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Reinventing Human Resources at the School District of Philadelphia

Promising wholesale change in its hiring process and employee relations, the Philadelphia School District has ousted the top four managers in its human resources department...In a school system that has been hard up for teachers and can little afford to alienate its applicants and workforce, chief executive Paul Vallas said yesterday that complaints rolled in about the department, which oversees 25,000 employees. He described it as “insensitive” and “unresponsive.” “We’ve got to put the *human* back in *human resources*,” Vallas said...

The District also announced yesterday the promotion of Tomás Hanna, who had been director of teacher recruitment and retention since August 2002, as the senior vice president of human resources.

—“School district ousts four managers,” *The Philadelphia Inquirer*, January 11, 2005.

On a sunny spring day in mid-April 2005, Tomás Hanna glanced at the now infamous January 11 newspaper clip. The article captured Hanna’s greatest professional challenge of his 14-year career with the School District of Philadelphia and he kept it taped to his computer as a daily reminder of his charge, which was nothing less than leading a full-scale transformation of the District’s human resources (HR) department. The scores of photos and drawings decorating his office reminded him why he had accepted the daunting task—the over 217,000 Philadelphia students who deserved a high-quality, committed teacher in their classrooms every day.

As Hanna reflected on his first 90 days in office, he felt positive about the changes underway. He had recruited four new directors to help him drive change in the 120-member department. Plans to implement site-based selection—a new process that allowed all schools to interview and hire teacher candidates for the first time—beginning May 1, 2005 were on schedule. Following CEO Paul Vallas’s lead, Hanna was reaching out to the Philadelphia Federation of Teachers (PFT) in hopes of restoring a severed relationship.

However, Hanna remained cognizant of the formidable challenges ahead. Most immediately, Hanna knew that for many internal and external observers, site-based selection was a “make or break” test of his ability to lead change in HR. A 2003 blue-ribbon task force, known as the

Research Associate Caroline King prepared this case under the supervision of Professor David A. Thomas. PELP cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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“Campaign for Human Capital,” (the Campaign) specifically cited the District’s centralized hiring process as a key obstacle for recruiting and retaining high-quality teachers, and in response, District leadership had pushed hard to win school-based hiring in the new 2004-2008 PFT contract. Hanna worried about the capacity of the District’s 274 schools and HR to effectively enact site-based selection.

Looking ahead, Hanna had to find ways to institutionalize other important Campaign goals, such as diversifying teacher recruitment, supporting new teachers, and strengthening leadership development for principals. Hanna also remained deeply troubled by the District’s inability to place the best teachers in the lowest performing schools. Hanna recognized that a lot of this work depended upon his team’s ability to develop strategic relationships with other internal District departments and the unions—not an easy task given HR’s historical isolation, transactional culture, and acrimonious labor relations.

The School District of Philadelphia

In SY05, the School District of Philadelphia (the “District”) was the eighth-largest public school system in the country and the largest in the Commonwealth of Pennsylvania.¹ The District had a \$1.9 billion annual budget and enrolled approximately 217,405 PK-12 students in 274 schools. Similar to its urban counterparts across the U.S., the District served an increasingly diverse and low-income student body. African-Americans comprised 66% of district enrollment, Hispanics 15%, whites 14%, and Asians 5%. Eighty percent qualified for free or reduced-price meals, up from 55% in 1997, and 7% were learning English for the first time (see **Exhibit 1** for district facts and figures).

The District was emerging from a period of turmoil and rapid change. SY05 marked the District’s third year operating under the joint oversight of the state and city of Philadelphia.² In December 2001, as the District faced a hostile state takeover due to chronically low academic achievement and a \$200 million operating deficit, then Republican Governor Mark Schweiker and Democratic Philadelphia Mayor John Street brokered the shared agreement. Schweiker and Street created a new five-member governing board, the School Reform Commission (SRC), with the governor appointing three members and the mayor two. The SRC selected the District’s CEO, assumed fiduciary responsibility for the District, and gained some extraordinary powers under Act 46 of the Pennsylvania School Code (see **Exhibit 2**).

The SRC appointed its first CEO, Paul Vallas, in July 2002. The head of Chicago Public Schools from 1995-2001, Vallas enacted a series of large-scale reforms aimed in improving academic achievement throughout the District. Under Vallas’s strategic plan, “Students Succeeding 2002-2008,” the District standardized the K-9 curriculum, increased instructional time for literacy and mathematics, implemented six-week benchmark assessments, strengthened professional development, reduced class sizes in grades K-3, and earmarked \$1.5 billion for capital improvements.

Vallas also worked to repair badly damaged relationships with the District’s five collective bargaining units, most notably with the 20,000-member PFT. Evidence of the acrimony from the highly contentious 2000 contract negotiations lingered. The union and District maintained different

¹ SY is a PELP convention that denotes “school year.” For example, SY05 refers to the 2004–2005 school year.

² See “Finding a CEO for the School District of Philadelphia: Searching for a Savior?” HBS Case No. 803-72 (Boston, MA: Harvard Business School Publishing, 2003) for additional background on the District.

versions of some contract language,³ grievances skyrocketed, and PFT relations with HR had reached a stalemate.

By SY05, Vallas's efforts appeared to be gaining traction. Student performance on the Pennsylvania System of School Assessment (PSSA) tests had improved steadily since 2002, with the District's annual achievement gains outpacing state averages (see **Exhibits 3a and 3b**). The number of schools demonstrating adequate yearly progress under the federal *No Child Left Behind Act* surged from 22 in SY02 to 160 in SY04. Vallas also restored the District's financial health, and in May 2004, he submitted the District's first balanced budget in seven years. The SRC credited Vallas and his leadership team with ameliorating union relationships; building bridges to the business, philanthropic, and university committees; and restoring public confidence in the school system. Strengthening human capital management in the District, however, remained an intractable problem and Vallas hoped that Hanna's leadership and a new 2004-2008 PFT contract had finally created the conditions for change.

Efforts to Reform Human Resources

The Office of Human Resources

The 120-person HR office was responsible for developing and implementing all personnel and employment policies, including recruiting and hiring staff, interpreting and enforcing labor contracts, and managing payroll and benefits. An executive director (ED) reported to the District's chief operating officer (COO) (see the District's organizational chart in **Exhibit 4**). Four directors reported to the ED and oversaw four major HR divisions: 1) recruitment and selection, 2) employee operations, 3) classification and compensation, and 4) labor relations.

Multiple indicators suggested entrenched problems hampered HR's effectiveness, ranging from hard data showing that over 50% of teachers left the District within three years⁴ to anecdotal comments relating the department's appalling lack of customer service. The department also experienced a revolving door of leadership with three different executive directors serving between July 2002 and November 2004. A number of initiatives were designed to "workaround" the deficiencies of HR, such as the Campaign for Human Capital (see below) and the transfer of benefits from HR to the finance office in late 2002.

As SY05 began, HR was led by a former private industry executive with experience on a suburban school board who had been appointed as the department's ED in November 2003. Despite directing his new hire to "shake things up in HR," Vallas grew impatient with the slow pace of change in the department. Vallas emphasized the need for a radically different approach to HR:

Our HR department was still working under the assumptions of the old economy when we were flooded with applications and teachers spent their careers with the District. HR did not respond, or see a need to change, to meet the needs of a new economy. We have to be ready to compete on multiple levels now. Teachers come to us from all walks of life with different professional expectations; we are not their only employment option. Also, we have to hire the

³ Specifically, the PFT and District maintained different contract language around high school teaching loads and an enhanced compensation system. Case writer interview with PFT Vice President Jerry Jordan, June 1, 2005.

⁴ Neild, R., Useem, E. and Farley, E. (April 2005). *Quest for Quality: Recruiting and Retaining Teachers in Philadelphia*. Philadelphia, PA: Research for Action, p. 16.

most innovative principals and talented teachers we can to ensure our students develop the complex, critical thinking skills they need to be successful in college and the workforce.

External and Internal Reviews

Vallas commissioned two external reviews of HR in the fall of 2004.⁵ Concurrently, District leadership completed an internal assessment of the department. These reviews identified three primary challenges for improving HR's effectiveness: strategic and operational issues, the relationship with the teachers' union, and the highly centralized teacher hiring process.

Strategic and operational issues While District and external evaluators alike critiqued HR's transactional orientation, one external group suggested that leadership's attitude toward HR and the absence of a direct reporting relationship between the CEO and HR exacerbated the problem. A former senior manager shed light on the situation:

HR was viewed, internally and externally, as the people who processed new employees. We were not invited to the table when District leadership made strategic decisions, many of which had considerable HR implications, such as the opening of 28 small high schools by 2008. Often, we were not asked to give our input on the recruitment and staffing issues, but rather, were expected to 'just make it happen.' This pattern further reinforced the perception of HR as not strategic and left many HR employees feeling unmotivated and unaware of the big picture.

The department's four divisions—and smaller task-oriented units—operated as silos, in which people rarely shared information or interacted with staff in other areas. A recruitment manager recalled contacting a colleague in placement and being denied new teachers' starting salary information because "that was not part of my job." District employees outside of HR also complained that HR was stubbornly unresponsive. While some HR employees perceived themselves as the "gatekeepers" who protected the District by ensuring personnel policies and procedures were followed, other HR staff suggested that they would have liked to have been more helpful, but were purposefully cut-off from the rest of the organization. A 12-year HR employee who wrote job descriptions for vacant positions explained, "Writing classifications takes a lot of back and forth with the hiring department in order to clarify the role, responsibilities, and qualifications. But my director wouldn't allow me to call managers above my level within HR or in other departments."

Due to the District's financial constraints, HR had been passed over for major technology upgrades. For example, the three functional groups involved in hiring new teachers—recruitment, selection, and placement—did not collect data in a standard format or centralized database. As a result, data was either lost, tracked on paper, or stored in stand-alone databases. Capacity constraints also reduced the effectiveness of the District's AMS Advantage technology system which had been implemented in 1999 to manage "back office" transactions, such as entering employees in the payroll system. After receiving numerous, and constant, complaints from employees with missing paychecks or delayed benefits, the PFT began calling the HR tool the "disadvantage" system. Employee records were also in complete disarray as each HR unit, such as benefits or certification, kept separate paper files on the same employee. Compiling a comprehensive employee file could take up to a week.

Relationship with the teachers' union Vallas also grew increasingly frustrated that HR leadership had not fostered more collaborative relationships with the District's unions, particularly

⁵ This section includes findings from two internal district documents: The Council of Great City Schools (October 2004) *Restructuring, Reengineering and Rebuilding Human Resource Management in the School District of Philadelphia* and the Bronner Group (January 2005) *The School District of Philadelphia: Analysis of Current Teacher Hiring Process*.

the PFT. Ted Kirsch, who had served as the PFT President since 1990, characterized the attitude in HR towards the union from the late 1990s to 2004 as “highly contentious and lacking any semblance of trust, respect, and dialogue.” Arlene Kempin, the PFT’s chief personnel officer who had occupied an office within HR since 1983, experienced the impact of what she described as a “complete communication breakdown between HR and the PFT” firsthand. “HR sent out employee directives, and even though I was just down the hall, my first introduction to a memo was usually a flood of calls from our members asking me if they had to comply,” recalled Kempin.

Highly centralized and cumbersome teacher hiring process Historically, and in accordance with the PFT contract, HR interviewed, hired, and assigned all new teachers centrally. (The only exception was teacher hiring in schools that had voted for full site-based selection.⁶) Teams from the recruitment and selection division interviewed applicants, ranked successful candidates according to their interview score and application date, and then turned over the list to a placement team in the employee operations division. As vacancies occurred during the year, the placement group contacted the highest scoring and earliest applicant on the list of selected candidates and took responsibility for “on-boarding” new teachers. One external study determined that in addition to the inefficiencies created by the multiple hand-offs, many qualified applicants actually found other jobs while waiting for HR to work through its historical list.

To fill the average 1,250 vacancies that occurred at the end of each school year, the placement team compiled a list of open positions by school by April 15 and invited candidates to rank their preferences. Many newly hired teachers ranked their school choices based on little more than anecdotal information from HR staff. External evaluators concluded that new teachers experienced an information-poor hiring process in which they felt detached from the schools they were selecting. In contrast, site selected teachers appeared more knowledgeable about their schools (see **Exhibit 5**).

Further compounding the process was a PFT contract stipulation prohibiting the District from hiring any new teachers until vacancies had first been filled by more senior teachers bidding for transfers.⁷ Not only did the provision prolong the District’s hiring timeline, but as veteran teachers typically transferred to increasingly higher-performing schools, newer teachers were often assigned to the neediest schools.⁸ Principals, who had no input in the centralized new teacher hiring process and could not refuse seniority-based transfers, complained that they were unable to build their own staffs at the same time that they were being held increasingly accountable for improving academic achievement. Indeed, a 2004 study of 13 large urban school systems’ hiring and assignment practices determined that Philadelphia was the only district in which schools never had the opportunity to interview teacher candidates.⁹

⁶ Under the 2000 PFT contract, schools could elect to hire all open positions through site-based selection if two-thirds of the faculty voted in favor by December 31 of each year. A school’s union representatives decided whether or not to hold such a vote. In fall 2003, 12% of district schools voted for full site-based selection; 16% approved site-based selection in fall 2004.

⁷ There were two types of transferring teachers: voluntary and forced. *Voluntary* transfers were teachers who wanted to leave their school. *Forced* transfers—or “excessed teachers”—were those whose current positions had been eliminated due to declining enrollment, course cancellation, or some other reason and were forced to leave their school.

⁸ Chester, M.D., Offenber, R., and Xu, M.D. (2001, April). *Urban teacher transfer: A four-year cohort study of the School District of Philadelphia Faculty*, as cited in *Quest for Quality*, p. 21.

⁹ Useem, E. and Farley, E. (April 2004). *Philadelphia’s Teacher Hiring and School Assignment Practices: Comparisons with Other Districts*. Philadelphia, PA: Research for Action. N.B. The study cited site-based selection schools as the only exception.

The Campaign for Human Capital and Tomás Hanna

High teacher turnover rates plagued the District, mirroring a trend evidenced in major metropolitan school systems around the country. An analysis of the 919 teachers hired in SY00 demonstrated that only 43% remained in the District four years later, and of those, only 29% had stayed in the same school all four years. High-poverty schools were disproportionately impacted (see **Exhibit 6**). In August 2002, Vallas appointed Tomás Hanna as his special assistant for recruitment and retention, a newly created position independent of the HR office. Hanna brought to the task a proven track record in the District—12-years of service, including teaching and three successful principalships in struggling schools—and was known for his energy, creativity, and commitment to ensuring every student achieved high academic standards (see **Exhibit 7** for Hanna’s bio).

Hanna’s charge From August 2002 to December 2004, Hanna designed and led the “Campaign for Human Capital” (the Campaign).¹⁰ The Campaign’s goal was to position the District as “the employer of choice for prospective and experienced teachers.” Hanna recruited nearly 100 representatives from the central office, schools, SRC, employee unions, business community, and local universities to serve on the Campaign’s steering committee and ad hoc task forces.

Between November 2002 and May 2003, these groups diagnosed the major challenges and opportunities for strengthening teacher recruitment and retention in the District. The Campaign issued recommendations in five areas: 1) defining teacher competencies, 2) marketing the District’s competitive advantages, 3) collaborating strategically with external stakeholders, 4) enhancing the professional environment, which among other things, called for replacing the District’s centralized teacher hiring process and seniority-based transfer process with site-based selection, and 5) maximizing communication and engagement with teachers (see **Exhibit 8** for a summary of the recommendations). The Campaign officially disbanded in May 2003.

Hanna secured \$11.2 million to fund key recommendations, and retained a coordinating and oversight role as the Campaign moved into an implementation phase. Hanna managed some projects, while turning other initiatives over to specific central offices. For example, Hanna worked with the chief academic officer’s staff and regional superintendents to revamp leadership development programs for principals. The finance office successfully accelerated the budgeting process to accommodate earlier teacher hiring, while HR was to tackle key recommendations related to teacher recruitment and retention.

While Hanna enjoyed his more operational duties, he met considerable reluctance within HR to enact Campaign proposals and, with Vallas’s blessing, Hanna exerted greater leadership. Hanna acknowledged that his role within HR became increasingly ambiguous and stirred-up deep-seated tensions. “A lot of people in HR, especially the leadership, felt purposefully shut-out of the Campaign and didn’t feel inclined to move quickly to execute the recommendations,” noted Hanna.

Results In SY05, however, the Campaign’s work showed signs of real progress.¹¹ The number of teacher applications rose 44% between 2002 and 2004. Ninety-one percent of new teachers hired in SY04 completed their first year in the classroom, as compared with 73% in SY03. The percentage of first-year teachers returning to teach in the District for a second year had steadily increased from an all-time low of 73% in 2000 to 77% in 2003, rising again to 85% in 2004.

¹⁰ See “The Campaign for Human Capital at the School District of Philadelphia” PELP Case No. 009 (Boston, MA: Harvard Business School Publishing, 2004) for additional background on the Campaign.

¹¹ Teacher statistics in this section from *Quest for Quality*, pp.15-.25, and district files.

The District's vacancy rate also showed promising trends. School opened in September 2003 with 95 unfilled teaching positions, down from 138 in September 2002. In September 2004, vacancies increased temporarily to 143, primarily resulting from the fact that the District had to hire 400 more positions than prior years due to a K-3 class size reduction initiative and one-time \$25,000 early retirement incentive. By January 2005, however, the District boasted one of its lowest vacancy rates in over three years (0.5%) with only 40 unfilled teaching slots.

Meanwhile, District leadership grew increasingly concerned about HR's ability to play the leadership role necessary to institutionalize and deepen the Campaign's work. SRC Commissioner and Campaign co-chair Sandra Dungee Glenn remarked, "The Campaign demonstrated that the District's ability to improve student achievement hinged upon a attracting, developing, and retaining a highly-qualified workforce, but it also exposed the brokenness of the HR department. We realized we didn't have the leadership or capacity in HR to drive a human capital management strategy."

Impetus for Change: The 2004 PFT contract and Partial Site-based Selection

Building upon the Campaign's success and the constraints identified in the District's centralized HR practices, the SRC and District leadership vowed to radically redefine the teacher hiring and assignment process through the 2004-2008 PFT contract. Initial SRC proposals included moving the most senior teachers to the lowest-performing schools and opening up every teaching position to site-based selection—both of which inspired a backlash among teachers and PFT leadership.

Vallas, however, was committed to securing a contract supported by both labor and management stating that "our students' success depends on everyone working together, not against each other." The District and PFT eventually softened their positions and signed a watershed contract on October 14, 2004. For the first time, principals and their school-based selection committees in all 273 District schools gained the ability to screen, interview, and hire candidates for 50% of their teaching vacancies under a new partial site-based selection process starting May 1, 2005.¹² Transferring senior teachers would fill the remaining 50% of vacancies. Principals designated which positions to fill via site based selection or the traditional transfer process.

After an initial HR screening, all new teachers would have to apply for positions directly at schools and could only be hired into the District through site-based selection. Concurrently, senior teachers desiring to change schools could either apply for site-based selection positions or transfer through the traditional seniority process. Any vacancies unfilled by August 1 would automatically be turned over to HR and be filled by either seniority-based transfers or new teachers placed on one-year "special assignments" (see **Exhibit 9** for the PFT contract timeline).

The 2004 PFT contract also designated that any new District school and 10 low-performing/historically hard-to-staff middle schools would fill all positions through full site-based selection, in addition to any school that had voted for full site-based selection. For the SY06 hiring season, 50 schools would fill 100% of their vacancies through site-based selection.¹³ The remaining 224 District schools would fill positions through partial site-based selection. The District estimated that nearly 80% of open positions for SY06 would be filled through site-based selection. As veteran

¹² Schools that voted for full site-based selection in the fall of 2004 would continue to fill every position through site-based selection.

¹³ The 50 schools comprised 42 schools that had voted for full site-based selection, which included two of the hard-to-staff middle schools, plus the other eight hard-to-staff middle schools.

teachers retired, more small high schools opened, and more schools supported the process, the District hoped site-based selection would be used for 100% of teaching vacancies by 2015.

As the negotiations ended, Vallas knew he needed the right person to implement the PFT contract and move HR forward more broadly. After the executive director of HR quietly left the District in November 2004, Vallas approached Hanna. “Tomás was a clear first choice,” Vallas explained. “He knew HR in and out, he’s an excellent communicator, and he showed he could deliver results with the Campaign.” Hanna recalled, “Vallas had offered me the head of HR before, but I turned it down because I didn’t want to leave the ‘education side of the house,’” adding, “Now, I saw the opportunity to join the education and operations sides under one roof. Plus, we had won site-based selection, and while I knew it would be a huge managerial challenge, it was exciting and I felt ready.”

Hanna's First 90 Days

While Vallas officially announced Hanna’s appointment as senior vice president for HR on January 11, 2005, Hanna had been preparing for the transition since October 2004 and had actually assumed the role in mid-December 2004. During those three months, Hanna scoured the external reviews of HR, consulted key Campaign advisors, and surveyed the District. Hanna remarked:

I view my HR assignment as my fourth principalship. It’s really about getting everyone on the same page and working together towards one goal, except now it involves the entire District. When I was a principal, I walked the halls and talked to everybody—the union’s building reps, the new teachers, the veterans, the custodians, and most importantly, the students. So, now, I walk around all of the nooks and crannies of the HR office, other central office departments, the unions, and as much as I can, I get into schools.

A Fresh Start

Hanna’s first move was to assemble a new leadership team. During his transition period, Hanna met frequently with Vallas and COO Natalye Paquin to discuss their vision for HR. The three reached consensus that Hanna would have the latitude to replace the four long-serving HR directors with his own executive team. Hanna also made an unprecedented call to PFT President Ted Kirsch soliciting suggestions.

On January 6, 2005, Hanna dismissed his four direct reports. “Letting those four people go and not giving them ‘soft landings’ to other positions in the District was the most difficult thing I’ve ever done,” Hanna commented. “But I wanted to send a clear message, both internally and externally, that change was finally coming to HR and I wanted to model the behavior we’re looking for. If you’re not here for the kids, then you shouldn’t be here.”

The public outcry Hanna expected in reaction to the firings never happened. In particular, PFT leadership welcomed the change. Kirsch commented, “You can cut off the head, but until all of the organs learn to work differently, the body will behave in the same old ways.” Hanna acknowledged, however, that within HR, the move was highly controversial and unsettling. “These four directors had been here a long time and had close relationships with many staff,” noted Hanna. “I knew people were scared for their own jobs, but also wondering if I had a plan.”

Building a New Team

On January 10, 2005, Hanna reorganized the department into three new areas—1) employee entry, 2) employee service operations, and 3) employee relations—purposefully renaming the offices with “employee” to signal customer service as a priority. Hanna’s most significant structural change was to join the recruitment, selection, and placement functions within employee entry. That same day, Hanna installed three new directors:

Shawn Crowder, executive director of employee entry As director of the new 65-member employee entry division, Shawn Crowder oversaw the recruitment, selection, and placement of all instructional and non-instructional employees in the District. For teachers alone, that meant hiring approximately 1,250 new teachers and transferring 3,000 veterans per year.

Prior to joining Hanna’s team, Crowder spent 14 years with CIGNA Insurance Company. After working her way up through CIGNA’s investment and group insurance divisions, she transitioned to the company’s HR department, where she became director of staffing operations and managed the hiring of 5,000-7,000 employees annually. Crowder met Hanna in early 2004 and became intrigued by the Campaign. “I wanted to make a career switch and find somewhere I could really make a difference. Hiring the best people to staff our schools and teach our kids is the most important job in the world,” explained Crowder.

Upon joining the District and Hanna’s team, Crowder met individually with each of her 65 employee entry staff members, seeking to both understand their roles and responsibilities and to “find the talent buried below the surface.” Encountering a flat division in which each employee reported directly to her predecessor, Crowder quickly assigned approximately a half dozen team leaders. Crowder also began tackling the “entrenched silos” of her division by piloting cross-training and cross-functional teams. However, Crowder’s biggest priorities were overseeing the new site-based selection process and ensuring all teacher vacancies were filled by the first day of school on September 1, 2006.

Susan Gilbert, executive director of employee support operations Susan Gilbert joined HR in January 2005. Hanna tapped Gilbert to lead employee support operations, a 50-member team responsible for all of the back-office HR functions, including benefits, personnel records, health services, classification and compensation, unemployment, retirement and the teacher helpline.

Gilbert came to HR from the Districts finance office, which she had joined in 2000 following a 25-year career in financial services with three Philadelphia banks. As the payroll director, Gilbert encountered a complete mess where current employees were routinely not getting paid on time or correctly, but most of the problems stemmed from inaccurate input into the Advantage system. After cleaning up payroll, the Districts CFO asked Gilbert to take over employee benefits from HR in late 2002. Again, it was a nightmare, nothing was systematized or monitored, recalled Gilbert. We recovered \$8 million simply by going through our bills and discovering we had been paying medical coverage for over 1,000 people who had long since left the District.

During the first 90 days, Gilbert concentrated on streamlining employee support operations. “My staff has a wealth of system-specific knowledge, but many of the processes are disjointed, outdated, and inefficient,” she explained. Gilbert had interviewed her 50 direct reports, and with their help, was documenting current business processes, identifying bottlenecks, and outlining plans for new systems. Acknowledging the importance of reducing employee complaints and union grievances, Gilbert transferred benefits back under HR in order to improve customer service and better coordinate the information flow.

Andy Rosen, executive director of employee relations Hanna appointed Andy Rosen as executive director of employee relations, a six-member team that interpreted union contracts for principals and other administrators around issues such as work rules, teacher performance, and the new site-based selection provisions. A lawyer and member of the Districts General Counsels office for 26 years, Rosen had worked closely with the bargaining units and the HR labor relations office. Rosen transferred to HR in July 2004, helping to renegotiate the Districts five employee contracts.

Rosen, who had previously worked with all six members of his team, kept the division stable. His team focused on helping administrators to understand the new labor contracts and navigate site-based selection. Echoing an issue also raised by Crowder and Gilbert, Rosen aimed to strengthen employee confidence, initiative, and ownership.

Deputy director and other executive team members In January 2005, Hanna created a new deputy director position, but after a failed recruitment attempt, the position remained vacant through April. Acknowledging that he was “getting too mired in the day-to-day operations,” Hanna hoped that a deputy would help free up his own time to focus more on strategic planning. Hanna also brought back Herb Kaufman, a former senior manager with over 35 years of experience in the department who had retired in 2003, as an internal consultant. Debra Weiner, a key member of the Campaign’s work team, and Zoraida Olmo, Hanna’s confidential secretary during the Campaign, rounded out Hanna’s executive team.

Implementing Site-based selection

Hanna recognized that site-based selection was a high-stakes endeavor, not only for his credibility as a leader, but for the entire organization. Many District leaders hoped that if the 225 schools new to this process had a positive experience with partial site-based selection, they would voluntarily vote for full site-based selection in subsequent years. Key internal and external Campaign advisors would also be watching to see if site-based selection helped improve teacher recruitment and retention. Given HR’s outdated technology and notorious inefficiency, however, Hanna knew he had skeptics. Indeed, Hanna often wondered if “the PFT finally agreed to partial site-based selection because they knew we couldn’t walk and chew gum at the same time.”

Designing the roll out Upon assuming the helm of HR in mid-December 2004, Hanna charged ahead to plan for the May 1, 2005 site-based selection roll out. Between December 2004 and April 2005, Hanna estimated that he dedicated 90% of his time to overseeing the new process. He assembled a cross-functional work group comprised of representatives from HR, information technology (IT), and the PFT that began meeting weekly to design and lead implementation. He said:

I knew HR could not do this alone. We needed to draw out resources from across the District, and I felt it was important to have the PFT at the table every step of the way. The work group has been essential in mapping out this complex new process and developing solutions. Arlene Kempin from the PFT and her colleagues have been critical in pinpointing potential landmines out in the trenches. And since we know we won’t get it perfect the first time, the work group will continue to meet weekly after we “go live,” and we’ve agreed to have two to three “step back” meetings with PFT leadership so we can identify problems and tweak the process as we go along.

An IT manager who served on the committee reflected, “As we laid out the various steps and ‘owners’ involved in implementing partial site-based selection, I sensed that many HR staff did not have a clear picture of the current teacher hiring process from start to finish. It seemed like the first time people from recruiting, selection, and placement had talked to each other about what they did.”

Training school selection committees After outlining critical steps and deadlines, the workgroup first designed information and training sessions for principals and their selection committees. Beginning on January 11, 2005, Hanna deployed small teams of employee relations staff, members of the chief academic officer's unit, and PFT representatives to deliver the training in the 225 schools. Kempin commented on the usefulness of the team approach. "It is really powerful for teachers to see the District and the PFT explaining this new process together. They see that for the first time in a long time, we are in agreement and working together to make this a success."

Attracting and tracking applicants When Shawn Crowder came on board, she and her division began to take the lead on site-based selection within HR. Crowder's team worked with principals to ensure that each school Web site posted basic demographic data and the positions open to either site-based selection or seniority transfer by May 1, 2005.

Working with IT, Crowder's team developed an online tool to track site-based selection applicants across all schools. Starting May 1, teachers would be able to indicate their intent to apply for a site-based selection position through a school's website; however, the applicant had to mail in hard copies of their resume and application materials to the school in order to be officially considered for the position. Crowder hoped to transition to a web-based application in spring 2007.

Using the applicant tracking tool, principals could print out an updated report of the intended applicants every day, match the list with incoming resumes, and begin to review resumes with their selection committees. Meanwhile, Crowder's team could track the applicants systemwide. She explained, "Applicant tracking will allow us to see which positions are getting flooded with applicants, and more importantly, which positions are not, at which point my team will have to think about how to give that school additional support, such as helping them intensify their marketing efforts or adding additional information to their Web site."

Indeed, some principals, regional superintendents, and the PFT were concerned that site-based selection would exacerbate the challenge of filling vacancies in historically hard-to-staff schools. A regional superintendent observed:

My schools are in a high-poverty high-crime area with one-third of the District's English language learners and special education students. Teacher turnover soars to 40% in some schools. Four of my schools have voted for full site-based selection, and it has been successful in two because there is strong leadership and staff buy-in. I predict partial site-based selection will roll out unevenly this year. Some principals who will do whatever it takes to sell their schools and see partial site-based selection as a real opportunity. But, I know other principals who are very nervous about how to guide their selection committees and attract great teachers.

Districtwide, in schools with poverty rates of 90% or above, almost half of teachers (49%) had five years or less of teaching experience. In comparison, only 23% of teachers in schools with poverty rates below 80% had been in the classroom 0-5 years (see **Exhibit 10**). PFT President Kirsch commented, "I fear that with site-based selection, the rich will keep getting richer, and the poor will keep getting poorer." Another regional superintendent also feared that one of the District's "dirty secrets"—principals had often encouraged low-performing teachers to voluntarily transfer to other schools under the seniority process rather than be written up—could likely continue under partial site-based selection.

Interviewing and hiring applicants In mid-April 2005, the implementation work group was still debating how to structure the interview process and hiring timeline. Each principal appointed a selection committee—comprised of the principal, and three to five school staff, parents, or community members—to interview and hire candidates for site-based selection positions.

Initially, it was assumed that each committee would conduct interviews in their respective buildings. This approach gave applicants an opportunity to visit the school and allowed the selection committee the flexibility to set their own interview dates. However, some members of the work group worried that such an independent process was fraught with potential confusion.

Applicants might encounter financial and time challenges trying to interview at schools across the city, and might be forced to accept or reject an offer while their application was still under review at another school. Each school also had to maintain a racial balance among its staff, meaning that site-based selection committees had to keep careful tabs on the offers it made and implications of acceptances.¹⁴ Since the applicant tracking tool did not allow principals to report which candidates had been interviewed or hired, site-based selection committees with late interview dates might spend unnecessary time pouring through resumes of applicants that had already been hired by other schools. Another concern was that site-based selection committees who had been unable to fill vacancies by the end of the current school year might not meet during the summer to conduct interviews because they were not getting paid. Thus, the PFT and some HR staff lobbied for a limited number of regional- or content area- job fairs in May and June 2005 so that applicants could interview with multiple schools at the same place and time.

Institutionalizing Other Campaign Recommendations

While site-based selection was Hanna's flagship initiative in the short-term, he and his team continued to spearhead efforts to institutionalize other important aspects of the Campaign.

Recruitment With support from PECO Energy, the District had sponsored 10 "Rolling out the Red Carpet" events since 2003 to attract talented juniors and seniors from local universities into teaching. Crowder aimed to diversify the participant pool by targeting freshman and sophomores, non-education majors, and historically black colleges and schools with high Latino populations. "We've been focusing so intently on universities, so I'm trying to figure out where the 'diamonds in the rough' might be for other sources of applicant flow, especially for people of color" explained Crowder, who aimed to increase the percentage of new teachers of color from 27% to 35%.

At the same time, Crowder hoped to build upon successful efforts such as the \$1100 student teacher stipends, literacy intern, and alternative teaching programs for career changers. "We're already strengthening external partnerships with groups like Teach for America and the New Teacher Project, but we're wondering if we can tap into professional organizations or develop rotational programs with urban or suburban districts," she added. Crowder recruited a Temple University employee to manage recruitment and external partnerships who joined the District in March 2005.

Crowder hoped that her new hire would allow her to focus more on other recruitment activities. "Believe it or not, we hire more non-instructional positions than teachers every year," observed Crowder. "While the classroom teachers are my most important customers, they cannot do their jobs if we don't have the right other people in place, like budget and IT directors, even bus drivers." Crowder tapped a former member of Hanna's Campaign team, Arasi Swamickannu, to oversee non-instructional staff recruitment. "Arasi can translate the Campaign perspective—a proactive, customer-service oriented approach to hiring—to non-instructional hiring," suggested Crowder.

¹⁴ Under the 2004-2008 contract, "the faculty in a school shall be deemed to be racially balanced if the percentage of African American teachers is between 75% and 125% of the city-wide percentage of such minority teachers at that organizational level (i.e., elementary, middle or high school)."

Retention The District launched a number of initiatives to help increase teacher satisfaction and retention.¹⁵ Beginning in SY04, the District instituted a paid, mandatory two-week summer orientation for all teachers new to the District and revamped its state-mandated induction program for new teachers. The District strengthened its incentive package in SY05, offering a \$4500 hiring bonus paid in two installments over a three-year period (\$1500 after five months, \$3000 after 37 months) and an annual \$1000 tuition reimbursement. Teachers serving in hard-to-staff schools received up to \$2400 for tuition expenses.

The District deployed 61 teacher coaches in SY04 and SY05, master teachers released from the classroom to help new teachers deepen their skills, at a cost of \$5.3 million per year. Each teacher mentor was typically assigned 20 teachers in up to as many as eight different schools. In a sample survey of new middle school teachers, over 80% responded that their coaches had helped them with instructional strategies, classroom management, materials, and content knowledge. New teachers also reported increased support from principals (see **Exhibit 11**).

Despite these efforts, however, the District would continue to face ongoing retention challenges. A 2003 Research for Action survey of new teachers found that 51% planned to stay in the District three years or less. Younger teachers intended to leave at an accelerated rate, as 70% of teachers age 25 or younger planned to leave within three years. Research for Action suggested that a range of factors contributed to teacher flight, including an inclination to try multiple professions within the span of a career, “out of control” working conditions, and enforcement of NCLB certification requirements. The District did not conduct exit interviews, a process Hanna intended to quickly introduce.

Leadership Development The District responded to the Campaign’s finding that strong principals were key instruments for improving teacher retention by revamping professional development for both current and aspiring principals. Beginning in 2003, Hanna carved out three days of the District’s one week summer academy for sitting principals to focus on improving support for “rookie, novice, and veteran teachers.” Regional superintendents and principals helped Hanna create and deliver the content. While principals developed teacher retention plans during the sessions, PFT leadership complained that regional superintendents did not sufficiently monitor or evaluate the plans, which in the union’s view, had become “another piece of meaningless paper.”

In the spring of 2003, Hanna launched a monthly leadership academy for aspiring principals that covered four topics: leadership, diversity, school climate, teaching to proficiency, and parent/community and civic engagement. Of the 20 assistant principals, teacher leaders, and other certificated staff selected to participate in a year-long pilot in SY04, 19 were appointed principals in SY05. In February 2005, the Broad Foundation awarded the District \$4.3 million to further strengthen its training for aspiring principals and add a paid, full-time internship under a mentor principal. Hanna turned over responsibility for delivering the content for the new academy, which planned to sponsor 15 aspiring principals, in SY06 to Judith Lewis, the District’s first assistant superintendent for staff development who joined the chief academic officer’s team in November 2003.

Building Bridges across the District

Hanna and his team set out to build bridges across internal District departments. He explained:

Historically, district leadership often made decisions very late in the teacher hiring process which made HR have to scramble to fill classrooms. For example, the District did not announce how many teachers it would accept into an early retirement incentive program until

¹⁵ Information in this section is summarized from *Quest for Quality*, pp. 27-39.

late May of last year, well after the transfer and hiring process had already started. When over 1,000 teachers applied for early retirement, the District accepted 320 applicants, but many more of the remaining teachers decided to retire anyways without the incentive. So, in June, HR was faced with the prospect of needing to hire many more new teachers than originally projected.

While I recognize that HR has a long way to go, we also need to stop shooting ourselves in the foot as a district. Our fundamental problem is that HR is placed in operations, reporting to the COO, and divorced from the education side of the house, where all the action is happening in terms of principal appointments and moving teachers around. So, I'm working hard to get my team to infiltrate the organization and ensure that we are at the table when executive-level issues are being discussed—from day one.

Hanna, who had previously reported directly to Vallas during the Campaign, continued to attend Vallas's weekly meeting with his three direct reports, the chief academic officer (CAO), chief financial officer (CFO), and chief operating officer (COO). At Hanna's request, he and CAO Gregory Thornton also met weekly to discuss issues coming down the pipeline, such as the planned opening of 10 small high schools in September 2006. Assistant Superintendent for Staff Development Lewis's staff also helped Hanna's team deliver the site-based selection to training to schools in January and February 2005. "Tomás called me in because he wanted something more engaging than the usual 'stand and deliver' information session," explained Lewis. "Initially, my staff was a little reluctant about working with HR given their reputation, and there are still communication and technology issues to be sorted out, but we made a huge step forward." Hanna had also convened standing meetings with the COO and CFO.

Hanna regularly brought his new directors to many executive level meetings. He shared an example: "Last week, Shawn Crowder and Andy Rosen took the lead on explaining how we are going to roll out site-based selection to the SRC. Vallas called me later to say he and the SRC were very impressed and pleased." Hanna also encouraged his staff to develop their own relationships. In an effort to improve customer service to schools, Crowder began meeting regularly with the District's school management officer, the position in the CAO's office to which the District's 10 regional superintendents reported.

Engaging External Actors

Hanna, himself a former building representative from his teaching days and member of the PFT executive board, maintained frequent communication with PFT leadership and staff. He had also made concerted efforts to involve Arlene Kempin and other PFT staff who sat in the HR office in site-based selection planning and other decisions.

In April 2005, PFT President Ted Kirsch commented, "Our relationship with HR is like night and day since Tomás arrived. Before, HR had a war mentality, and we were the enemy. Tomás understands that we want to work together to do whatever is best for our students. Tomás calls to ask for our input, and we know we can call him whenever we have an issue to discuss." In March 2005, the PFT extended an unprecedented invitation to Hanna and his leadership team to attend a PFT staff meeting. Hanna recalled, "It gave my new team and the PFT folks a great opportunity to meet each other. And for me, it was refreshing to look around the room and see so many people I had personal relationships with as a teacher. I think they could finally take it seriously when I said 'The District is here to help; we're here to help, and we're going to fix HR.'"

Hanna continued to cultivate and deepen external relationships. The Broad Foundation's \$4.3 million grant for the principals' academy was the District's largest private donation since 2001.

PECO Energy's \$500,000 pledge in December 2004 extended the company's involvement beyond teacher recruiting into leadership development and math skills development programs. Since SY04, 200 Teach for America volunteers, 61 New Teacher Project interns, and 25 math and science professionals trained by Drexel University and the Philadelphia Education Fund had served in District schools.¹⁶

Hanna also formed an informal "kitchen cabinet" of external advisors, including Campaign co-chair and business executive Rosemarie Greco and Robert Croner, a Campaign committee member and senior vice president for human resources at Radian Group, Inc. Croner commended Hanna's performance to date:

Tomás has the three keys that I believe are necessary to successfully lead any HR department: organizational credibility, a belief system that human capital is the driver of organizational value, and a deep passion for his work. He also recognizes where his own professional gaps are and filling them. He calls me about once a month to ask my opinion and has even asked to come shadow me for a day to see how I handle certain issues. The only thing that concerns me is Tomás's reporting relationship. Tomás certainly has the personal credibility to get Vallas's ear. But given the bureaucratic culture of the District, I think it would send a powerful message to the organization to have HR report directly to the CEO. Then, everyone would know that HR is a strategic concern, not an operational activity, and that when the District says "people are our most important asset," it is not just lip service.

Customer Service is Number One

"From day one, I've always said 'customer service' is number one," shared Hanna. "HR had an abysmal reputation for being unhelpful and unresponsive. From the outside, it seemed like HR always had 20 different ways to say 'no,' and I've told my department that needs to change by 180 degrees." Hanna knew he also had to address unsatisfactory employee performance, an issue that had long been tolerated in the department. "While the general perception of HR was one of incompetence, everyone found someone in HR they could trust and always went to that person, even if the issue was completely outside their responsibilities," he explained. "I met with principals and regional superintendents and they told me 'HR is broken, fix it, but please don't change the people.'"

Hanna instituted weekly HR staff meetings in January 2005, at which he made a point to share both commendations and complaints. In April, he commented, "We're finally starting to get more 'thank yous' and it feels good. Even Vallas told me he's starting to hear good things about HR." Hanna and his team also made the rounds, connecting with groups like IT and finance, and asking, "How can HR help you? How can we work together better?" As a measure of progress, Hanna recounted how the chief of staff asked Hanna to help think through the timing of bringing in a new CFO, a vacant position recently filled with the assistance of a search firm. "In the old days, HR only would have been called in to process the person's paperwork," explained Hanna. "My goal is that we'll soon be seen as professional enough to manage executive level succession planning and hiring."

A regional superintendent suggested, however, that Hanna's new team still had to do some work to earn their credibility in the field:

People in schools are not sure what to make of the shake-up in HR. All they know is that the people at the top they used to rely on is no longer there, and at the same time, HR is coming along with site-based selection, which is a new and complex process for most schools.

¹⁶ *Quest for Quality*, pp.28-30.

Most principals are just doing their jobs, and are hanging back to wait and see and if HR delivers by helping fill all their vacancies by the first day of school in September.

While staff morale suffered after the dismissal of the four former directors, Hanna and his leadership team were working to improve employees' satisfaction and service. Multiple staff members commented that they were pleased with Hanna's "open door policy" and their increased autonomy. "Before, we always had to ask permission. Now, if I see something that can be improved, I feel like I can do it," shared a HR senior analyst. She added, "And Tomás respects us. He's always coming by to say, 'Here's our issue, what do you think we should do?' That never happened before."

Looking Ahead

Ultimately, Hanna's goal was to reposition HR in the District from the "headache that needs to be fixed to a strategic partner." CAO Gregory Thornton stressed the sense of urgency around Hanna's charge. "Paul Vallas inherited a broken district; the past three years have been a period of triage," observed Thornton. "Now that we've stopped the bleeding, we can begin to think more strategically. We need a systemwide human capital management plan that enables us to build, retain, and support a quality workforce at every level of the organization."

Once Hanna had been able to successfully hire a deputy director for HR, Hanna planned to immerse himself in long-term strategic planning. To that end, he and his leadership team had outlined new performance goals and metrics for the department (see **Exhibit 12**). Hanna planned to task his new deputy with driving the performance goals throughout the department and developing personnel appraisal and performance management systems for HR. "Everyone needs to understand HR's role in accelerating student achievement and each individual should be able to see their part in moving the District forward," explained Hanna.

COO Natalye Paquin reflected on Hanna's efforts to date:

Tomas is an extremely talented person, but he still has some growing to do as he transitions from being the Campaigns project manager to leading and managing the HR department of a \$2 billion organization with over 27,000 employees. I firmly believe that Tomas was the right person to take over HR. However, it takes a much different skill set to conduct the symphony orchestra versus tune and play all of the instruments yourself.

Tomás must be careful not to revert back into the role he played during the Campaign where he assumed the responsibility of getting everything done himself. He has taken a lot of important, and good, first steps. There is a lot more to be done. We need to streamline and automate many of our processes. And, we need greater consistency in implementing policy to really turn things around in HR. Also, ninety-nine percent of the staff are the same and may approach problem solving from the same perspective. The District needs to build a critical mass of leaders who represent a diversity of thought and experience, and who will help strengthen the professional expertise of the District.

That day in mid-April 2005, however Hanna was well aware of the rocky road ahead. His team's next 90 days would be consumed with implementing site-based selection and managing the teacher transfer process to ensure that every student would have a classroom teacher come September 1, 2006. Hanna knew he would be defined by how successfully site-based selection rolled out, and he knew he could be out of a job if things did not go well.

Beyond that, Hanna knew HR also had to think creatively about how the District was going to meet the *No Child Left Behind* requirement to have a “highly qualified” teaching staff by June 2006. Only 89% of the District’s teaching force met the federal requirement in 2005, and the gap would be hard to close in only one academic year.¹⁷ The department also needed serious technology upgrades in order to modernize business processes. More broadly, Hanna knew he had to work doggedly to reinforce his message for change inside the department and across the District.

Hanna also worried about what the District should do to get the best teachers in front of the most academically at-risk students—an issue that often kept Hanna awake at night. As Hanna wondered if the District would need a second Campaign for Human Campaign to specifically address this challenge, he knew that this time around, he would manage any new Campaign from within, not apart from, HR.

¹⁷ *Quest for Quality*, p.9

Exhibit 1 The School District of Philadelphia Facts and Figures

| Overview | SY04 |
|---|-------------|
| District Area Demographics | |
| Total Population ^a | 1,517,550 |
| Median household income (in 1999) | \$16,509 |
| Families below poverty level (in 1999) | 18.4% |
| Percent of county residents holding bachelor degree or higher | 10.3% |
| Unemployment (2004) ^b | 4.7% |
| Student Demographics | |
| Number of students (PK–12) | 217,405 |
| African-American | 65.5% |
| Hispanic | 14.5% |
| White | 14.2% |
| Asian | 5.3% |
| Native American | 0.2% |
| Economically Disadvantaged | 80.0% |
| Limited English Proficient ^c | 6.6% |
| Special education students ^d | 11.9% |
| Graduation rate ^e | 60.5% |
| Dropout rate ^f | 9.8% |
| Schools and Staff (Largest district in PA) | |
| Number of schools | 274 |
| Elementary | 176 |
| Middle or Intermediate | 43 |
| Ninth grade | 43 |
| Senior high | 5 |
| Alternative | 7 |
| Total headcount | ~27,000 |
| Teachers | ~12,000 |
| Average teacher salary ^g | \$50,971 |
| Student/teacher staffing ratio (Elem, Middle, High) | ~30:1 |

Source: Data from <http://www.philsch.k12.pa.us> unless cited otherwise.

^a "School District Demographics," Census 2000 Web site, <http://www.nces.ed.gov/surveys/sdds/singledemoprofile.asp?county1=4218990&state1=42>, accessed June 15, 2004.

^b "Philadelphia Area Unemployment Rate Falls to 4.7 Percent in December; Job Count Rises by 15,500 From a Year Ago," Bureau of Labor Statistics Web site, <http://stats.bls.gov/ro3/cesqphl.pdf>, accessed June 15, 2004.

^c "Philadelphia School Profile," Pennsylvania Department of Education Web site, <http://www.paprofiles.org/profiles/district.Asp>, accessed June 18, 2004.

^d Ibid.

^e "Philadelphia School Profile," Pennsylvania Department of Education Web site, <http://www.paprofiles.org/profiles/PrintDistrictProfile1.asp>, accessed June 18, 2004. Data is from SY02.

^f Standard & Poor's School Evaluation Services Web site, <http://www.ses.standardandpoors.com/>, accessed June 17, 2004. Data is from SY02. Dropout rate is a one-year snapshot of all students who drop out of school during one year. This rate considers all students in grades 9–12.

^g Standard & Poor's School Evaluation Services Web site, <http://www.ses.standardandpoors.com/>, accessed June 17, 2004. Data is from SY02.

Exhibit 2 School Reform Commission (SRC) Powers under Act 46

The SRC was created under Act 46 of the Pennsylvania School Code. The SRC acts in place of the Philadelphia Board of Education and has complete control of every aspect of Philadelphia Public Schools. Under the Act 46, the SRC can:

- Suspend the Pennsylvania School Code
- Suspend the State Board of Education regulations
- Hire, or delegate its power to, for-profit corporations to manage the school district
- Turn over public schools to private groups and corporations
- Hire noncertified teachers and managers
- Reassign, suspend, or dismiss professional employees
- Terminate collective bargaining agreements
- Levy taxes and incur debts

Source: The General Assembly of Philadelphia Senate Bill No. 640 Web site, <http://www2.legis.state.pa.us/WU01/LI/BI/BT/2001/0/SB0640P1473.pdf>, and <http://www.savephillyschools.org/schoolboard/>, accessed July 27, 2004.

Exhibit 3a PSSA Results, Philadelphia and State, 2001-2004 (% scoring Proficient or Advanced)

**Philadelphia
Pennsylvania System of School Assessment
Percent Scoring Proficient & Advanced**

| | Grade | 2001 | 2002 | 2003 | 2004 | Annualized Change |
|----------------|-------|------|------|------|------|----------------------|
| Reading | | | | | | |
| Philadelphia | 5 | 18.8 | 20.8 | 23.4 | 31.6 | 4.3 |
| Pennsylvania | 5 | 56.1 | 57.0 | 58.0 | 62.7 | 2.2 |
| Philadelphia | 8 | 23.0 | 24.1 | 30.4 | 41.2 | 6.1 |
| Pennsylvania | 8 | 60.1 | 58.8 | 63.4 | 68.9 | 2.9 |
| Philadelphia | 11 | 34.0 | 28.7 | 30.1 | 27.0 | -2.3 |
| Pennsylvania | 11 | 58.1 | 59.0 | 59.2 | 60.8 | 0.9 |
| Math | | | | | | |
| Philadelphia | 5 | 17.5 | 18.7 | 23.1 | 30.7 | 4.4 |
| Pennsylvania | 5 | 53.0 | 53.1 | 56.3 | 61.8 | 2.9 |
| Philadelphia | 8 | 16.2 | 17.9 | 19.7 | 30.9 | 4.9 |
| Pennsylvania | 8 | 51.0 | 51.7 | 51.3 | 57.9 | 2.3 |
| Philadelphia | 11 | 23.8 | 23.6 | 21.6 | 22.9 | -0.3 |
| Pennsylvania | 11 | 47.9 | 49.6 | 49.1 | 49.1 | 0.4 |

Source: The Council of Great City Schools. *Beating the Odds V: A City-by-City Analysis of Student Performance and Achievement Gaps on State Assessments*. March 2005

Note: PSSA results are reported in four performance levels: 1) Advanced, 2) Proficient, 3) Basic, and 4) Below Basic. Students scoring Proficient or Advanced are considered to have met Pennsylvania state standards. Under the federal *No Child Left Behind Act* (NCLB), schools and districts receive an accountability rating based on the percentage of students demonstrating proficiency on standards-based state assessments, such as the PSSA. All students are expected to demonstrate proficiency in reading and mathematics by 2014 under NCLB.

Exhibit 3b PSA Results by Score Distribution Group, Philadelphia and State, 2002 and 2004

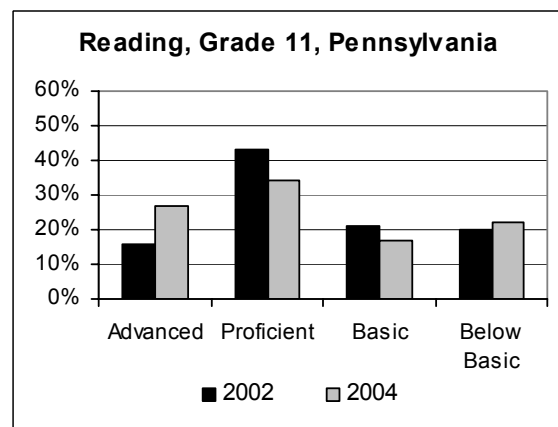
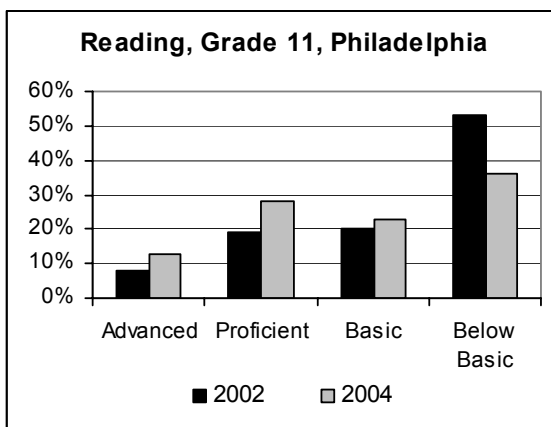
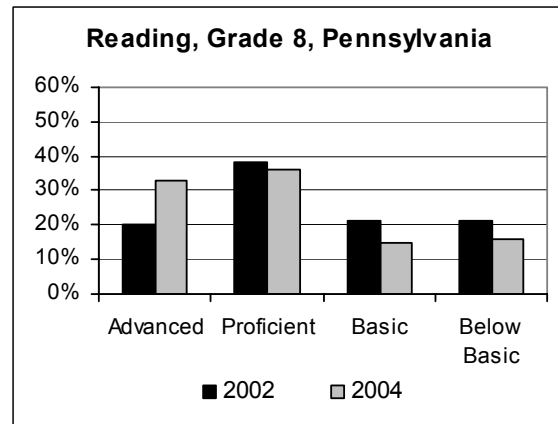
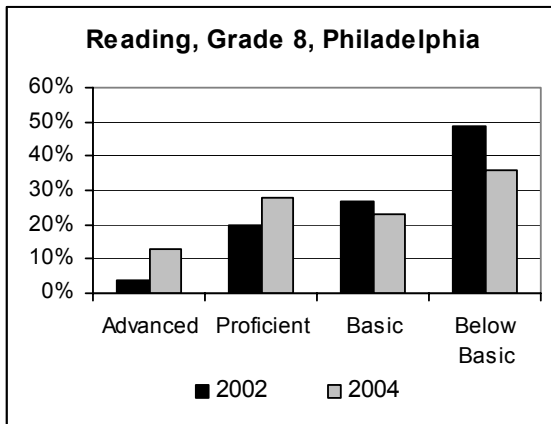
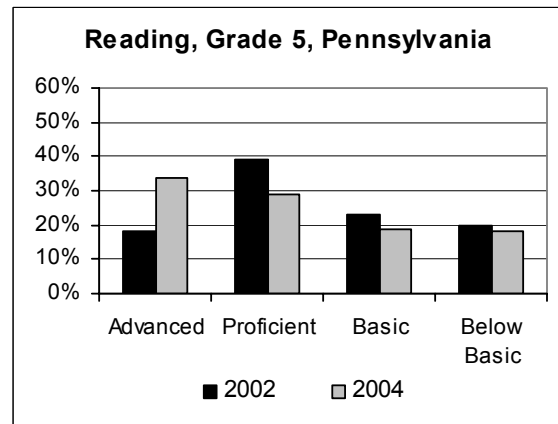
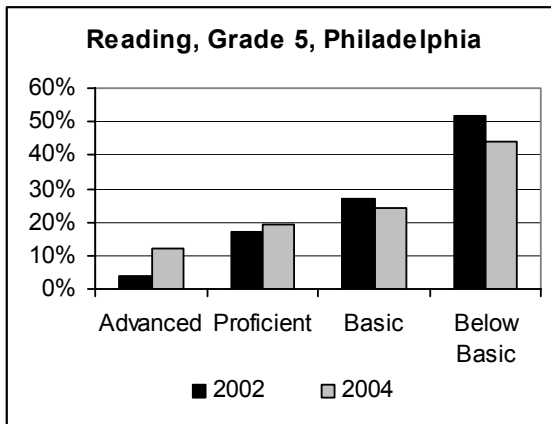
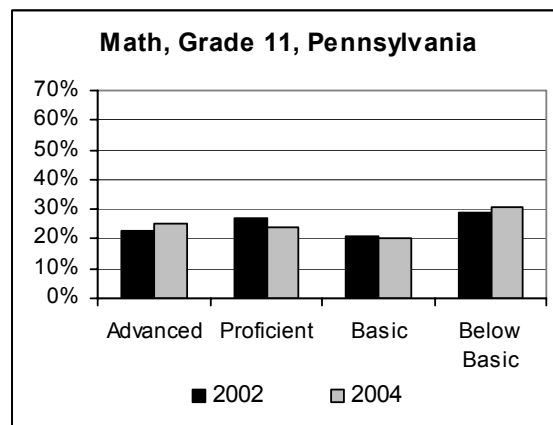
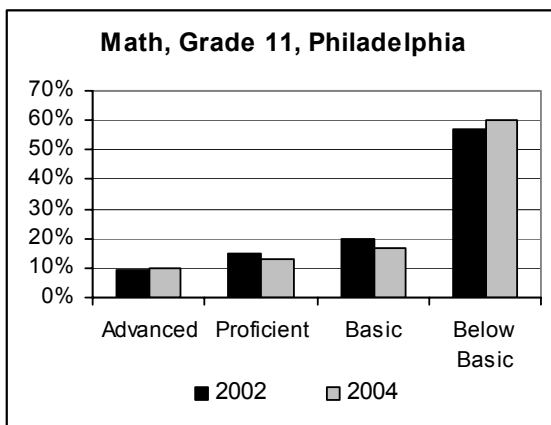
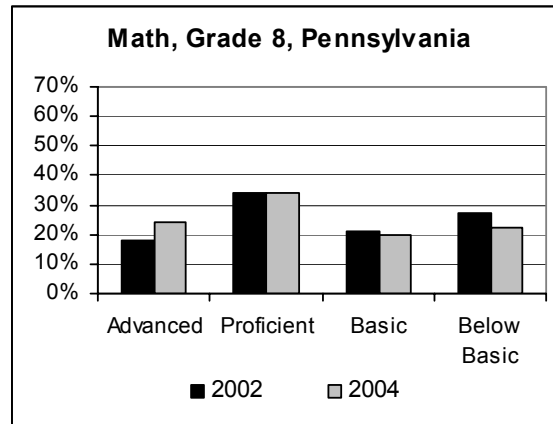
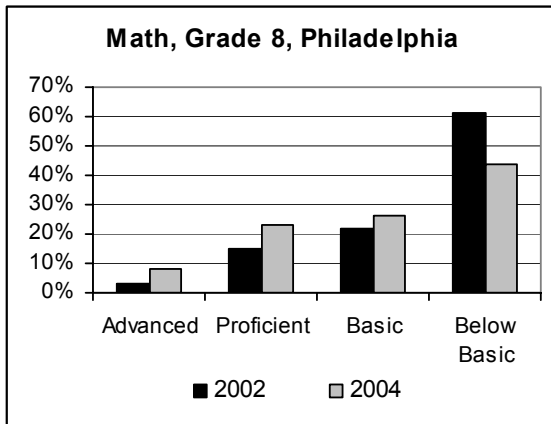
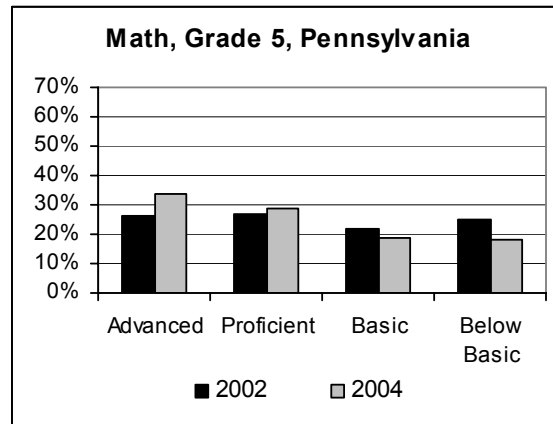
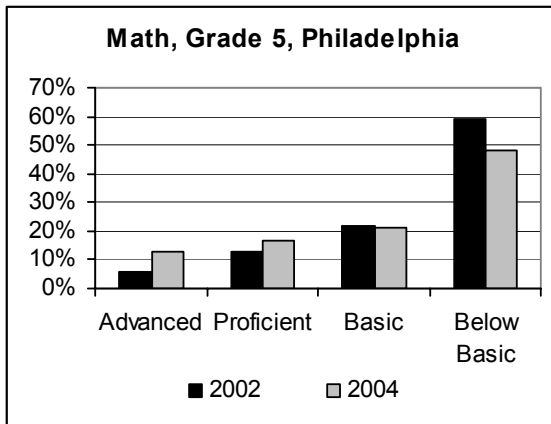
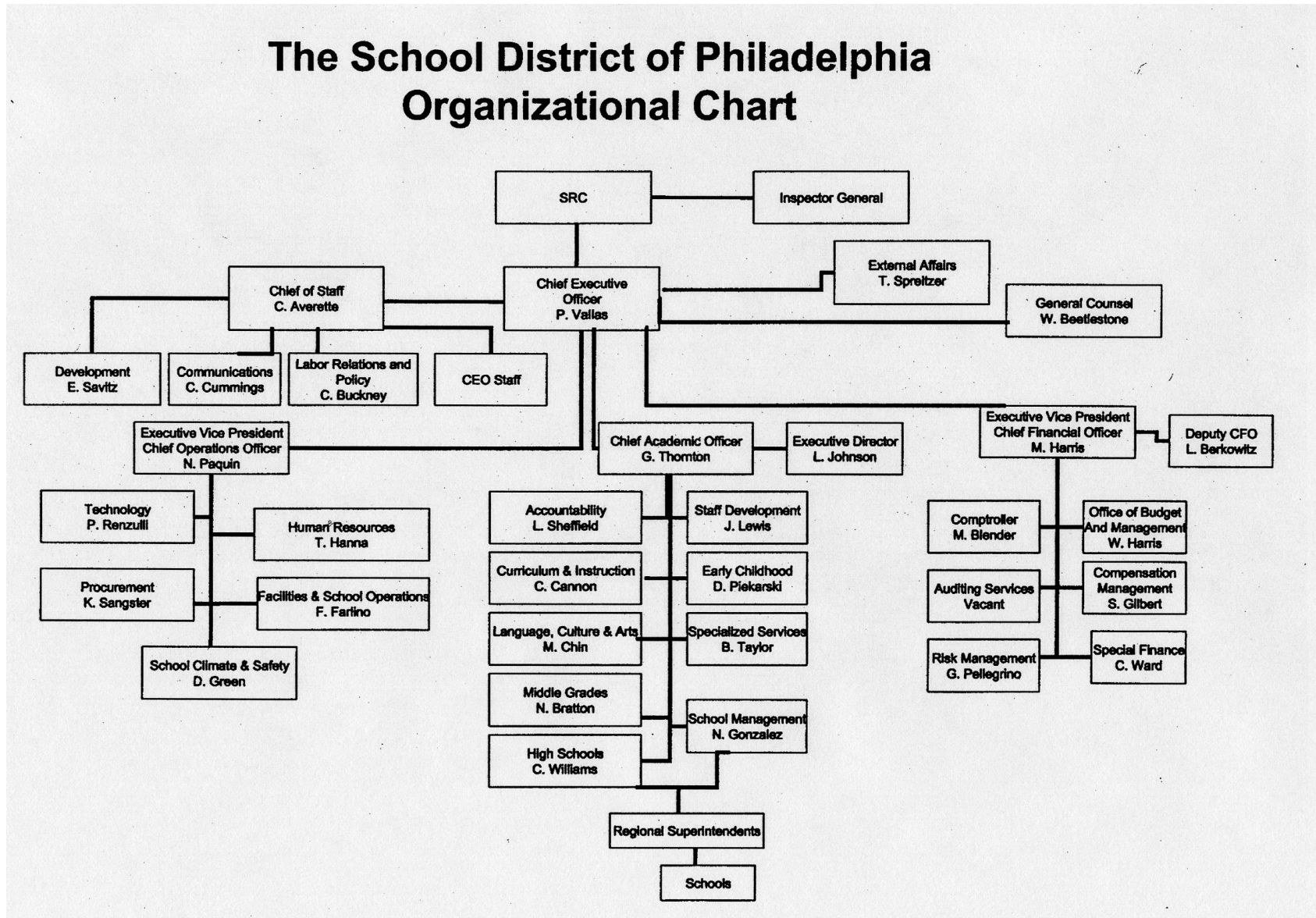


Exhibit 3b (continued)



Source: Pennsylvania Department of Education, Assessment Division, <http://www.pde.state.pa.us>, accessed May 3, 2005.

Exhibit 4 School District of Philadelphia Organizational Chart (2004)



Source: District files.

Exhibit 5 Teachers' Prior Knowledge of Their Schools

| Percentage of 2003-04 new teachers' reporting prior knowledge of their school: site-selected teachers vs. centrally assigned teachers | | |
|--|----------------------|---------------------------|
| New teachers' knowledge of: | Site-selected | Centrally assigned |
| Student demographics | 83% | 59% |
| Principal's reputation | 66% | 21% |
| Special programs/projects | 61% | 16% |
| Staff collegiality | 53% | 14% |
| Educational approach | 53% | 14% |
| N=454 | | |

Source: Neild, R., Useem, E. and Farley, E. (April 2005). *Quest for Quality: Recruiting and Retaining Teachers in Philadelphia*. Philadelphia, PA: Research for Action, p. 32.

Note: Data from a December 2003 Research for Action survey of new teachers. 454 new teachers, about 45% of those hired by December 2003, responded.

Exhibit 6 Analysis of Teacher Turnover Rates in the School District of Philadelphia

Figure 1

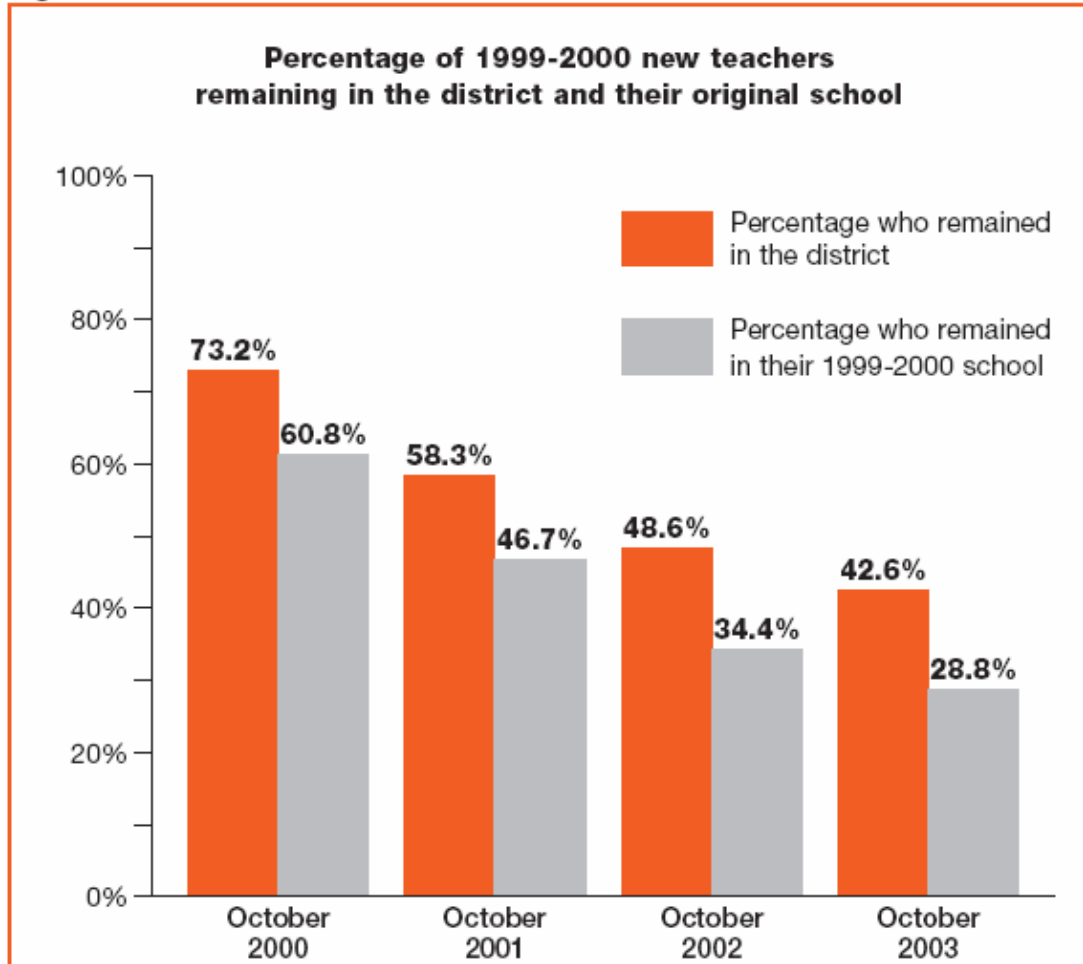


Table 3: One, Two, and Three-Year Teacher Retention Rates by School Poverty Level

| Poverty Level of School | N | 1999-00 | 99-00 to 00-01 | 99-00 to 01-02 | 99-00 to 02-03 |
|-------------------------|-------|---------|----------------|----------------|----------------|
| 0% to 80% poverty | 6315 | 100% | 85% | 77% | 66% |
| 80% to 90% poverty | 4570 | 100% | 81% | 71% | 57% |
| 90% + poverty | 1996 | 100% | 78% | 67% | 51% |
| Missing | 294 | 100% | 83% | 71% | 50% |
| Total | 13175 | 100% | 83% | 74% | 60% |

Sources: Neild, R., Useem, E. and Farley, E. (April 2005). *Quest for Quality: Recruiting and Retaining Teachers in Philadelphia*. Philadelphia, PA: Research for Action, p. 16, and Neild, R.C. (February 2003). *Teachers in the School District of Philadelphia*. Philadelphia, PA: Research for Action, p. 3.

Exhibit 7 Biography of Tomás Hanna

A native Philadelphian, Hanna was raised in a household of educators. His mother became the first Latina principal in the state of Pennsylvania in 1974. Hanna attended public and parochial elementary in both Philadelphia and in Puerto Rico, eventually completing high school at Germantown Friends School (GFS) in Philadelphia. After graduating from GFS, Hanna enrolled at the University of Puerto Rico, where he received a degree in secondary English education.

Following graduation from the University of Puerto Rico in 1989, Hanna moved back to Philadelphia where he assumed a number of roles in the district, including teaching and English as second language supervision. In June 1996, Hanna assumed his first principal position, at Sheppard Elementary, followed by his second principalship, at Willard Elementary School. Hanna then spent one year developing vocational programs in the district's office of education for employment.

In June 2001, Hanna became principal at Kensington Senior High School, one of the district's struggling high schools. In the 14 months of his leadership, Pennsylvania System of School Assessment (PSSA) scores rose significantly. On average, PSSA math scores for students in the 11th grade, the only high school grade tested on the PSSA, rose 50 points, while average reading scores for students in this same grade rose 60 points.

Incoming CEO Paul Vallas appointed Hanna his special assistant for recruitment and retention in August 2002. Hanna designed and led the district's Campaign for Human Capital (the Campaign), an effort to strengthen the recruitment and retention of highly qualified teachers and leadership development for principals involving 100 internal and external stakeholders. In February 2003, the Campaign released its recommendations in *The Three Rs Retention, Recruitment, and Renewal: A Blueprint for Action* (see **Exhibit 8**). Hanna spearheaded the implementation of the Campaign's recommendations through December 2004, when he became the senior vice president for human resources. In 2005, Hanna was pursuing his doctorate in educational administration at the University of Pennsylvania.

Source: Casewriter

Exhibit 8 Summary of the Campaign for Human Capital Recommendations

Theme 1: Defining Teacher Competencies

Recommendations:

- The District should identify teacher characteristics that are correlated with successful urban teaching.
- The District should pinpoint the 20 regional institutions that have historically produced the most successful teachers with the greatest longevity and identify the urban historically black colleges and universities with teacher education programs.
- The District should track teacher performance against the tools used to select teachers in order to ensure that selection processes are valid and effective.

Theme 2: Marketing the District's Competitive Advantages

Recommendations:

- The District should undertake an aggressive print, electronic, and in-person marketing campaign.
- The District should aim for a salary scale at the 50th percentile of districts in the surrounding four counties in preparation for the next PFT contract.
- The District should immediately implement a \$1,000 per teacher annual reimbursement for certification/recertification courses.

Theme 3: Collaborating Strategically with External Stakeholders

Recommendations:

- The District should work more closely with teacher education institutions to 1) enhance classroom preparation for incoming teachers, 2) encourage local institutions to require at least one semester of student teaching in District schools, 3) market teacher programs to outstanding teachers and administrators, and 4) provide preservice training for teachers.
- The District should work more closely with civic, corporate, and cultural organizations so that these institutions can provide training to District staff and cosponsor recognition events for teachers.

Theme 4: Enhancing the Professional Environment

Recommendations:

- The District should recruit retirees to fill vacancies in hard-to-staff schools and hard-to-fill disciplines and should utilize retirees as coaches for inexperienced and uncertified teachers.
- The District should institute the following human resources practices: 1) move up the hiring timetable, 2) use scores on the general knowledge portion of the PRAXIS teachers exam to screen teacher applicants, 3) give priority to teacher applicants who have been student teachers in Philadelphia and who elect to teach in a hard-to-staff school and a hard-to-fill discipline, and 4) implement an online application system.
- The District should modify the way in which it allocates teachers to each school to prevent over hiring in schools with high absenteeism, high turnover, and large numbers of new teachers.
- The District should revise the current site-selection process in the PFT contract.
- The District should provide preservice training to every new teacher, and each new teacher should have a new-teacher coach from either school or regional staff and a mentor from school staff. New teachers should also receive in-service training throughout the year provided by regional staff.
- The District should create an Office of Alternative Certification within Human Resources to support teachers entering the system without having completed certification requirements. The District should continue to expand opportunities for paraprofessionals to become teachers.

Theme 5: Maximizing Communication and Engagement with Teachers

Recommendations:

- The District should alter its top-down communication style by regularly communicating essential information, expectations, and policies to all staff.
- The District should implement strategies to ensure teacher input in key decisions through annual surveys, focus groups, and online discussion forums on the District Web site.

Source: Adapted from The Three Rs Retention, Recruitment, and Renewal: A Blueprint for Action (February 2003).

Exhibit 9 PFT Contract Assignment and Selection Process Timeline

The Parties agree that the dates set forth will govern the assignment and selection procedure as set forth in Art. XVIII, Sec. C(11).

Timeline for Assignment and Selection Process

| | |
|-----------------------|--|
| April 15 | Allotments completed. |
| April 15-May 1 | Human Resources organizes the schools and determines where the vacancies exist. |
| May 1 | The School District designates which vacancies are “traditional” and which are “site selected” on a one-to-one basis. In a school with an even number of vacancies, the number is equally divided between “traditional” and “site selected.” ^a The School District will honor all Right-to-Return requests. |
| May 1-May 31 | “Traditional” transfer process (open to forced transfers and voluntary transfers) is run by Human Resources. All timely filed voluntary transfer requests will be honored during this time. |
| May 1-Aug.1 | Site-based selection process open to veteran teachers, new hires and unassigned forced transfers takes place in schools. All timely filed voluntary transfer requests will be honored during this time. |
| Aug. 2 | All vacancies turned over to Human Resources. |
| Aug. 8 | The School District will honor all timely filed voluntary transfer requests and Right-to-Return requests. |
| Aug. 16 | Remaining vacancies will be filled by Human Resources in conformity with the seniority provisions in the Agreement. All such placements will be by special assignment. If both the teacher and the Principal agree in writing, prior to April 1 st , the teacher will be assigned to the school. |

^a “In the 2005/2006 school year and 2007/2008 school year, if there is an odd number of vacancies in a school, the “odd” vacancy shall be filled through the traditional process. In the 2006/2007 school year and 2008/2009 school year, if there are an odd number of vacancies in a school, the “odd” vacancy shall be filled through site-based selection.”

Source: PFT Contract with the School District of Philadelphia. September 1, 2004 – August 31, 2008.

Exhibit 10 Teacher Experience by School Poverty Level

Table 12: Teacher Experience by School Poverty Level: 2002-03

| Poverty Level | N | Avg. exp. | New | 1-5 yrs | 6-10 yrs | 11-20 yrs | 21-30 yrs | 30+ yrs |
|--------------------|-------|-----------|-----|---------|----------|-----------|-----------|---------|
| 0% to 80% poverty | 6161 | 15.7 | 4% | 19% | 14% | 23% | 28% | 11% |
| 80% to 90% poverty | 4099 | 11.1 | 7% | 32% | 17% | 22% | 17% | 5% |
| 90% + poverty | 1773 | 8.8 | 8% | 41% | 15% | 20% | 12% | 3% |
| Missing | 349 | 13.4 | 5% | 31% | 13% | 18% | 27% | 7% |
| Total | 12382 | 13.1 | 6% | 30% | 15% | 21% | 21% | 7% |

Source: Neild, R.C. (February 2003). *Teachers in the School District of Philadelphia*. Philadelphia, PA: Research for Action, p.6.

Exhibit 11 New Teachers' Assessments of Support from Principals

Percentage of new teachers who said they were given basic supports during their first week on the job: 2002-03 and 2003-04

| During your first week on the job, were you: | Percentage 2002-03 N=366* | Percentage 2003-04 N=454 |
|--|---------------------------------|--------------------------------|
| Given curriculum scope and sequence? | 32% | 67% |
| Given student forms? | 28% | 58% |
| Given staff handbook? | 64% | 80% |
| Told name of PFT building representative? | 50% | 70% |
| Given a mailbox? | 73% | 97% |

*366 out of 598 new teachers (61%) filled out the survey in October 2002 at a district induction session.

New teachers' assessments of support from principals: 2003-04

| Did your principal: | Percentage "yes" |
|---|------------------|
| Seem generally welcoming? | 82% |
| Seem genuinely interested in what you were doing in the classroom? | 66% |
| Offer to make time to meet about your concerns? | 64% |
| Seem sensitive to the added pressures of being a new teacher in the district? | 61% |
| Act helpful in introducing you to fellow teachers? | 56% |
| Help you in locating supplies? | 52% |
| N=454 | |

Source: Neild, R., Useem, E. and Farley, E. (April 2005). *Quest for Quality: Recruiting and Retaining Teachers in Philadelphia*. Philadelphia, PA: Research for Action, pp. 34-35.

Exhibit 12 HR Performance Goals and Metrics (draft April 2005)

The Human Resources department mission is to transform The School District of Philadelphia into the employer of choice for experienced and aspiring educators committed to urban education.

Department goals and objectives (all deliverables by June 30, 2005)

Goal 1: Hire quality staff to fill all instructional and non-instructional positions

- 99.04% of teaching positions will be filled as of April 1, 2005 (vacancies below 45)
- 75% of October 2004 vacancies will be filled as of April 1, 2005
- 80% of site-based selection positions will be filled
- 87% of 2004-05 teachers will be certified or enrolled in the PA intern program
- A survey of principals and regional superintendents will be created to document satisfaction with HR support in site-based selection (to be administered in October 2005)
- A teacher diversity workteam will be convened to develop strategies for hiring teachers of color to work toward the goal that 35% of new teachers will be of color
- % of non-instructional positions will be filled
- 75% of affected non-instructional employees will meet NCLB requirements (60% now)
- 95% of participants in the principals' academy will be available for appointments
- 95% of participants in assistant principals' academy will be available for appointments
- An initial automated applicant and teacher tracking system developed in collaboration with IT will be in place
- A RFQ for a fully applicant and teacher tracking system will be issued in partnership with IT
- Roll Out the Red Carpet will provide opportunities for 400 prospective teachers, including 150 (38%) prospective teachers of color, to visit schools, meet district leadership and experience cultural attractions of the city

Goal 2: Support instructional staff to increase retention

- 90% of new teachers will complete school year
- 87% of new teachers will indicate an intention to return for 2005-06 school year (85% last year)
- Qualitative data on reasons teachers and principals leaving will be collected and analyzed
- A professional development module on strategies for teacher support will be prepared in consultation with CAO staff for summer principal professional development (Retention Plans)
- A series of HR/CAO work sessions will identify strategies for enhancing teacher retention, more equitable distribution of teachers, and principal support which will be incorporated into pre-service teacher training and on-going staff development, aspiring principals' academy, the performance appraisal process, and more collegial PFT and CASA [Commonwealth Association of School Administrators, a non-bargaining unit] relationships

Goal 3: Improve customer satisfaction for all district employees

- A comprehensive HR directory will be available to all District employees online
- A single point of contact for all inquiries will be identified

- The teacher helpline and welcome center will be upgraded
- A screening test will be administered to all customer service employees to determine a baseline of customer service skills
- A monitoring process will be implemented and rewards and sanctions instituted to address exemplary and unsatisfactory customer service performance
- A customer service survey of district employees and 2005 job applicants will be administered and improvement goals established for 2005-06

Goal 4: Create an organizational culture within HR that is a model for the district

- Two issues of a bimonthly newsletter, the Human Capital Bulletin, will be published featuring data on our progress in filling positions with qualified employees, introductions of new staff, information about district priorities and programs that affect our work, and a showcase of best practices from other big city school systems and corporations
- Employee goals and objectives and performance appraisals will be completed for all staff
- The entire organization will be aware of the performance appraisal process via communication and ongoing training
- An internal professional development program will be created to strengthen staff skills in customer service, technology, writing, presentations, data management and analysis, team-building, collaborative decision-making, and employee motivation
- A feasibility study will be completed regarding HR certification courses provided through a university partner, or other agency
- A Human Capital Advisory Committee will host worksite visits to corporate HR depts. and assess the feasibility of HR staff participation in corporate HR staff development programs
- Visits to high vacancy and low vacancy schools will enable staff to understand the connections between their responsibilities and students' opportunities to succeed in school

Goal 5: Improve business processes

- Cost per hire will be computed for teachers and other positions in partnership with the office of management and budget
- Time to fill will be calculated for teachers, principals and other positions
- Comparative data on the above measures will be gathered from other big city school districts
- Goals will be set for reducing cost per hire, time to fill, and HR expenses factors

Goal 6: Implement all contracts with enhanced collegiality

- Training will delivered with PFT and cabinet members and school administrators in work rules, teacher performance, site-based selection, and recruiting and interviewing prospective teachers
- 75% of participants in training for contract implementation will report satisfaction
- A satisfaction survey will be administered to labor partners to identify strengths and needs in collegiality

Source: District files.