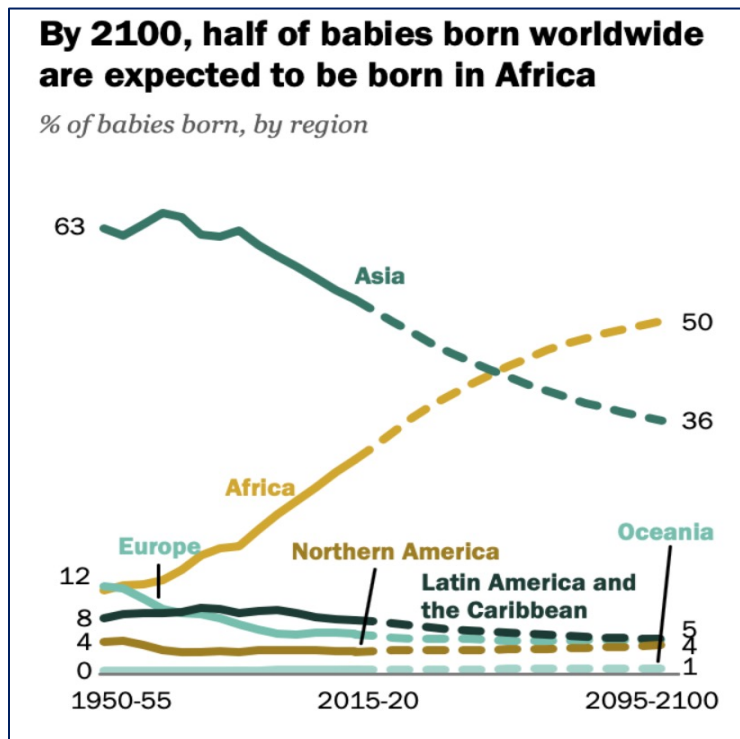
Age & Changing Demographics

COVID-19 Impact: Birth Rate

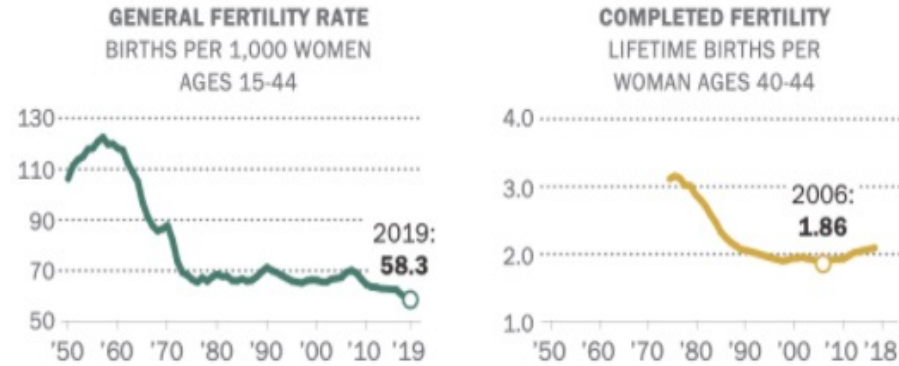An acceleration of already declining birth rates in most advanced economies

Source: Pew Research Center

By 2100, half of babies born worldwide are expected to be born in Africa

% of babies born, by region

U.S. fertility hit all-time low in 2019 and 2006

Fertility indicators

GENERAL FERTILITY RATE
BIRTHS PER 1,000 WOMEN
AGES 15-44

2019: **58.3**

COMPLETED FERTILITY
LIFETIME BIRTHS PER
WOMAN AGES 40-44

2006: **1.86**

Note: Completed fertility data available from 1976 to 2018 only. All values based upon live births.
Source: Data for general fertility rate from National Center for Health Statistics, National Vital Statistics System; for completed fertility, U.S. Census Bureau, Current Population Survey June Supplement.

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Pew suggests we need to take the long view. **Are we asking the right question?**

The share of American women at the end of their childbearing years who had ever given birth was higher in 2018 than it had been a decade earlier. **Some 85% of women ages 40 to 44 were mothers in 2018, up from 82% in 2008.**

Will they, or won't they return? Addressing the postpandemic labor force deficit
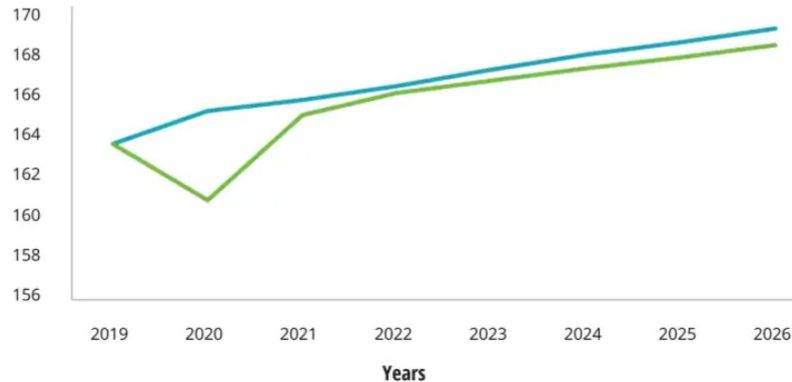
by Daniel Bachman

FIGURE 1

The labor force won't completely recover from Covid

■ Prepandemic forecast   ■ Current forecast

Number in the labor force (millions)

Sources: BLS/Haver Analytics.

Is the workforce a bigger worry? Will recruiting become more competitive in the years ahead?
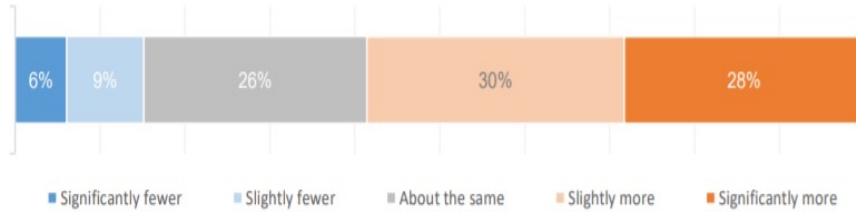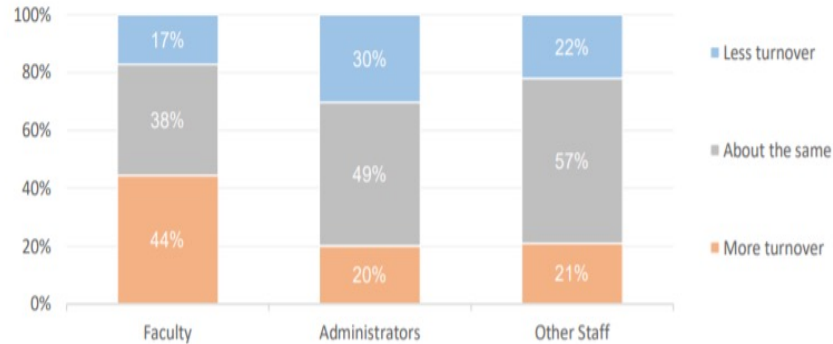
School job openings and turnover in some positions increasing in independent schools.

Age Challenges & Opportunities

Fiduciary:

- What is the tenure and satisfaction profile of our leadership, faculty, and staff?
- Where are we most at risk of losing our workforce because of retirements or turnover?

Strategic:

- Given the economic profile of the Millennial generation, what adjustments do we need to make to our value proposition? Our business model?

Generative:

- In this age of continuous learning, how will we conceive of who is a student in the future?
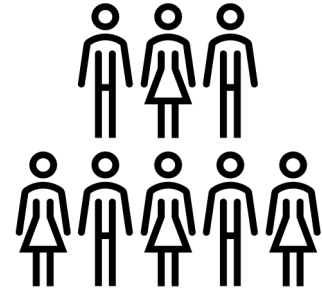
Today, A Continuum of Talent Options

Schools have an opportunity to test out new ways of working

Source: Bersin, Deloitte Consulting LLP, 2018.

Polarization

Stark divides between Trump, Biden voters over race, immigration, gender

% of registered voters who say ...

	Trump voters	Biden voters	All voters
It is "a lot more difficult" to be a Black person in this country than it is to be a White person	9	74	44
The growing number of newcomers strengthens American society	32	84	60
Islam does not encourage violence more than other religions	23	74	51
Women today still face significant obstacles that make it harder for them to get ahead than men	26	79	55

Note: Based on registered voters.
Source: Survey of U.S. adults conducted July 27-Aug. 2, 2020.

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Political divides at an all-time high around societal issues.

Some researchers suggest that we have not been this fractured as a society since the Civil War.

Republicans/Lean Rep

Turned only to sources with a right-leaning audience 24%

Didn't have either of these media diets consistently 41%

Turned to sources with mixed or left-leaning audiences 34%

Democrats/Lean Dem

Turned only to sources with a left-leaning audience 25%

Didn't have either of these media diets consistently 27%

Turned to sources with mixed or right-leaning audiences 48%
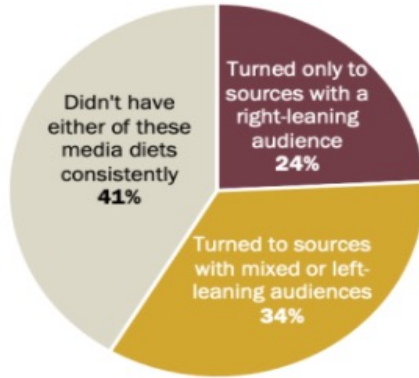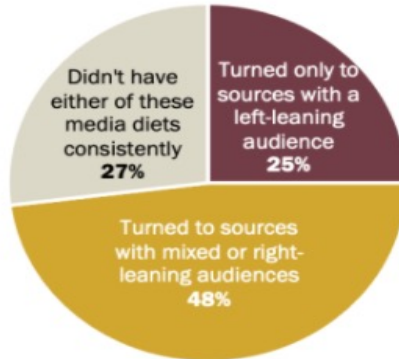
Relied upon sources of news can contribute to polarization, with one quarter of each party only turning to sources consistent with current political views.

Divisions in School Communities

How comfortable or uncomfortable are you sharing your political views, party affiliation, or the presidential candidate you support with other members of the school community?

By personal political orientation (all respondents):

	Uncomfortable	Neither comfortable nor uncomfortable	Comfortable
Very liberal	16%	15%	69%
Center left	30%	22%	48%
Center	52%	22%	26%
Center right	67%	15%	18%
Very conservative	67%	10%	23%

Civil Discourse in Independent Schools   58

EXPRESSING "UNPOPULAR" OPINIONS

Overall heads of school, administrators, and teachers surveyed agreed it is difficult for individuals or groups who held unpopular views or opinions to be heard.
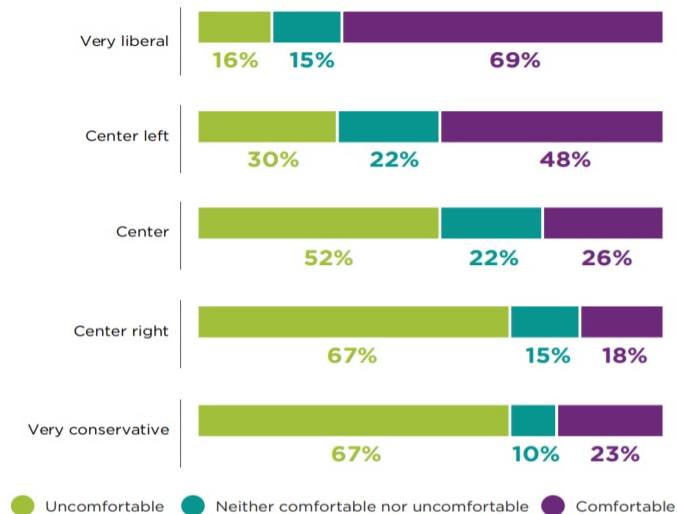
Thinking about your school community during the 2016 presidential election, how easy or difficult do you think it was for individuals or groups of individuals who held unpopular views or opinions to be heard?

Heads

- Extremely easy 1%
- Not sure 2%
- Easy 7%
- 21% Extremely difficult
- 47% Difficult
- 22% Neither easy nor difficult
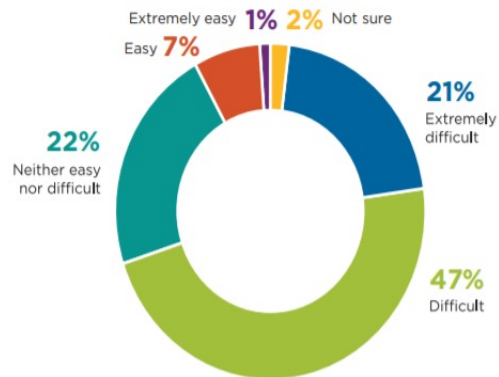
Students Experiencing School Differently

Teacher alienation—being embarrassed or humiliated by teachers or other adults at school—and bullying were positively associated with anxiety, depression, rule-breaking, and substance use.

Over a third of black (37.0%) and Latinx (35.0%) students reported teacher alienation.

21% of Middle Eastern and 18% of Black students reported no caring adult in school.

Percentage Perceiving Presence of No Caring Adult, by Race

Race	Pilot Schools	High Achieving Schools Nationally
Asian	12.0%	13.9%
Black	18.0%	13.9%
White	10.0%	14.6%
Latinx	16.0%	13.9%
Middle Eastern	21.0%	14.6%
Multiracial	14.0%	14.6%
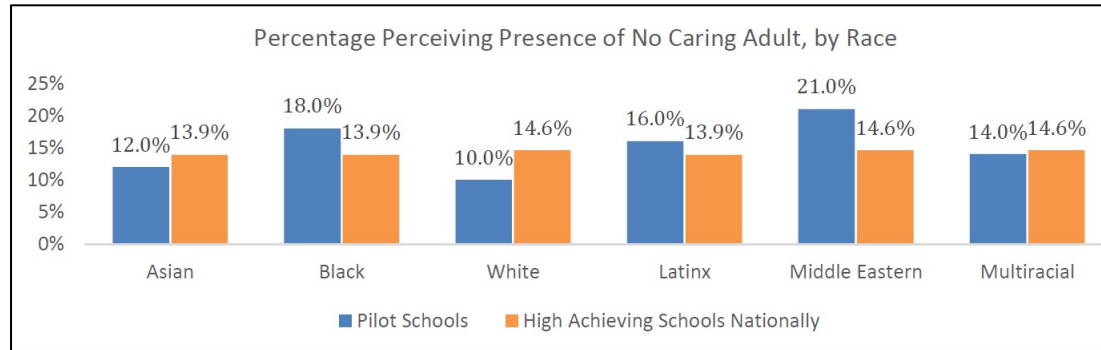
Source: NAIS High Achieving Schools Pilot Study

Polarization Challenges & Opportunities

Fiduciary:
- What legal risks could arise because of community polarization?

Strategic:
- How can we spur healthy community interactions?
- How do we create belonging throughout our school community?

Generative:
- What would our school look like if we prized the common good above all else? What practices would we change?

Major Finding	Recommendations for Schools	Recommendations for Parents
Harmful social comparisons: High levels of achievement and aspirations can foster destructive social comparisons.	**Modify divisive school traditions:** Cut down on school actions that drive social comparisons (e.g., public class rank).	**Minimize comparisons:** Reduce grade portal access, and refrain from using comparative language.
High levels of perceived unkindness: Top mitigating factors centered around reducing perceived unkindness.	**Reduce unkindness:** Create and enforce anti-bullying policies among all members of the school community.	**Be a good role model:** At home, emphasize the importance of speaking up for "those without a voice."
At-risk students: Some subgroups (by grade, gender, and ethnic minority status) are especially troubled.	**Allow students to pick advisers:** Adjust advisory system so students have access to those with whom they are comfortable.	**Ensure that children know they're loved:** Identify at-risk groups, and support programs to increase acceptance and belonging.
Ensure the well-being of all caregivers: "First responders" to students are at risk of burnout and must feel cared for themselves.	**Foster support:** Create regular forums for faculty and staff to support one another in advancing well-being agenda.	**Maintain connections:** Create support forums for parents to share experiences and maintain connections.
Stakeholder alignment: Schools in which parents, faculty, and administrators worked together were able to develop and execute joint initiatives.	**Involve all stakeholders:** Collaborate with parents to ensure that they are aligned on well-being goals and initiatives.	**Stay involved and collaborative:** Regularly engage in dialogue with faculty on how to improve school settings.
Student involvement and communication: Student involvement in design and implementation of initiatives fostered a sense of well-being.	**Enable public student feedback:** Allow students to provide feedback on classes and coursework; public feedback can inform incoming students.	**Foster good, open communication:** Engage children in discussion on how to improve their environment at home and at school.

System changes for schools to consider

Source: NAIS High Achieving Schools Pilot Study

Public Confidence Ratings—
Great Deal or Quite a Lot of Confidence

	2019 %	2020 %	2021 %
The public schools	29	41	32
The medical system	36	51	44
Small business	68	75	70
The church or organized religion	36	42	37
Banks	30	38	33
The U.S. Supreme Court	38	40	36

Confidence is low in most core US institutions.

In public schools, confidence rose during 2020 but fell back to pre-pandemic levels in 2021.

Partisan Divides in Who We Trust

Sizable partisan divisions in public confidence in leaders and institutions

% of U.S. adults in each group with a great deal/fair amount of confidence in …

Groups Republicans trust more

The military — Dem/Lean Dem: 76% … Total 83% … Rep/Lean Rep 91%
Police officers — 69 … 78 … 89
Religious leaders — 53 … 61 … 73
Officials appointed by a president to oversee government agencies — 28 … 42 … 60
Business leaders — 36 … 43 … 53

Groups Democrats trust more

Scientists — 75 … 83 … 89
Public school principals for K-12 — 74 … 80 … 85
College and university professors — 48 … 68 … 84
Journalists — 30 … 55 … 76
Career employees at government agencies not appointed by a president — 48 … 61 … 71

Group with similar levels of trust

Elected officials — 36 … 37 … 37

Note: Respondents who gave other answers or no answer are not shown.
Source: Survey conducted Nov. 27-Dec. 10, 2018.
"Trust and Distrust in America"

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Trust Challenges & Opportunities

Fiduciary:

- Is lack of trust affecting the bottom line of the school?

Strategic:

- How is lack of trust exhibiting itself in various parts of our community?
- What should we be doing to rebuild trust?

Generative:

- What can we do to become the catalyst for societal regeneration and connection in our community?

Moving from Mission-driven to Purpose-driven

A traditional board asks: What is best for our organization?
A purpose-driven board asks: What is best for the desired social outcome we seek?

A traditional board asks: How would this impact our organization?
A purpose-driven board asks: How would this impact all of the players and dynamics within our ecosystem? Will it help us—as an ecosystem—do the most good?

Unleashing our Superpower

The real superpower of the 21st century is our capacity to realign attention and intention on the level of the whole system.

Attention matters because energy follows attention. Wherever you put your attention, that's where the energy goes.

When we bend the beam of collective attention back onto our own process and when we begin to see ourselves through the eyes of others, and the eyes of the whole, then we begin to unfreeze the hardened state of social reality into a more fluid state that allows us to reimagine and reshape reality as needed.—Otto Scharmer, TheoryU

The Power of Systems Thinking

Systems Thinking is a way of analyzing any situation or solution.

It focuses on the way **all the parts of a "system" relate to each** other and how the system works over time.

It moves us away from looking at isolated events and instead focuses on an organization as a system made up of interacting parts.

When we shift our lens in this way, we are more likely to address the right problem.

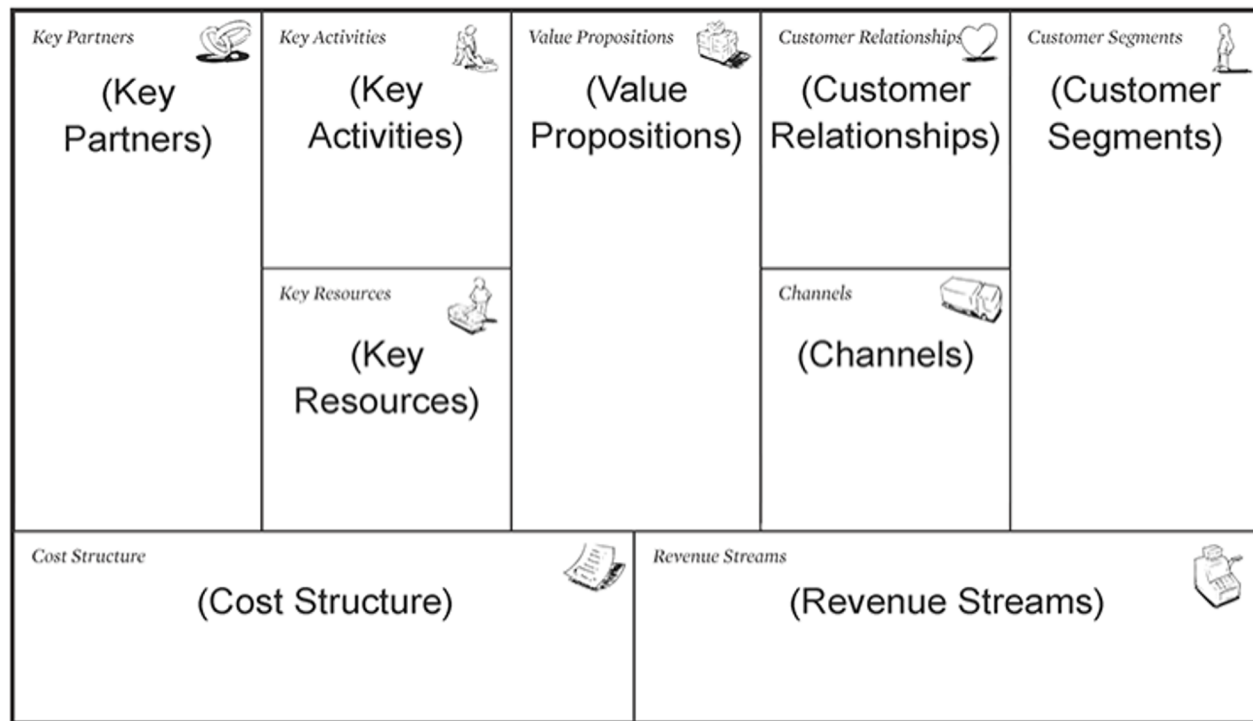Source: Adapted from systems-thinking.org

Map How Your School Works as a System

See your school as a *system*.

Spend some time thinking about the **business model that drives your school.**

Identify vulnerabilities & opportunities.

Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
(Key Partners)	(Key Activities)	(Value Propositions)	(Customer Relationships)	(Customer Segments)
	Key Resources (Key Resources)		**Channels** (Channels)	

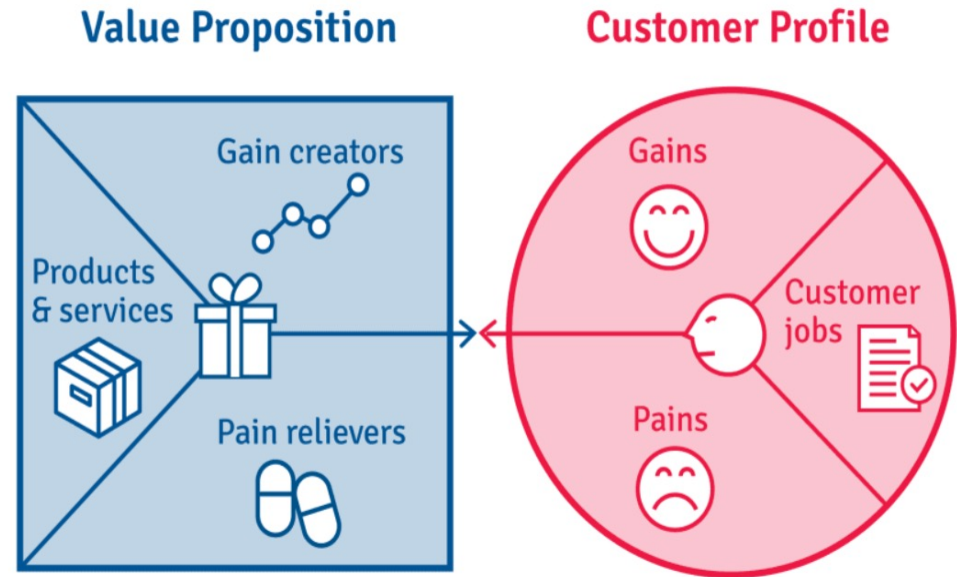| Cost Structure	Revenue Streams
(Cost Structure)	(Revenue Streams)

Understand Constituents Pains & Desired Gains

Look at your school from the *demand side.*

As you envision your strategy, find ways to **connect what parents and students truly need with what you do incredibly well.**

Source: Strategyzer

Thank you!