

# MISSING THE MARK: How Simple Measures Can Turn Good Intentions Upside Down

by Terri Block

*As part of our study of the infrastructure of democratic capitalism, we are exploring different themes associated with physical infrastructure (buildings, roads, sewers and other constructed resources that we share across a society), transactional infrastructure (the set of rules, decision-making institutions and mechanisms that allow a society to exchange goods and services and to interact effectively) and knowledge infrastructure (the set of systems and institutions—including education, media, and the Internet—that enable the creation and sharing of ideas and the reliable transfer of information). These short articles represent our early thoughts on these themes. We welcome your thoughts and reactions. Email us at [assistant@martinprosperity.org](mailto:assistant@martinprosperity.org).*

As we find ourselves in the early 21st century, many have recognized that pieces of our legacy infrastructure are no longer serving their intended purpose or are serving an outdated purpose. We keep hearing it: society's needs are rapidly changing; flexibility, foresight and creativity are all facets needed to succeed and grow in a world that is more connected and competitive than ever. Schools are working towards graduating critical and creative thinkers, organizations are recognizing their need to innovate for the future, and entrepreneurs and social innovators are changing the landscape of what it means to do business. And yet, despite many an effort

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to reconsider how organizations will thrive in the 21st century, it seems that rethinking and redesigning our infrastructure to be more fluid and flexible is proving to be difficult.

Take charter schools, for example. Currently, in the United States, there are approximately 6,000 charter schools serving approximately 2.3 million students. These charter schools are publicly funded and independently run academic institutions, born out of a hypothesis that the systems under which traditional public schools operated were impeding the exploration of innovative pedagogy and structures. The notion that spurred the creation of charter schools was utterly well-intentioned: the idea was to grant autonomy over curricula, staffing decisions and other traditional constraints to the schools themselves, creating more room to play, explore and innovate. The belief was that the lessons learned from charter schools could eventually find their way into the traditional public school system, which currently serves over 50 million students in the United States.

It hasn't worked out quite as intended. Years later, charter schools continue to grow and scale, and their expansion has most recently been supported by the Obama administration. But, true experimentation, and the cross-pollination of the best innovations to the public system, happens rarely. Why? The answer, as with most wicked problems, is not so obvious. In this case, it seems likely that measures created to spur and track innovation are actually dampening it. What we measure fundamentally shapes what we do.

In education, our legacy infrastructure includes buildings, curricula, pedagogies, structures and measures. What are our legacy measures? They're all around us: standardized test scores, overhead spend, shareholder value. These measures share common features; they are singular and capture an outcome that is a proxy for something we care about. We want to know if our

kids are learning, so we use standardized test to measure the extent to which they have memorized the curriculum. This isn't really learning, of course, but it is the best proxy we have.

Legacy measures help us understand: did we maximize efficiency? Did we get the result we expected? These measures can be extremely helpful when we have "perfected" our systems but they are less helpful when we are exploring possibilities of what could be. In the first case, we are in the mode of exploiting systems we know and understand; in the latter, we are exploring and creating new systems. These two modes, exploitation and exploration, are both important but they are also distinct. And, as Roger Martin shared at MPI's 2014 Knowledge Conference, it is problematic to measure exploitation and exploration in the same way because they seek to satisfy different aims.

Charter schools are ultimately held accountable by a legacy measure: the standardized test score. If charter schools can prove that their students successfully meet standards, the schools get to stay open and, according to the Obama administration's most recent budget, can receive funding to replicate those successful models. On the surface, measuring charter school success by standardized test scores makes sense; after all, standardized tests allow for straightforward comparisons, simplifying incredibly complex variables. But the imposition of a standardized test drives charter schools, unsurprisingly, to standardized curriculum that matches up against the dimensions of the test.

A good measure allows decision makers to learn and take action. The extent to which a standardized test score actually measures the intended outcome of charter schools – innovative teaching and learning – is questionable. The test scores do not allow us to take direct action in this regard. When we see that a school has met test standards, we are not able to point a finger to what caused the outcome, nor are

we are able to know what to do next. Placing such a strong emphasis on standardized test scores robs the education system of the opportunity to be surprised by and learn from bright spots but it also leaves the entire education system susceptible to abuse from those who can game the system.

The use of standardized test scores as the make or break measure for scaling or closing charter schools, combined with the lack of regulation constraining how those scores are achieved, has produced charter schools that resemble a private-sector business whose goals are to create efficiencies that maximize the bottom line. But, rather than maximizing shareholder value, the incentive is to maximize test scores. This dynamic, combined with a significant [tax break](#) for investing in the physical construction of charter schools, has made charter schools an attractive investment for hedge funds and money managers. Increasingly hedge funds are investing in charter schools as they invest in for-profit companies: invest, create efficiencies to achieve results, and replicate those models to exploit economies of scale. To more easily replicate charter schools models, hedge funds are [pushing state governments](#) to increase the number of charter schools allowed in a state.

Charter schools were intended to explore innovative teaching and learning practices for the purposes of transferring lessons learned to traditional public schools. Hedge-funds exist to exploit and scale organizations. These objectives are fundamentally in tension. Match this tension with the fact that charter schools need capital investment (as public dollars do not fund capital expenses, like physical space) and we have the perfect storm that turns a well-intentioned piece of infrastructure upside down. The measures we have placed in charter schools pull them over more into the hedge-fund sphere and make it ever less likely that charter schools can truly innovate, and the public system will benefit. We continue to move farther and farther

away from charter schools' original intention. Further compounding the issue is the critique that charter schools seem ever more likely to pull the best and brightest children from the public system, leaving only those children who can't earn a scholarship or afford tuition in an underfunded and marginalized system.

There is no signal that the charter school movement is slowing down, and by no means is it our intention to say that it should. But to uphold the spirit of experimentation and learning that benefits a broad section of society over the long term, we might look to other models where innovation in education is measured not primarily by legacy measures but by new measures that may better capture the intent of the experiment. Likely, the answer won't lie in an either-or choice (either standardized measures or non-standardized measures) but in something else, a better possibility that combines the benefits of various ways of measuring. We owe it to the young people in the public education system to deeply consider how we measure models of success. After all, we are what we measure.

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