'Grace-in-Business': an exploration of how Lutheran school principals conceptualise their role in a landscape of accountability.

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ABSTRACT

The purpose of this research is to explore how Lutheran principals conceptualised their role in a landscape of accountability as the business processes associated with education are better defined and scrutinised.

It is widely acknowledged in academic literature that changing policy frameworks over the last thirty years have been implemented in several education systems around the world and this has resulted in a changing role for educational leadership. This environment means that there is now more scrutiny and accountability for principals, with an accompanying greater level of managerialism. The Australian education sector has not been immune to these changes. With educational expenditure in Australia now accounting for about a third of total government expenditure, the business processes associated with education have come into sharper focus. School leadership, especially principals, now have a greater responsibility to get it ‘right’, as business decisions now impact heavily upon student outcomes.

There is acknowledgement by principals that this transition is often much more demanding than they have anticipated, particularly given their lack of effective business acumen. Further literature analysis suggests that the role of principal is now akin to that of a Chief Executive Officer (CEO). A search into traditional preparatory programs revealed that principals were not afforded effective business skill development opportunities (Watterston, 2015). It is within this context that the business acumen of early career principals was investigated.

The study’s purpose was to explore how Lutheran principals perceived their role in a landscape of business accountability, given their appointment as the ‘CEO’ of their schools. Lutheran Education Australia (LEA) clearly acknowledges that it appoints its principals in a dual role, that of spiritual leader and business leader. While some work had been done in Lutheran schools
around the area of leadership and principal transition from other roles, no work has been done focusing on the business dimension of this role.

Viewed through a constructionist lens, an explanatory sequential, mixed methods design was utilised within an interpretivist epistemology. After completion of an anonymous survey, four principals were interviewed after purposeful sampling of all respondents, based upon selection criteria of length of service, regional representation, gender and school size. Coding of the interview data led to the identification of four themes to inform the research questions. The themes were: Grace-in-Business, Business-Mission Symbiosis, Role Overload and Awareness.

The research made significant findings which informed how Lutheran principals responded to the business dimension of their roles. It highlighted the tension that exists within the principal’s role while operating as an agent for church missions and operating a business entity, which often places them in moral dilemmas. The results of this research show that Lutheran principals execute the business dimension of their role guided by their Lutheran values and theology, particularly the Doctrine of the Two Kingdoms and Grace, and that they struggled to find a balance in the implementation of Grace.

The first finding of the research is that Lutheran principals come into the role with large gaps in business acumen and need help in bridging this gap. The second finding is that there exists great tension between the execution of the business and spiritual roles of Lutheran principals which impact on the viability of their schools. The third finding is that Lutheran principals intuitively consider Lutheran doctrine in their decision making, especially the Lutheran Doctrine of the Two Kingdoms and Grace but that they fail to strike the right balance in its implementation. These findings lead me to suggest that Lutheran principals do not need more business training, but rather more help to bring Grace and Business together.

The findings of this research will be of assistance to the Lutheran church and the LEA as a means of insight into the plight of its principals, as they seek to implement business training for the
business role and grapple with everyday tension experienced executing their roles. The research will also be of interest to governing councils, state and territory governments and training providers as they work with principals in the provision of business training to enhance their leadership. Systemic and non-denominational Christian schools will be potentially influenced by this research as all Christian schools, to some extent, are now operating as a business while executing their Christian mission.

This project was limited to conducting interviews with early career principals. Further research focusing on the business experiences of more experienced principals may shine more light on this area of research, particularly their experiences as they have transitioned into principals over the last 15 years.

It appears that Lutheran principals work hard ensuring the financial and business success of their sites but work even harder to ensure success where it really matters to them – advancing the Kingdom of God. They view the profitability of their sites in terms of the success of the church and its mission of evangelisation rather than monetary value. As a result, I argue that Lutheran principals conduct their business leadership differently to public school or other non-systemic independent school principals. They utilise the ethic of care and the ethic of service to bring Grace and Business together instead of using each one independently or alone. I further argue that future business training must be integrated with theological training as these are fundamental to principals and are two sides of the same coin.

There are personal and institutional implications that arise from this research. LEA is mindful of the three-dimensional nature of the role of Lutheran principals and seeks to support them where possible. The findings of this research will assist in ongoing development and support for principals as they lead schools in complex spiritual, business and teaching and learning roles.
DECLARATION

I declare that:

this thesis entitled, “Grace-in-Business’: an exploration of how Lutheran school principals conceptualise their role in a landscape of accountability”, presents work carried out by myself and does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university;

to the best of my knowledge it does not contain any materials previously published or written by another person except where due reference is made in the text; and all substantive contributions by others to the work presented, including jointly authored publications, is clearly acknowledged.

Gavin Marcus
ACKNOWLEDGEMENT

My journey is nearing completion. It’s amazing, upon reflection, to think how I’ve grown over the last six years and the people who’ve contributed to this journey written over many late nights, school holidays and even on Christmas day.

This thesis is dedicated to my mother who literally worked tirelessly to keep an impoverished family together and without saying much, spoke volumes through the example she set. I will never forget her sacrifice.

To my two supervisors, Associate Professor Shane Pill and Dr. Bev Rogers. You persevered with the task of attempting to turn a science teacher into an academic writer. I’ve come away from every meeting with you refreshed and invigorated, equipped to write for another day. You’ve both encouraged me and challenged my thinking. I’ve grown much.

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for believing in me and encouraging me. I love each of you with all my heart. You have your dad back.

My journey draws to a close, but the learning continues. I trust that my journey is an inspiration to others to look past the present to what is possible.
Chapter 1: Introduction

In my experience as a school leader in the independent school sector, I have developed an appreciation that whether educators like it or not, for many policy makers, schools have become businesses, or at the very least independent schools need to operate upon good business principles. In my experience, much of what makes good businesses successful can make schools flourish as well. However, I have seen that a business environment creates pressure on the roles of leadership, management and governance, and may lead to a culture of managerialism through budgetary control, enhanced reporting and accountability. I will refer to my experience as a business leader and school leader which have led to me taking this view on school leadership later in this chapter. The first part of this introduction will look at the contemporary context of school leadership and the parallels it has to business leadership for those in leadership positions in independent schools.

In Australia and other Organisation for Economic Cooperation and Development (OECD) countries, the role of the school principal has changed from that of a practicing teacher with added responsibilities to full time professional managers of human, financial and other resources (Pont, Nusche & Moorman, 2008). In the current environment, the range of knowledge and skills required by effective principals is extensive: curricular, pedagogical, student learning as well as managerial learning, and financial, business, interpersonal and communication skills (Riley, 2012). This change from education leader to a broader ‘business’ leader can be difficult to adjust to, and stressful. According to Kuper & Marmot (2003), principals experiencing “concurrent low decision making, and high demands cannot moderate the stress caused by the high demands through time management or learning new skills and so
become subject to high stress” (p. 147). There exists the potential for increased anxiety among principals about business-related matters (Beder, Varney, & Gosden, 2009; Starr, 2012). Irrespective of which ideology influences one’s thinking, the contemporary education context requires that independent school leaders operate in an environment of enhanced reporting, accountability, and improvement.

It is my experience that postgraduate programs for prospective educational leaders (including principals) do not adequately (or at all) address the need for business education for current and aspiring school leaders.

PERSONAL NARRATIVE

My professional background may be different to those of many others in school leadership. As an educational professional with over 20 years of experience, I have an additional corporate background of more than 10 years. My earlier corporate experience and completion of both a Masters in Business Administration (MBA) and Graduate of the Australian Institute of Company Directors (GAICD) qualifications have positioned me to read the current discourse of educational policy through a different ‘lens’ compared to educational leaders prepared through more traditional pathways, such as a Masters of Educational Leadership. My perspective is broadened through involvement in education systems across two countries: South Africa and Australia. In addition, I have worked within secular segregated departmental schools in South Africa and both independent stand-alone schools and systemic Lutheran schools in Australia.

A blend of corporate and education sector experience has informed my perspective about the challenges principals face in the management, leadership and governance of their schools. My experience as a school board and not-for-profit board member, heightened my awareness of challenges principals face as the business leaders of their schools. This insight into the parameters faced by educational leadership in the management, leadership and governance of schools from a variety of perspectives, fuelled my passion about exploring support for school
leaders to meet the demands created by recent educational policy changes and its inherent outcomes focus.

Through education and experience, I have developed a view that, whether one likes it or not, schools operate as businesses. This perspective of schools operating as a business is entrenched by my observation of recent advertisements for school principals in both stand-alone independent schools and systemic Lutheran schools, which explicitly state that the principal is the Chief Executive Officer of the school (Westminster School, Adelaide and Concordia College, Adelaide). Given that the ‘normal’ path to becoming a principal is teacher, head teacher, head of school/director then Deputy principal, I pondered where the knowledge required for the business aspect of the role is acquired. This led me to the question: how do educational leaders understand their role in a landscape of business accountability?

I understand that my view of schools operating as businesses needs to be considered in the analysis and interpretation of the data I collect. In Chapter three I outline the three steps I took to guard against this bias that I have just outlined. The above reflection on my professional experience positions why I am interested in the research, which investigates how principals feel and think about their ‘business’ role and the potential impact that any knowledge gap may have on the success of their sites.

BACKGROUND TO THE STUDY

This section outlines the changing environment in which principals operate and contextualises the research – from the advent of decentralisation and neo-liberal policy to the implementation of accountability and reporting requirements by governments and government agencies.

The decades after World War II saw increased political commitment to values of social democracy. Therefore, school leadership focused on education within a public good and egalitarian framework. This changed into the 1970s and early 1980s when the ideal of
education as a public good with equitable provision was replaced by corporate ideologies with a focus on efficiency and competition using business principles (Beder et al., 2009).

According to the Organisation for Economic Cooperation and Development (OECD) changing policy frameworks like decentralisation have been implemented in several education systems (OECD countries) across the world resulting in changing roles for school leaders (Leithwood, 2005). In Britain, the United States of America and many western and OECD countries, educational institutions have been faced with the challenge of raising educational standards resulting in greater pressure on educational leaders—in particular there has been a focus on performance management and accountability (Crawford & Earley, 2011).

As an example of this changing policy framework of decentralisation, in New Zealand schools use a ‘charter’ between schools and government under a national curriculum framework. After twenty-five years of Tomorrow’s Schools, school choice has had a significant impact on school size and structure (Gordon, 2015). Principals were drawn away from providing instructional leadership to other tasks, primarily managerial. While the mechanism of reform implementation might have differed between Australia and New Zealand (and indeed other countries party to this implementation), the outcome was the same. This decentralisation resulted in an increased level of managerialism.

**Australian Educational Context**

More recently, globalisation has been placed at the centre of education discourse to justify sweeping educational policy reforms (Connell, 2013; Ellison, 2012). Furthermore, during the 1980s, Australia faced neo-liberalism, based on a view that Australia needed to become internationally competitive.

“Neo-liberalism broadly means the agenda of economic and social transformation under the sign of the free market” (Connell, 2013, p. 100). It is within this neo-liberal framework that concepts like ‘educational reform, free market economy, managerialism, self-management,
competition, school autonomy, reporting, accountability’, etc. have been birthed and has become part of the discourse of current education (Bush, 2008; Connell, 2013; Wylie, 2012).

The economic ideology of neo-liberalism is now the dominant ideology in which schools operate. The rise of neo-liberalism and its influence on the education sector in particular means that financial resources are viewed negatively. As Apple (2005) states, it “constitutes a ‘waste’ of public resources that should go into subsidising the welfare of private enterprise” (Apple, 2015, p. 214). What is now undeniable is that education represents significant public expenditure in Australia (Australian Bureau of Statistics, 2019).

Educational policy changes, particularly state aid for religious schools (particularly Catholic schools) was introduced in the 1960s. Subsequent governments have continued this practice. Since then, federal funds aimed at private schools have increased dramatically. Supporting a growing market of privately controlled schooling through federal funding continues to be a contentious issue (Connell, 2013). It is contentious because the way we fund schools have an impact on both equity and social justice (Cobb-Clark, 2011). The Gonski Report also highlighted these inequities, indicating that government schools receive less money per student while educating the greater share of all students in the country (Gerrard et al, 2017). These impacts may be amplified or less pronounced by the business accountabilities demanded by government as the business processes within schools come into sharper focus.

Since the early 1990s, neo-liberal economic policy had been adopted by governments across the globe and permeates all spheres of government, including education. In Australia, with education being the responsibility of the states, and financial power being in the hands of the Federal Government, an ability to intervene in all areas of educational policy was created (Connell, 2006). This period saw the introduction and implementation of the philosophical tenets of the ‘New Right’ in both Australia and New Zealand. The Hawke-Keating government (during the 1980s to the mid-1990s) and then the Howard government (post 1996) implemented and continued this with economic rationalisation resulting in a market economy, privatisation
and deregulation. Public education was restructured and schools were forced to compete (Connell, 2006). Thereafter, first Catholic schools and then private schools were heavily subsidised to create a market-based alternative to state schooling. The financial support provided to schools was then accompanied with a shift towards corporate methods of management like budgetary control, performance management and reporting. This ostensible self-management was accompanied by greater accountability. These reforms have forced leaders to pick up more managerial responsibilities.

I so far have outlined that the role of the principal has changed drastically since the 1980s. It has, at the same time, become more stressful, more complex and more demanding (Cowie & Crawford, 2007). Education has become more decentralised in some respects, with elements of educational decision-making being shifted to schools, giving them more autonomy but resulting in a greater emphasis on accountability and reporting of what is occurring (Crawford & Cowie, 2012). The OECD has suggested that school leaders, particularly principals, needed training specific to their changing roles and responsibilities and that their professional development should be ongoing and tailored to the stage in their careers (Pont, Nusche, & Moorman, 2008).

Going into this research, I believed this included business leadership development.

I have thus far argued that there is evidence that principals across the world are experiencing heightened expectations, performance management and public accountabilities with increased political pressures to improve educational standards as the job has become more complex (Cowie & Crawford, 2007; Crawford & Earley, 2011). In the next section, I will specifically look at the Lutheran context as the research occurred in the setting of the Lutheran education.

**Lutheran Schools in Context**

Having briefly explored the Australian educational context, I now turn my attention to Lutheran schools. Lutheran schools number around 80 schools around Australia with the largest concentrations in South Australia, Queensland and Victoria. These schools operate with a high degree of autonomy while still receiving guidance and support from their respective regional
offices, all under the umbrella of Lutheran Education Australia (LEA). In turn, the LEA operates within the guidelines of the Lutheran Church in Australia. Lutheran schools in Australia operate systemically under the broad banner of independent schools with a footprint in all states and territories. This distribution is consolidated under three regions – Lutheran Education South Australia, Northern Territory and Western Australia (LENSW), Lutheran Education Queensland (LEQ) and Lutheran Education Victoria, New South Wales and Tasmania (LEVNT). Lutheran schools range from small remote schools to large urban schools and cater for students from kindergarten to senior secondary age. The system educates around 40,000 students supported by more than 4000 staff members (LEA, 2019).

Lutheran schools exist as a missionary arm of the church. Lutheran schools strive to serve the Lutheran community and then more recently, the non-Lutheran families who seek a faith-based and values driven educational experience.

The Lutheran Church of Australia (LCA) describes its schools as “an integral part of the mission of the church” (LEA, 2001, p. 1). It is therefore crucial to understand that Lutheran schools are the church operating within schools, with principals appointed as the spiritual leaders and therefore the custodians and executors of the church’s missionary endeavours. The LCA further reinforces that “through its schools, the church deliberately and intentionally bears Christian witness to all students, parents, teachers, friends and all who makes up the world of the school” (LEA, 2001, p.1). Lutheran principals therefore act to satisfy the requirements of the church, as well as the requirements of both state and federal government.

Lutheran principals operate within this context of accountability to both church and state, with a high degree of faith-based leadership and are encouraged to complete the Leadership Development Program (LDP) provided by Lutheran Education Australia (LEA). Furthermore, as in all other educational systems in Australia and the OECD, Lutheran principals exist and function within the context of enhanced reporting and a demand for greater accountability from all of their stakeholders. These principals are appointed with all of the fiduciary, audit, risk and capital
management accountabilities expected of any business, including not-for-profit organisations. Therefore, I argue that Lutheran principals are subjected to the same demands and pressures, requiring a similar skill set as those required to run any small or medium-sized business.

SIGNIFICANCE OF THE STUDY

Principals are historically identified as good pedagogical leaders – leaders of teaching and learning (Gurr, Drysdale, & Mulford, 2006; Jensen, Hunter, Lambert, & Clark, 2015; Leithwood, 2005). Their education and training have focused on these areas and their experiences are largely in these areas. Drawing on the experience of the system I work in, I realised principals require an additional skill set since the role of principal has a different focus altogether to that of deputy principal or head of school – that is, the focus of running a successful business. The deputy principal role is no longer of itself sufficient preparation for principalship (Starr, 2009). My experience aligns with that of the literature suggesting that principals are often shocked at the requirements of the role and feel ill-prepared when they start this role (Starr, 2009).

While researching the business skills required to be effective in the principal role, I found no research which focused on the Lutheran education system (or the Catholic system) and the views of principals regarding the business dimension of their role. Recent past research within Lutheran schools have focused on educational leadership in primary and secondary schools related to: contributions to mission, construction of underperformance, deputy principalship, ethical dilemmas, principal appraisal and principal worldviews (Albinger, 2005; Bartel, 2004; Jericho, 2004; Nelson, 2016; Paterson, 2016; Ruwoldt, 2006). With principals in Lutheran schools now appointed as both CEO and ‘church in school’ leader, their preparedness for the business dimension of their role, with all the fiduciary, audit, risk and capital management accountabilities expected of any business, therefore warranted further investigation.

The Lutheran church has made strong inroads into the equipping of potential leaders via its Leadership Development Program (LDP) with its focus on Lutheran ethics and values. In doing
so, I believe that the LEA lost from its view the equipping of principals for the business
dimension of their roles, in particular that of being the CEO, despite appointing them as such.

Some research was found on the changing business focus of a principal’s role (Cranston, 2007;
OECD, 2012). While Cranston’s work is focused on government schools within Australia, it is no
less relevant in the independent school context. However, it is apparent that research
consideration of the role of the independent school principal as a business leader is scarce. This
will be considered in the literature review, which is chapter two. For now, it is sufficient to note
that there is limited information available on the business behaviour of principals in faith-based
schools, and what drives their decision-making. It should be noted that there appears to be
acknowledgement from state governments in Australia in regard to the changing role of
principals. The Queensland, Victorian, Western Australian, Tasmanian and South Australian
governments are all addressing the area of business leadership for principals by providing some
professional learning support for principals (Watterston, 2015). In South Australia, this
professional learning to supplement current understanding of the business dimension of the
role is available through a DfE agreement with the School of Business at the University of South
Australia (UniSA).

This research will add to the literature which exists on the subject of the business leadership role
of principals, with a focus on the role of the principal in faith-based independent schools. I will
now outline the purpose of the study in more detail.

PURPOSE OF THE STUDY

Educational spending takes up about a third of government spending. In the current climate of
accountability, the business processes associated with education have come into sharper focus.
While principals might be good pedagogical leaders, early research in this area suggested that
most principals do not consider themselves good business leaders, nor do they want to be seen
as such (Cranston, 2007). This research proposed that there is not enough focus on the leader as
a business manager in preparation programs or continuing professional development courses for education leadership. Therefore, the purpose of this study was to explore how principals are being prepared to understand and act in the current landscape of business accountability. The research occurred within the context of the Lutheran education system.

RESEARCH QUESTIONS
The research question has evolved over time and are framed as follows:

How do principals perceive their role in the landscape of business accountability in Lutheran schools?

The sub-questions to inform the above question are:

• Where do principals learn about the business dimension of their role?

• How do principals distinguish between leadership and business management/leadership?

• What support do principals require, if any, to operate in this business environment?

In this chapter, I have outlined that principals are required to operate in an environment of enhanced reporting and accountability, with a focus on improvement. I argued that there is currently not enough focus on the principal as a business manager in the practical sense of providing support or providing effective leadership in this area. The next chapter focuses on the review of the literature with emphasis on the changing role of principals in schools from a social democratic to a neo-liberal ideology and the impact on leadership.
Chapter 2: Literature Review

INTRODUCTION

There are not many jobs or CEOs with the scope and responsibility of a school principal to be accountable for hundreds of students, manage the compliance and liabilities of running a business and leading teachers and ancillary staff (Saville, Hooper, & Braddon, 2018, p. 40).

My reason for starting with this quote is that it illuminates the complexity, responsibility and pressure which is a constant in the daily lives of principals. It stands to reason that those in leadership have a huge responsibility to get leadership right (Leithwood, Harris, & Hopkins, 2008). The success of students depends on it, the staff depend on it, and the ‘systems’ (both state and independent systems such as LSA) depend on it. However, there remains growing concern that the role of school principal has not changed fast enough with the complex challenges that schools and students are faced with heading into the 21st century and beyond (OECD, 2009). This growing concern now pervades the educational leadership community, including principals who feel ill-prepared for the task, especially as it pertains to the business dimension of their role. The outcome is that growing numbers of principals are enrolling in the Masters in Business Administration (Dodd, 2015).

This literature review investigated how the role of the principal has evolved from one as an exclusive pedagogical leader to one where they now operate as a CEO – essentially a business leadership role. To understand the case for an additional business skill set requirement, the literature suggests a changing role is necessary.

THE CHANGING ROLE OF THE PRINCIPAL

There is widespread belief and acknowledgement within the OECD that with increased school autonomy, the job of leading has expanded and become more complex (Pont et al., 2008; Stoll & Temperley, 2010). Experienced principals have admitted that making the transition from deputy
to principalship was a ‘bridge too far’, as the skill set required was vastly different to that of deputy principal. If anything, principals’ roles are intensifying. It is prudent then to delve into how principals are being prepared for this role. It is also relevant to prepare leaders to cope with these challenges, and not for it to be left to an organic process in which the outcome is not defined (Bush, 2008; Starr, 2009). In addition, many principals have suggested that their preparatory courses did not prepare them to run the business of their schools (Parsons, 2012). Consequently, it has been reported that principals have found running the business side of their role stressful and tough. Furthermore, research suggests that the acceleration of senior leaders into principalship is not matched by appropriate learning (especially learning centred on the business dimension of the role) and results in poorly prepared individuals (Pont et al., 2008).

While principals are generally experts in pedagogical leadership, in Chapter one I argued the position now demands an additional skill set not readily available or accessible through the usual route of ascension into leadership. In their study of Improving School leadership (Volume 1 Policy and Practice), the OECD found that effective school leadership across OECD countries now incorporates a role which encompasses skills in business management, strategic management, operational management and corporate governance – all essentially business leadership skills (Pont et al., 2008).

There is widespread criticism of the viewpoint of schools as a business. (Eacott, 2011; Smyth, 2011). For example, Smyth (2011) argues that the self-managing school had its genesis in the hidden agenda of political ambitions to make schools more responsive and accountable to parental desires while at the same time disassociating inefficiencies from centralised government control.

Despite the critiques of the role of principal as CEO, there is evidence of system support for upskilling of principals in this area. To facilitate the upskilling of their principals, the Queensland government in partnership with Deakin University recently launched a business training course for all principals. Similarly, the South Australian government, via the South Australian Institute of
Educational Leadership (SAIEL), and the University of South Australia Business School, launched a similar initiative to that of the Queensland-Deakin University partnership recently via its Diploma in Strategic Leadership. In a similar vein, a partnership exists between the Western Australian Government and Deakin University (The Graduate Certificate in Education Business Leadership), aimed at equipping current and future principals as part of the Strategic Plan for Western Australian Schools. The implementation of these courses appears to be recognition of the deficiencies in leaders’ skill set and knowledge of contemporary business management in schools and the struggle of principals to cope and act in their roles.

LEADERSHIP IN LUTHERAN SCHOOLS

I have previously mentioned that in Lutheran schools, principals are appointed as both the CEO as well as the spiritual leader of the school, which is a multifaceted role. Lutheran schools operate under the auspices of the Lutheran Church of Australia (LCA) via Lutheran Schools Australia. Therefore, Lutheran principals, or any leadership within Lutheran schools, are effectively appointed by the Lutheran Church, and people in these positions must adhere to the teachings of the Lutheran Church. It follows, therefore, that Lutheran principals are representatives of the church. In its statement of principles, the LCA states the following expectations of its school principals: “It is expected that the principal of a Lutheran school is a practicing member of the LCA and is the ‘spiritual’ head of the school” (LCA, 2006, p.2).

According to LCA teaching, the “church is also in the school” (LCA, 2006, p.1). However, there is confusion of what it means to be the ‘spiritual head’ or how this manifest within Lutheran schools. Lutheran principals generally agree that they are the spiritual head of the school, but this mantle sits uncomfortably on some (Nelson, 2016). For example, according to Nelson (2016) 25% of principals are either neutral about this statement or are uncomfortable with it. Granted that Lutheran principals have been active in the Lutheran church and/or have been deputy principals or heads of school, this revelation should be a concerning for LEA because of its
potential impact on Lutheran culture within Lutheran schools. A discomfort with being the spiritual leader in the school leads to questions about the preparedness of principals for this role, and therefore any relevant principal preparatory training. The point I make here is that part of the ‘business’ of the Lutheran school is spiritual leadership.

In Chapter one, it was noted that the OECD highlighted the changing nature of school leadership due to neoliberalism becoming the dominant western ideology. Lutheran schools have not been immune to the changing nature of education or the role of principals within it due to neoliberalism. Accompanying these changes, leadership within Lutheran schools have undergone challenging changes, especially since its principals are appointed as both business leaders and spiritual leaders. Nelson (2016) focused on this issue when she asked the question: “But what about the leadership skills required when the leader has oversight of the school community (the normal principal) and the faith community (faith-based schools like Lutheran schools)?” (Nelson, 2016, p. 4). Nelson suggests that the role of leader has become more complex and that an additional skills set are required for principals to be effective in this complex role. Research within another faith-based education system, Catholic schools, has concluded that Catholic principals have an additional job requirement that sets it apart from other types of school leadership (Spesia, 2016). There are similarities between leadership in Catholic schools and other faith-based schools, like Lutheran schools, particularly regarding the spiritual leadership of schools. This includes the appointment of principals as CEOs (Nuzzi, Holter, & Frabutt, 2012; Spesia, 2016). There are differences between Catholic schools and other faith-based schools, such as the centralisation of Catholic schools’ financial management and human resource management. However, I believe the argument that Catholic principals have an additional job requirement that sets it apart from other types of school leadership holds true for the Lutheran school principals.

I am suggesting here there that since Lutheran schools fall under the banner of faith-based schools, that they also have expectations of their work that is above and beyond that of the
secular principal (Spesia, 2016). Furthermore, I am suggesting that being a leader of the Lutheran faith is also part of their business role.

In analysing the history of Lutheran schools, Ruwoldt (2006) suggests that several additional issues impact upon leadership in Lutheran schools. These include, amongst others, the Doctrine of the Two Kingdoms and Justification by Grace, through faith and by Christ alone. The Doctrine of the Two Kingdoms is now highlighted to consider its potential impact on the principal as business leader.

The Doctrine of the Two Kingdoms

Lutheran principals are appointed as the spiritual leader of their schools. They are also required to be practicing Lutherans and therefore are expected to understand the Doctrine of the Two Kingdoms. As spiritual leader of schools, a thorough understanding of Lutheran theological principles is required for Lutheran principals to effectively lead. The current leadership and formation framework for Lutheran education (Growing Deep) “models and exemplifies spiritual leadership using Lutheran theology to underpin leadership action” (LEA, 2019, p. 1). It (Growing Deep) provides all in Lutheran education an opportunity to reflect on their practices with the aim of improvement, while also providing an opportunity for leaders in LEA to plan for growth in the leading, spirituality and ongoing formation. Therefore, Growing Deep provides an opportunity for principals to reflect on their role as CEO and spiritual leader.

This doctrine should impact on school leadership, especially the way principals operate their schools, and its impact is considered here.

The Doctrine of the Two Kingdoms is what enables Lutheran schools to function within the current educational context. It speaks of the two hands of God, the left and right, and how it works in the world. The left hand speaks of God’s operation through justice and the law and the preservation of society. The right hand or heavenly kingdom speaks of God’s operation through mercy and the gospel where the church proclaims and imparts Grace, forgiveness and
compassion (Bartsch, 2001; Bartsch, 2010). Several definitions of Grace exist. The definition I will use is that Grace is God’s unmerited favour and His goodness towards those who have no claim to it. Bartsch (2013) further draws the analogy of an “ambidextrous God”, where God operates in both spheres using both hands – firstly by promoting peace, good order and the common good through the law and secondly by breaking the power of sin and evil through the gospel (p. 185). According to Lutheran theology, education (schools and leadership) operate within the kingdom of the left so as to maintain good order and teaching, while employment by the church implies and means that education (schools and leadership) also operate within the kingdom of the right (Bartsch, 2013; Stolz, 2001). This potentially causes tension between leadership and principals of Lutheran schools (and all Christian schools) on one hand and the church on the other hand – do they operate to satisfy the requirements of the left hand or the right hand, the state or the church? Or perhaps they operate to satisfy the requirements of both, and in which case, what takes precedence?

We need to recognise that education exists under the ‘left hand’ of God and that the Lutheran school community is also a place under God’s ‘right hand’. Participating under the “two hands of God places Lutheran schools in a position of creative tension” (Bartsch, 2013, p. 217).

This quote reaffirms that Lutheran schools are places of tension due to the application of the Doctrine of the Two Kingdoms, but also that principals in their spiritual and business leadership roles bear the brunt of this tension in their leadership.

Lutheran schools operate in both the kingdoms of the left and right. In Lutheran theological terms, Lutheran schools straddle the two kingdoms (Bartsch, 2001; Bartsch, 2013; Janetzki, 1985). This has implications for Lutheran principals in the execution of daily leadership, because “just as schools straddle both dimensions, so must leadership” (Ruwoldt 2006, p. 26). The implication for principals is that they need to negotiate an application of both the law and grace in their decision making.
It is apparent that Lutheran principals are required to mix care and compassion in leadership decision making as well as being called to play a part in evangelisation of the faith. This world view is framed by the Doctrine of the Two Kingdoms, which will now be outlined.

**Grace**

According to Lutheran theology, Grace is a term for forgiveness which cannot be earned but is freely given to all people whether they are Christian or not. The Lutheran church speaks of justification in terms of Grace. For Lutheran principals, an understanding of Grace and its implementation affects the culture and values of their schools. Lutheran Education has developed a framework for leadership formation titled ‘Growing Deep’. It articulates that Lutheran schools are places where Grace abounds and where the vocational practices of leaders are based upon the AITSL Principal standards. One of the capabilities (Deepening Faith) states that leadership and principals model spiritual leadership using Lutheran theology to underpin leadership actions. Lutheran principals understand God’s Grace in dealing with every day and difficult situations, including dilemmas (LEA, 2019).

**THE DISTRIBUTED LEADERSHIP MODEL IN LUTHERAN SCHOOLS**

This review of the literature pertaining to distributed leadership does not aim to argue the merits or deficiency of it. It seeks to place the business leadership of principals in Lutheran schools in context.

The concept of distributed leadership had its genesis after being coined by an Australian psychologist (Cecil Gibb) in 1954. Its use was limited to distinguishing between focused leadership (leadership concentrated on one person) while distributed leadership is suggested to be shared or distributed when different individuals take the lead at different times based on their expertise (Harris, 2008).
Based on my experience working within Lutheran schools, distributed leadership is valued and encouraged, and considered a strength. This is in part acknowledgement that the role of principals within Lutheran schools has intensified and become too complex for one person to handle, and that leadership teams provided a better outcome in school development. The emergence of a body of research evidence that distributed leadership impacts positively on school outcomes enhances this viewpoint (Hopkins, Nusche, & Pont, 2008). These authors further suggest that distributed leadership makes the task of principals more manageable and engenders leadership capacity throughout schools. The distributed leadership model extends not only to principals and school leadership teams; it extends to all parties involved in the ultimate goal of ensuring positive educational outcomes for students.

Despite espousing this model of distributed leadership, there is less evidence within Lutheran schools of the exact meaning of this concept. Storey (2004) suggests that many organisations who prefer the distributed leadership pathway do so because it aligns with their values, however, its precise meaning is left unexplored. So, what is distributed leadership really? What is clear is that there is little agreement about the meaning of the term and that distributed leadership has a variety of meanings and connotations: ‘devolved, dispersed, shared, teemed, democratic, participative, collective, intelligence, lateral, informal’. Commenting on distributed leadership, Hargreaves (2005) argues that in “highly complex, knowledge-based organisations, everyone’s intelligence is needed to help flex, respond and regroup in the face of unpredictable and sometimes overwhelming demands” (Hargreaves, 2005, p. 4). He also states that not sharing research and intelligence increases the likelihood of errors. This leads to the practice of replacing individual leaders with a network of people - distributed leadership. Proponents of distributed leadership like Sergiovanni (2005) argue that “few leaders have the competence, time and information needed at any given time to get the job done” (Sergiovanni, 2005, p. 122). Therefore, distributed leadership may be seen as an alternative perspective to that of the heroic, single leader model of leadership.
However, distributed leadership is contested and should not be accepted at face value to be a good thing (Harris, 2008). For example, Lumby (2016) critiques the value of distributed leadership by arguing that it is merely a lens through which to view leadership activity rather than a way of leading. Harris (2004) further posits that despite the plethora of literature espousing the value of collaborative, democratic and distributed forms of leadership, “clear links with improved student outcomes have yet to be established” (p. 21). If this is the case, then practicing distributed leadership for its own sake is not worthwhile unless the impact on student learning outcomes are clear and uncontested.

**THE PRINCIPAL AS BUSINESS LEADER**

The literature review has thus far suggested that the position of school principal has become increasingly complex due to increasing demands for principals to be a business as well as an educational leader. Smith and Riley (2012) comment that “school leaders, whether in the public, Catholic or independent sector, now need to be highly motivating educational leaders as well as highly effective business leaders” (Smith & Riley, 2012, p. 11). The current reality is that principals now have little alternative than to add business leadership skills as part of their repertoire (Gewirtz & Ball, 2000).

What has been called the ‘devolution evolution’ has also added to the demands placed on the principal (Baker, 2005). This evolution was born around government policy of decentralisation where decision-making was devolved to the schools, managed by the principal reporting to a local school board. Starr (2009) agrees with this argument when she suggests that “leadership expectations are expanding and incessantly shifting, while external controls are proving too demanding and restrictive” (p. 33).

**The Australian School Context**

Australia has 9,444 schools, each with one principal servicing 3.85 million students. Of these, there are 66% of students in government schools, 20% Catholic schools and 14.4% in
independent schools. In 2017, around $32 billion was administered or under management by these schools (Saville et al., 2018). Since then, this figure has continued to rise.

Many Australian independent schools, and some public schools, have revenues well over $100 million and several more have revenues between $60 and $80 million. Considering the funding model today, much of these funds are received from the Commonwealth government and state governments, with parents contributing significant amounts. Many government schools operate more modest, yet still significant budgets, and many principals lack the skills to manage this. From all these schools, there is a demand for a significant measure of accountability and transparency, with the accompanying fiduciary, auditing and risk management accountabilities – all which are essential business management skills (Saville et al., 2018). Governance knowledge is now a key requirement for contributing on any board, and principals sit right in the thick of it (Parsons, 2012).

In Australia, the concept of devolution is closely aligned with the decentralisation of educational decision making which has occurred to various degrees in each state and territory during the 1980s and 1990s. Several reasons for decentralisation and restructuring have been proposed: quality, effectiveness, efficiency, equity, accountability and adaptability (Cavanagh, 1995). In other countries where decentralisation exists in some form, centralisation of certain aspects of education like curriculum or assessment were implemented (Clarke & Yaros, 1988; Daun, 2007). As in many other OECD countries, this changing policy framework has resulted in enhanced reporting and accountability, coupled with a strong move towards managerialism and the consequent demand for skills in business management. Not all Australian schools are subjected to the same amount of accountability, and therefore they have a lesser need for overall business skills. For example, government schools have less demand on principals for a need towards business accountability due to the centralisation of educational decision making like human resource management, but it is a demand nevertheless.
The New Zealand Context

New Zealand, schools, like Australian Lutheran schools, have a greater level of decentralisation and autonomy. The business role of principals is similar in these two contexts and is therefore worth exploring.

New Zealand has 2,539 schools, each with one school leader servicing 760,000 students. 84% of these schools are state funded, 13% are integrated as mostly state-based schools and 3% are private (Morris, 2014). New Zealand principals have greater autonomy than principals in other schools, which translates into greater responsibility and accountability for teaching and learning, finances, human resources and governance. Morris, a former principal and member of the New Zealand ministerial review board, comments that principals in New Zealand are required to act as chief executive officers of their boards and trustees (Morris, 2014).

New Zealand has the most decentralised and autonomous education system in the developed world since the introduction of Tomorrow’s Schools in 1989 (Morris, 2014; Wylie, 2012). Therefore, the importance and relevance of the principal as business leader has come into sharper focus, particularly as it related to the running of a multi-million-dollar business and lack in relevant business management skills which have been noted (Morris, 2014). In both Australia and New Zealand, as in other countries, the implementation of decentralisation resulted in a stronger focus on reporting and accountability, coupled with the requirement of in-depth skills of business management and leadership.

The OECD suggest that school leaders, particularly principals, “need specific training to respond to their broadened roles and responsibilities” (Pont, et.al., 2008, p. 138). The suggestion for ‘specific training’ is in response to the increasingly demanding nature of their roles which are now more outcome focused. Outcome focus means that there is much more focus by stakeholders on end results or outcomes of the leadership process, focusing on what has been achieved. Most principals come from a teaching background which does not normally allow for generation of the skills required for a broadened leadership role for teaching and learning or
those required for resource management, nor a collaborative role beyond the school boundary (OECD, 2012; Pont et al., 2008). The assumption is made that the running of an educational institution (like a school or college) as a business demands a skill set like those required to run a not-for-profit or for-profit organisation. Schools are, after all, not-for-profit entities (Starr & Effrat, 2016; Gewirtz & Ball, 2000). Therefore, the practice of school leadership demands a specific skill set that may not have been developed in an individual even with considerable teaching experience (Pont et al., 2008).

While principal preparation programs have been prevalent for many years, the establishment of the Australian Institute for Teaching and School Leadership (AITSL) by the Commonwealth Government in 2001, and the subsequent development of a professional standard for principals over the last several years, have resulted in the adoption of principal preparation programs which promote this standard (AITSL, 2015; OECD, 2012). However, the standard does not refer to the dynamic skill set required to address the business dimension of the principal’s role.

I acknowledge that there are differences between the two education sectors (public and private) and that the principal’s role in each is different. For example, private schools have more control over the human resource function while in public schools this function is largely centralised, although again, in New Zealand, the situation is vastly different from Australia and other OECD countries. However, it is reasonable to explore this literature since the role of a principal differs within private schools as it does within public schools.

THE LUTHERAN PRINCIPAL AS CEO

An average Lutheran school may have the following characteristics: 650 students and 70 teachers, 60% of funding derived from the Commonwealth, 20% from state funding and 15% from fees. All this equates potentially to a conservative $20 million gross annual income (Saville et al., 2018).
I have already established that Lutheran principals are appointed as CEOs of a school. New appointees are traditionally deputy principals who have come up through the ranks of leadership. However, deputy principalship is traditionally an operational role, with little similarity in skill level to that of the principal role. Glancing at Lutheran principal advertisements and those from other independent schools, the job description outlines an individual who is one “super capable, multi-skilled, extraordinary individual whose influence stretches beyond its boundaries to include state, national and even international responsibilities” (Starr, 2014, p. 7).

As LEA deliberately uses the term CEO in its principal recruitment advertisements, a business connotation is implied and embedded into the role. However, what are the capabilities of a CEO in the context of a Lutheran school?

According to the Australian Institute of Company Directors (AICD), the most senior executive in an organisation is usually ascribed the title of CEO. Under normal circumstances, the CEO is authorised to act in the interest of the organisation (educational institution) by means of authority which has been delegated by the board. Due to this delegation and status as a consultant to the board, CEOs have the responsibility of things such as:

- Developing strategies and plans for board consideration and then executing those plans.
- Management operational and corporate risks for the organisation, including plans to mitigate those risks.
- The provision of timely information to ensure the board is able to fulfil its governance responsibilities, including its corporate performance, financial condition, operations and prospects.
- Ensuring all reporting mechanisms are functioning to capture all relevant information in a timely manner and based upon sound prudential risk management.
- Maintain an awareness of the local, national and international landscape which may impact its viability, including political, governmental and business areas (AICD, 2019).
The above list is not exhaustive, but is clearly focused on the business aspects of the role. Therefore, if, Lutheran principals are appointed as CEOs, it is fair to assume that adherence to the above responsibilities is a requirement. The point of what is mentioned above is to fashion the sense of the huge responsibility which is placed on the principal within any contemporary school, given that principals have no initial business training when taking on the role. Having responsibility for 100 staff and an annual budget ranging anywhere between $10 million and $100 million demands an investment in business skills.

**MANAGEMENT VS LEADERSHIP**

Decentralising the responsibility for education is now widely accepted worldwide and its adoption has been evident since the 2000s (Apple, 2005; Bush, 2008; Court & O’Neill, 2011; Leithwood, 2005; Pont et.al., 2008). In countries like Australia, New Zealand, the UK and Canada, managerial practices have been implemented through local school management and the devolution of budgetary measures and controls (Lynch, 2014). This has resulted in the role of leadership and management in schools changing and being enhanced, coupled with greater autonomy for schools. However, this apparent autonomy is traded for added accountability. This shift means that principals are giving more attention to financial and human resource management, business management, and other managerial tasks. Early research in this area suggested that this “stress on procedures at the expense of educational purpose and values” is the biggest criticism of this policy (Bush, 2008, p. 274).

The strong focus on management instead of leadership since the 1990s ensured schools were implementing the political ideology (neoliberalism) of the day. Lynch, Grummell, and Devine (2012) argue that this managerialism is “not a neutral strategy, it is a political one” in an attempt to model the running of schools along business lines (p. 3). Due to managerial principles having their origin in a business or commercial context (and then having been exported to education) where output and profiteering is paramount, the values it espouses are contradictory to those
of education and therefore not in the spirit of the nurturing nature of education (Lynch, 2014). Therefore, we need to be critical of simply embracing business theories and processes and applying these to an educational context.

Leadership is a term full of ambiguity and interpretations. Terms such as school leadership, management and administration are often used interchangeably, but there is agreement of a clear distinction between them. For example, with respect to leadership, Leithwood (2005), Eacott (2011) and Caldwell (2002) provide similar yet varying definitions of leadership.

A school leaders’ responsibility often encompasses all three of leadership, management and administration. Bush and Glover (2003) summarise it as follows:

Irrespective of how these terms are defined, school leaders experience difficulty in deciding the balance between higher order tasks designed to improve staff, student and school performance [leadership], routine maintenance of present operations [management] and lower order duties [administration] (p. 9)

Therefore, for the school leader, there remains tension between the competing demands of leadership, management and administration.

School leadership has now become an education policy priority in all OECD countries due to increased school autonomy (Morris, 2014; Pont et al., 2008). School leadership has been proven over several decades to be central to school and student improvement. Researchers have produced a sufficient body of evidence to suggest that school leadership matters (Pont, et al., 2008; Stoll & Temperley, 2010). This evidence suggests that leadership is second only to teacher impact on school improvement and student outcomes.

It remains a potential cause of immense stress to principals when they are unable to execute the skills required to provide leadership to the business aspect of their roles (Riley, 2016). Leading the business aspect of their roles may still require a set of business skills, which may mitigate or relieve the anxieties and stress principals feel and facilitates the provision of leadership in this area.
There remains an underlying assumption that the leadership enacted in educational administration is ethical, moral and honest (Kurtulmuş, 2019). However, this is not always realised because school leadership sits on the positive side of the leadership spectrum (Kurtulmuş, 2019). My aim with the next section is not to suggest that school leaders act improperly, but rather to offer a more complete view of leadership focused on the opposite end of the spectrum.

**Maladministration of Leadership**

There exists a public perception that, in most circumstances, leaders bring successful outcomes to organisations. These positive outcomes may be compromised when school leaders lack the business acumen required to produce these positive business outcomes for their organisations. A potential consequence of this lack of business acumen is maladministration, where school leaders are inefficient or ineffective in their business leadership role.

Educational leadership, viewed from a vocational standpoint as Lutheran Education does, is considered to be authentic, ethical, moral and honest (Sergiovanni, 1992; 2005). However, it would be unethical to conclude a discussion on leadership without providing a more complete picture and address the opposite end of the spectrum which yields undesired outcomes for organisations like schools. Therefore, no review of leadership is complete without at least a glance at the dark side of leadership (Kurtulmuş, 2019).

The dark side of leadership refers to leadership which ends with inherently poor outcomes for schools or organisations. The umbrella term of ‘maladministration’ is often used to encompass all poor outcomes of leadership and includes, but is not limited to, leading inefficiently, incompetently, carelessly, improperly or transgressing policies or laws (Milley, 2017). Since the adoption of neoliberal policies into education, schools have become more businesslike, more competitive and more market driven. These conditions may be the breeding ground in which
maladministration flourishes in schools, as it does in the corporate world, and is worth considering.

Despite a paucity of literature and studies on this subject, information that sometimes arise makes it impossible to assume that those in leadership are angels and cannot do any wrong (Blase & Blase, 2002; 2004). In fact, Blase and Blase (2004) suggested that “only one empirical study have systemically examined the ‘dark side’ of school leadership and the extremely harmful consequences such forms of leadership have on life in schools” (Blase & Blase, 2004, p. 246).

While the dark side of leadership may encompass everything from ethics and morality to personality traits, the focus of this discussion will be an educational context, specifically educational leadership and the impact of a lack of effective business acumen.

Those in educational administration and leadership (principals and management team members) are considered to be in vocations of high moral values and must adhere to high ethical standards. Sergiovanni (2005) concurs when he posits that “disciplined organisations reflect disciplined leaders whose honed skills lead them to behave consistently, almost instinctively, in moral ways” (p.112). It is not unfathomable to suggest that even disciplined school leaders, when conditions align, can do disturbing things.

There is often silence on maladministration which encompasses the immoral and unethical behaviour of educational leadership (Milley, 2017). The silence on matters of maladministration in schools is understandable as few affected parties can afford negative publicity. Due to its strong negative impact on all organisations, especially educational institutions like schools, maladministration should be of interest to those in authority, like systemic school systems, governing councils and government because it speaks directly and to the heart of sustainability, profitability and governance of educational institutions.

The next section explores ethical leadership, especially as it is an assumed essential ingredient for all in educational leadership but more so for those leading in faith-based schools like
Lutheran schools. It is raised here since Lutheran principals closely integrate ethics and care into the business dimension of their role, as well as the spiritual dimension of their role. The multiple ethical paradigm is introduced as it may provide a view of leadership through a different lens through which ethical and business decisions may be made for the benefit of the educational leader, the institutions they lead, and those subjected to these decisions.

The Ethical Dimension of Leadership

I argue that neoliberalism brought to education a corporate-managerialist approach (Chapter one). Educational leaders are accountable to their students, parents and community and they bring to their role a set of values different from those entrenched in corporate business (Duignan, 2007). The aim for educational leaders, including Lutheran principals, is for their role to be transformational, as opposed to the transactional nature of the corporate world. Ethical educational leaders act with the well-being of others (such as students, staff, parents, and their community) as their primary focus. This approach to their educational leadership adds complexity to the spiritual, but especially the business dimension of Lutheran principals’ roles as they are considerate of the ethical and moral implications of their leadership.

The moral and ethical dimension of school leadership continue to receive increased attention in literature and has become a key theme in the educational leadership field (Cranston et al., 2006; Duignan, 2012; Nsiah & Walker, 2013; Starrat, 2004). While the reasons for these are widespread, one telling reason may be that educational leadership is considered as a moral undertaking where people are held to high ethical standards through codes of practice and statutory means (Sergiovanni, 2007). For those in the education profession, ethical conduct is a necessity in order to ensure justice and equity prevails in our educational institutions. For those in leadership, the bar is raised even higher as they uphold the ethics of the profession.

There is currently widespread cynicism and criticism regarding the credibility and authenticity of leaders within private and public institutions (Duignan, 2012). The effects are still felt in our
society today, suggesting that leaders’ behaviour and judgements have repercussions far and wide and impact on people personally. In educational circles, the effects are even more pronounced if leaders do not lead ethically. Duignan (2012) further suggests that educational leaders “need clearly articulated moral principles and ethical standards” to steer schools towards more ethical and moral processes and actions (p. 9). In line with a call for clear moral purpose, there is a call towards authenticity in educational leadership due to it being a moral activity. Sergiovanni (2007) adds weight to this narrative when he urges educational leaders to bring together head, heart and hands in practicing the craft of leadership as a moral activity.

Educational leaders themselves have emphasised a need not only for ethical organisational cultures but also have stressed the significance of their own clear ethical values and professional ethics (Cranston et al., 2006). In a 2006 study, Cranston et al. concluded that according to principals, “ethical decisions are not difficult to make if you’re values-based” and “when we’re talking about ethics, we are talking about underpinning values” (Cranston, 2006, p. 114). The values that underpin decision making for Lutheran principals makes the business dimension of their role challenging, creating dilemmas which need to be negotiated carefully.

While the field of ethics is contested, there appears to be general agreement that ethics is closely linked to values. Cranston et al. suggest that ethics is about “how we ought to live and behave, requiring judgement about a given situation or circumstance” (Cranston, et al., 2007, p. 107). Duignan concurs and suggests that ethics is “what we ought to do when confronted with value tensions” and that this must include ethical analysis as part of the thinking and reasoning” (Duignan, 2012, p. 96). Starratt (2004) offers an insightful view of ethics and ethical leadership. He links it to a set of “underlying beliefs, assumptions, principles and values that support a moral way of life” (p. 5). He further posits that this series of ethical principles are kept in our consciousness for later retrieval when ethical dilemmas are addressed. He suggests that “they are maps that we consult when the familiar terrain we are traversing becomes tangled underbrush with barely discernible and uncertain trails” (Starrat, 2004, p. 6). Starrat states
further that ethical leadership involves the “cultivation of virtues” or moral character which will assist leaders in generating authentic and ethical approaches to their leadership (Starrat, 2004, p. 8).

The challenge for educational leaders currently is the lack of clear direction on how to make ethical decisions. Several authors offer a model or framework of assistance for educational leaders to address the ethical dilemmas of their leadership which they encounter on a daily basis (Shapiro & Stefkovich, 2010; Shapiro & Gross, 2013; Starrat, 2004). An important consideration for ethical decision-making approaches is to ensure they focus on how to think about ethical dilemmas instead of what to think. Therefore, good ethical approaches warn that they cannot determine the outcome of ethical dilemmas but can shed light on how an individual think about it (Duignan, 2012). These dilemmas may include justice vs mercy; individual vs community; student behaviour vs welfare; professional development vs removal; professional ethics vs personal values; professional values vs the law, and managerialism vs care and development, etc.

While most educational leaders may base their ethical decisions on a single ethical paradigm (perhaps either the ethic of justice which deals with laws, rights and policies or the ethic of care which may involve aspects of empathy, compassion and relationships), several authors encourage a multi-ethical paradigm approach (Shapiro & Stefkovich, 2010; Shapiro & Gross, 2013; Starrat, 2004). This framework includes the following: the Ethic of Justice, the Ethic of Care, the Ethic of Critique and the Ethic of the profession. Proponents argue that working through this framework may offer educational leaders an opportunity to view their dilemmas through different lenses and arrive at more considered outcomes which may be beneficial to both the leader and their institution as well as those subjected to their decisions. This framework may provide Lutheran principals a meaningful alternative to help them successfully negotiate the dilemmas that their business leadership creates.
The Ethics of Care

For principals in Lutheran schools, the business dimension of their role appears to be as much a focus on people as it is a focus on business processes. Business decisions taken are cognisant of the impact on staff, students, parents and other stakeholders. This is in contrast to the neoliberal view of business, where business decisions are made with their eyes squarely on the profit margins of the organisation. The ethic of care offers to principals the chance to make their educational and business leadership a human enterprise with their students, staff, parents and community at the centre (Starratt, 2004). Their consideration of the ethical nature of their business decision making adds to the complexity of their role, especially the business dimension of their role.

The ethic of care is essential to scholars past and present, but also to educational leaders who have to make moral decisions on a daily basis (Shapiro & Gross, 2013). Martin (1995) writes of the three C’s in education: Caring, Concern and Connection, and implores educators not to neglect the ethic of care. Shapiro and Stefkovich (2010) write that caring is the bedrock of all education and that modern schooling could be revitalised in the light of it. Today, while engaging in moral decision making, empathy and compassion towards others form a major part of this paradigm, particularly within faith-based schools like Lutheran schools. Therefore, it may be argued that in this environment, leadership is as much about care as it is about serving others. While the ethics of justice and critique has its place in ethical decision making, the ethic of care offers another dimension to be considered when educational leaders grapple with the complexity of moral and ethical decision making within faith-based schools. Using the ethic of care directs individuals to carefully consider the consequences of their decisions in this way, it may be that education is made into a human enterprise and for educational leadership to become both intellectual as well as moral (Starratt, 2004). While I think principals and school leadership predominantly use the ethic of care in their decision making, they would benefit from using a broader ethical framework in their decision making.
Duignan (2012) puts it well when he suggests, quite logically, that “the resolution of complex multidimensional ethical situations requires the use of good judgement based on sound knowledge of the facts” (p. 115).

Principal preparation programs, formal or informal, should ideally consider the evolving role of principals and empower them to lead effectively, including development of their capacity to lead their institution as a business entity. Cowie and Crawford (2007) argue that “anxieties regarding school underperformance in an increasingly competitive global economic environment have brought political pressure to raise educational standards upon principals” (p. 9). For principals, including Lutheran principals, there are increased expectations of their role, including performance management and public accountability and their professional training needs to take this into account (Crawford & Earley, 2011). Principals in systemic schools (like Lutheran schools) could, in some cases, rely on their systems meeting their needs in this area for additional professional development. However, principals in independent schools, who do not have the benefit of a system, need to look after their own development in this area.

Interestingly, a growing number of school principals are now enrolling in MBA courses as self-development. They recognise their deficiencies or shortcomings in the area of business and running their school along business lines. This appears that there is acknowledgement by those on the ground (principals) that they have not, and are not, being prepared with the tools to effectively manage the business dimension of their expanding roles.

**CONCLUSION**

This section reviewed the literature around the changing role of the principal as the educational landscape changed from a social democratic to a neoliberal one. The changing landscape for the principal requires a skill set more focused on reporting, accountability and an outcome focus. It was argued that Lutheran principals experience added complexity in their roles, especially their business roles, due to their consideration of the ethical and moral dimension to their leadership
and its importance of placing people at its centre. This is perhaps where the tension lies in the educational landscape in independent schools, including Lutheran schools, and increasingly, government schools. The next chapter will focus on the methodology and theoretical framework upon which the study is based.
Chapter 3: Study Design

THEORETICAL UNDERPINNINGS

This study explored how principals are being prepared to understand and act in the landscape of business accountability within the context of Lutheran schools across Australia. An explanatory sequential mixed methods design was used and involved initially collecting quantitative data (Phase 1) through a questionnaire, followed by more in-depth interviews. In the first phase of the study, a survey instrument was used to collect quantitative data. The design for this study took on a mixed methods approach with an ontological paradigm of social constructionism.

An epistemological view that is interpretivist forms the framework for this study. Interpretivism positions knowledge and reality as constructed within individuals’ minds. Social constructionism positions knowledge and reality as constructed through interaction and conversation – in other words, what is happening between people (Guterman & Rudes, 2008).

Constructionism

Crotty (1998) states that “all knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of the interaction between humans and their world and developed and transmitted within an essentially social context” (p. 42). All meaningful reality is therefore socially constructed and the meaning that we assign to life arises through the interactive human spirit (Crotty, 1998). I view the knowledge principals possessed as being individually constructed through interaction with their own experiences as well as being socially constructed and entrenched via social interactions with principals and leaders.

My aim with this research was to make sense of the varied meaning principals had of their work environment and leadership as CEO and spiritual leader. As a researcher, I aimed to focus on
the context in which principals operated, thereby forming an understanding of their historical and cultural settings (Creswell, 2013). In the context of this research, I focused on multiple principals’ viewpoints as each participant developed their own meanings and realities. Therefore, the questions posed initially in the questionnaire had some open-ended responses in addition to particular questions which allowed a categorisation of issues. The interview questions were largely open-ended as I elicited and interpreted the responses. Constructionism was therefore an appropriate theoretical underpinning through which to pursue this research.

**Interpretivist Perspective**

An interpretivist epistemology was utilised in this research. According to Crotty (1998) this approach “looks for culturally derived and historically situated interpretations of the social life-world” (p. 67). I aimed to understand and interpret the events and happenings which resulted in the actions of the participants while keeping foremost the relationships which existed between the individuals involved. Chowdhury (2014) suggests that “Interpretivists look for meanings and motives behind peoples’ actions, like behaviour and interactions with others in the society and culture” (p. 433). He further iterates that interpretivism allows the researcher to see the world through the eyes of those being studied, and therefore, allowing a visualisation of multiple perspectives of reality. With this in mind, in utilising this perspective I was primarily interested in relationships, their manifestations, how they affected the construction of reality and the context in which these relationships occurred, particularly with reference to principals acting in their daily roles. Through this lens, a rich, colourful picture emerged of the business aspect of the principal’s role and how this impacted decision making and a sense of principals ‘being able to cope’. My career in educational leadership afforded me a preconceived view impacting my interpretations of the data. Understanding and awareness of this bias was critical in the analysis, interpretation and discussion of the data collected.
MIXED METHODS

Mixed methods (obtaining both quantitative and qualitative data from questionnaire and interviews) were used in order to explore the research questions. The research question is:

How do Lutheran principals perceive their role in the landscape of business accountability?

The sub-questions to inform the above question are:

• Where do principals learn about the business dimension of their role?
• How do principals distinguish between leadership and business management/leadership?
• What support do principals require, if any, to operate in this business environment?

Creswell (2015) defines a mixed methods research as “research in which the investigator gathers both quantitative and qualitative data, integrates the two, and then draws interpretations based on the combined strengths of both sets of data to understand research problems” (p. 2). While several other terms are used in the literature to describe this approach (integrating, quantitative and qualitative methods, multimethod and mixed methodology), recent research tends to use the term ‘mixed methods’ (Tashakkori & Teddlie, 2010). The rationale for this approach lies in its strength of drawing on the best of both methods (quantitative and qualitative) as well as minimising the limitations of both. Furthermore, there is the added advantage of enabling the researcher to develop better and more focused follow-up questions to the chosen sample based upon the initial questionnaire results.

I have chosen a mixed methods design, since this provides a richer set of data for analysis of how school leaders view the business aspect of their role. Since all methods have inherent strengths and weaknesses, combining qualitative and quantitative methods compensate for their mutual weaknesses (Kelle, 2006).
The use of both qualitative and quantitative methods led to a richer, more comprehensive analysis of the research questions. Each method in itself was inadequate in addressing the domain of leadership, as this research attempted to do. Following Creswell’s advice, this research therefore used both quantitative and qualitative methods (survey and interviews) to gain an in-depth understanding of the issue using the inherent strengths of both methods. The collective strength of the use of both methods together allowed for a better, in-depth understanding of the research question (Creswell, 2015): How do Lutheran principals perceive their role in a landscape of business accountability?

The methodological issues that needed consideration in this study were:

- The priority given to the quantitative and qualitative data collection and analysis of the data (which carried most weight).
- The order and sequencing of the data collection and analysis (which was to be collected and analysed first).
- At which stage the quantitative and qualitative data was to be integrated (Ivankova, Creswell, & Stick, 2006).

The type of mixed methods design selected was an explanatory, sequential mixed methods design and is summarised as Figure 1 (Creswell, 2015; 2011). Figure 1 identifies the two distinct phases in the design, the quantitative first phase (survey) and the qualitative second phase (interviews), which had greater weighting. The first phase was executed via the web-based tool SurveyMonkey. The responses to the survey questions informed and contributed to the design of the interview questions for the second qualitative phase. The second phase was assigned greater weighting as it was more significant in answering the research question and allowed me to explore and probe more deeply and allow for richer and more meaningful data collection. With the two phases initially analysed separately, integration of the data occurred as the final step in the mixed methods design.
Figure 1. Visual description of mixed methods using explanatory sequential design. Adapted from Ivankova, Creswell and Stick (2007).
This design enabled me to collect survey data from principals in Lutheran schools in the first instance, which informed the purposeful selection of participants for the second qualitative face-to-face interview phase. The first phase included quantitative data to identify the ‘weight’ of particular issues in a wider group, and to be used to purposefully plan the questions posed during the interview follow-up.

The design posed additional challenges to validity. I may not consider all of the options that they may need follow up. In addition, the overall sample size, particularly for the second phase, was small (four interviewees). However, in arguments presented for mixed-method research, Sale, Lohfeld, and Brazil (2002) argue that the two stages can be combined and therefore the sample size is considered appropriate because they share the goal of understanding the world, and in the case of this research the world of the principals navigating the business of schools.

Combining research methods was useful to this research because the complexity of phenomena required data from a number of different perspectives (Clarke & Yaros, 1988). Cohen, Manion, and Morrison (2011) use the concept of “fitness for purpose” (p. 39) to describe the methods in which research was conducted.

TRIANGULATION

With this research, the aim was to gain an in-depth understanding of how principals view the impact of the business dimension on their changing roles. This was achieved through a survey, followed by semi-structured face-to-face interviews – essentially a combination of two methods (Creswell, 2015; Denzin, 2012; Howe, 2012). Denzin (2012) suggests triangulation as an approach in which multiple observations, theoretical perspectives, sources of data and methodologies are combined. By combining them, researchers’ claims for the validity of their conclusions are enhanced because both methods together provide a better understanding of the research problem. Quantitative and qualitative methods may be used to conjunctively triangulate, allowing the collected data to be compared with (and then diverge or converge)
data collected via face-to-face interviews (Howe, 2012). In this research, this was done by ensuring the verification of the data collected through the survey during the interview process. In addition, validity was ensured through respondent validation after transcription of the interviews and an awareness of researcher bias when analysing the data.

Flick (2017) presents three alternatives due to integration of the data:

- Results may converge and are completely consistent (the survey answers are corroborated by the semi-structured interviews).
- Results may be complementary to each other (the semi-structured interviews may provide deepened, detailed results in addition to the survey).
- Results may diverge (different views emerge in the interviews compared to the survey).

This research followed the second alternative, where the face-to-face interviews complemented and, in some cases, reinforced the survey data. For example, Question 7 of the survey (as in Appendix B) asked participants: “Thinking about your work week, how many hours, on average, would you work per week during school time?” 53% of participants worked between 51 and 60 hours while 31% worked in excess of 60 hours per week. The interviews complemented and reinforced this with principals’ comments, like that of Principal C who spoke passionately on the subject, that “many prospective principals do not realise how demanding the job would be” and that “the principal’s job is all consuming” and finally that “the role can be emotionally and psychologically draining”.

In this research, the aim was to secure an in-depth understanding of the view principals and school leaders have of how their changing roles have been impacted by their business knowledge (or the lack thereof) and accountability.
PROCEDURE DESIGN

Data Collection

The process of data collection began with a survey, followed by in-depth semi-structured interviews using a set of purposefully designed questions. These questions guided the generation of interview questions posed to a purposefully sampled group of respondents. It was anticipated that at least five interviewees would be selected based upon saturation being reached, but eventually only four interviews were conducted. Data saturation was reached when enough information was gathered to enable the study to be replicated and new information produced little change in the data (Guest, Bunce, & Johnson, 2006). Four interviews were sufficient for this to be achieved in this study.

The interviews provided explanatory data which, upon analysis, provided the themes to be focused upon. Data collection for the survey and interviews were commenced after ethics approval was provided by the Flinders University Social and Behavioural Research Ethics Committee (SBREC) – See Appendix A.

Phase 1: Survey

This part of the data collection process provided primary data which served as scaffolding for Phase 2. All respondents completed this phase via a web-based survey tool (Survey Monkey) based on a four-point Likert-type scale which made a statistical analysis of the results possible. Through the use of this tool, frequency tables and percentages were generated from the data responses to provide an analysis of the questions posed. Some open-ended, short-answer questions were also included as part of the survey tool to allow for the generation and development of interview questions for Phase 2. The survey was constructed with questions framed around the research question and sub-questions with respondents indicating their desire to be interviewed at the end of the survey via their e-mail address.
Four of my colleagues trialled the survey with the eye on accessibility to the survey instrument, the time required to complete the survey, as well as a focus on the language used to erase ambiguity and ensure clarity. Adjustments were made based on the feedback received.

Phase 2: Interviews

The in-depth interview questions were generated after analysis of phase 1 to explore and probe the experiences of participants more deeply and thus provide a richer exploration of the data. The interviews were conducted either face-to-face or via telephone by me to ensure consistency by the same person undertaking the interview. This also allowed for detailed elaboration by participants via probing by me. As the interviewer, I was cognisant of the limitations of telephone interviews while endeavouring to be geographically diverse. Two interviews were conducted via Skype and were the result of geographic limitations preventing face-to-face interviews.

Interviews are commonly used by qualitative researchers when there is a desire to dig deeply, search widely and seek meaning. The overall intent was to utilise the qualitative data to explain the quantitative data in a richer vein (Creswell, 2013). Interviews may be prone to subjectivity and bias on the part of the interviewer, and as previously stated, I proceeded with the understanding that I needed to consistently check my bias was not interfering with the nature of the data being collected. In this research, my own bias was managed by asking interviewees to verify that my interpretations were representative of their beliefs. Opportunities for probing and personalisation was extensive in this phase through the opportunity to gather rich data (Cohen et al., 2011). Since what I was seeking was only found inside the head of the school leader or principal, this phase allowed me the opportunity to measure what they knew and therefore to gather deep meaning from how school leaders viewed the business aspect of their roles.
Sampling

It was anticipated that 50 participants would participate in Phase 1 (a 60% response rate) and that it may be necessary to employ a purposeful sampling strategy when embarking on Phase 2 (Creswell, 2013). Interviewing is time-consuming, and it was necessary to select a sample which was best positioned to shed light on the questions to be answered.

With 38 schools in South Australia, Western Australia and the Northern Territory, 26 in Queensland, 14 in Victoria, 5 in New South Wales and 1 in Tasmania, the study was limited to Lutheran schools and principals in South Australia, Queensland and Victoria when considering both researcher time and financial constraints, while still considering an adequate representative sample.

Survey participants were recruited via Lutheran Education Australia (LEA), who indicated a willingness to approach participants on my behalf via their internal contact lists. After indicating their willingness to participate in the survey, participants had the opportunity to be considered for an interview at the end of the survey by providing their contact details (e-mail address).

This phase used a maximal variation sampling technique. If participants are deliberately selected to be different, then their views will reflect this difference and provide a complex picture of the phenomenon (Creswell, 2011). The following criteria was used as the basis of selection of those who agreed to be interviewed at completion of the survey:

i. Length of service – 1-5 years. This represented the commencement or finalisation of the principal’s first contract and ensure fresh, recent and relevant data.

ii. Participants were to be representative of the larger regions – SA, Queensland and Victoria.

iii. Gender – this was considered to provide balance across the data.
iv. School size – to be representative, participants should manage a range of school sizes.

Data Analysis

Phase 1: Survey

There were 82 Lutheran schools nationally at the time of the survey, which was distributed via LEA to all principals who were invited to be part of the study. The survey was completed anonymously, and principals were invited to participate in the interview phase by providing their e-mail contact details. The survey questions were informed by the research question and sub questions. The research question was framed as follows:

**How do principals perceive their role in a landscape of business accountability in Lutheran schools?**

The analysis of the quantitative Phase 1 data commenced immediately after data collection as this analysis was used to determine both the sample size as well as interview questions for the Phase 2 semi-structured interviews. This fits well with Creswell’s description of an explanatory sequential design (2015). Quantitative analysis of the survey results was conducted, resulting in the generation of frequency tables and percentage analysis. This involved treating the analysis of the survey data descriptively utilising frequency distribution tables and percentages to capture, and make sense of, the survey responses.

Qualitative analysis proceeded from here using open coding. Open coding requires the data to be organised into meaningful categories and is enhanced by the comparison with other, similar data. I started this process by reading through the transcripts several times to gain a sense of its meaning. Analysis commenced when I felt I had an understanding of the responses. It was at this stage that I highlighted relevant quotes informed by the research questions and survey responses. I noted my thinking, ideas and phrases on the pages of the transcripts which shed light on the research questions. Each transcript was treated similarly and similar themes which
emerged were collated. The themes which emerged were Grace-in-Business, Business-mission symbiosis, Role Overload and Awareness.

Phase 2: Interviews

The semi-structured interviews were used to gain insight into principals’ experiences of the business aspect of their role; in short, to make sense of the data in terms of the interviewees’ experiences while noting patterns, themes and regularities. The interviews were recorded and later transcribed by the researcher. Initial analysis occurred by noting interesting patterns, inconsistencies, and contradictions. The data was then further analysed using the process of open coding. This is the process of organising the material into meaningful chunks and categories before bringing meaning to those chunks (Creswell, 2013). A second level of coding (axial coding) was used to make connections between all the different themes and patterns and categories identified during the initial coding process. Further guidelines to the process of coding the data is summarised as follows, which ensured that I engaged in a systematic process:

- Getting a sense of the data while reading the transcriptions several times.
- Choosing one interview and ascertaining what it was about.
- Making a list of topics or themes and clustering them together.
- Abbreviating the topics as codes and seeing whether new codes emerged.
- Reducing the total list of codes by turning them into categories.
- Alphabetising these codes.

CONCLUSION

This chapter outlined the theoretical underpinnings which guided this research and the reasoning behind the selection of a mixed methods design approach. This included the methodology for data collection via the two methods, a survey and face-to-face semi-structured interviews. A specific, visual description of the design approach is included as Figure 1.
Chapter four outlines the research findings based on data collected in both phases of the research.
4 Chapter 4: Findings and Results

INTRODUCTION

In Chapter three it was explained that I employed a mixed-methods approach that included a survey and interviews to ascertain how principals are being prepared to understand and act in a landscape of business accountability in Lutheran schools. I employed a survey and interviews to ascertain the views and perceptions of Lutheran principals in Australia within their first appointment. The phasing of the data collection of the research utilised an explanatory sequential mixed methods design (Creswell, 2013; Ivankova et al., 2006). The quantitative phase facilitated the collection of a larger and more general data set and allowed for the generation of more specific questioning for the in-depth face-to-face interviews. The quantitative first phase (survey) allowed for a greater focus on issues and topics to be explored in more detail and was used to inform the construction and phrasing of the focus questions for the qualitative interview phase. In this chapter, I present the findings of the analysis of the survey and of the interview data.

The quantitative and qualitative phases were analysed independently and then integrated. The face-to-face interview phase was analysed and yielded four major themes, which will be presented in this chapter.

PHASE 1 (SURVEY)

There is a general understanding in the research community that a lower response rate may automatically impact on a study’s quality. I will challenge this assertion here. Response rates have historically been used to ascertain a study’s survey quality or validity. A survey response rate of 24%, as in this survey, might raise eyebrows as a low response rate invariably raises questions regarding validity as high response rates are often considered to be the outstanding
feature of quality surveys (Stoop & Harrison, 2012). While it is prudent to investigate the response rate, possible reasons for the low response rate may be linked to the workload of principals, or simply a lack of interest. It is necessary to note that response rates for questionnaires have been in steep decline around the world, despite the introduction of digital methods of data collection (Cull, O’Connor, Sharp, & Tang, 2005). Several assessments have concluded that response rates are not that closely related to survey quality (Johnson & Wislar, 2012; Keeter, Kennedy, Dimock, Best, & Craighill, 2006). Therefore, a response rate of 24% is acceptable.

The first three questions of the survey focused on the background information of the respondents. The aim for each of these questions was to make informed decisions regarding the selection of participants for the interview phase of the study. The selection criteria, as outlined in Chapter three, focused on the following:

- Length of service – 0-5 years. This represents the commencement or finalisation of the principal’s first contract and ensure fresh, recent and relevant data.
- Participants are to be representative of the larger regions – SA, Queensland and Victoria.
- Gender - to be considered to provide balance across the data.
- School size – to be representative, participants should manage a range of school sizes.

Participants were asked to identify the region in which they were employed. Of the total number of respondents, 47% [n=9] were representative of schools in Lutheran Education Queensland (LEQ); 26% [n=5] were representative of school in Lutheran Education South Australia, Western Australia and Northern Territory (LESNW), and 26% [n=5] were representative of schools in Lutheran Education Victoria, New South Wales and Tasmania (LEVNT) (Table 1). There were no invalid responses and, despite having the choice to leave certain questions unanswered, all respondents completed all the questions. All percentages have been rounded. These results are summarised below (Table 1).
Table 1. Respondents by Lutheran Education Region

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<tr>
<th>Lutheran Education by Region</th>
<th>%</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEQ</td>
<td>47</td>
<td>9</td>
</tr>
<tr>
<td>LESNW</td>
<td>26</td>
<td>5</td>
</tr>
<tr>
<td>LEVNT</td>
<td>26</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

Note: n=total number of respondents; % = number of respondents expressed as percentage of total.

In view of the response rate, it is difficult to generalise beyond the data. There is a higher proportional representation from LEQ and the lowest proportional representation from LESNW and is not reflective of the proportion of Lutheran schools per region. LEQ represents 27 (31%) of all Lutheran schools with a 47% response rate. LESNW represents 38 (48%) of all Lutheran schools with a 26% response rate. LEVNT represents 20 (25%) of all Lutheran schools with a 26% response rate.

The second survey questioned focused on background information pertaining to school type. School type refers to whether the school is a standalone primary school, a standalone secondary school/college, or a combined primary/secondary school or college. Of all Lutheran schools nationally [n=80], 47% of all respondents were primary school principals [n=9], 5% were secondary school principals [n=1] and 47% were composite school principals [n=9]. These results are summarised below (Table 2).
Table 2. Respondents by school type

<table>
<thead>
<tr>
<th>School Type</th>
<th>%</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Only</td>
<td>47</td>
<td>9</td>
</tr>
<tr>
<td>Secondary Only</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Composite (primary and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary)</td>
<td>47</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

Note: n=total number of respondents; % = number of respondents expressed as percentage of total.

The data of school type was required to make an informed decision regarding the representative nature of the interviewees. It was generally understood that primary, standalone rural schools usually have a small student cohort, and this makes the business dimension of these schools somewhat less demanding than an urban school with a larger student cohort. It was prudent for this research to select school principals for interviews who were representative of a range of schools and their views of the business dimension of their roles.

The final piece of background information focused on the number of years of experience of principals in their current roles (Table 3). I was interested in an indication of experience as this would allow a focus on those within their first contract period (0-5 years) which was the inclusion criteria for the interviews. The tenure period of principals in Lutheran schools was generally five years. Of the total number of respondents [n=19], 32% were in the first three years of their tenure [n=6]. A further 26% were in their positions between 3-5 years [n=5]. 21% of the respondents were in their second term of engagement [n=4]. 21% of respondent principals indicated having more than ten years of experience in their roles [n=4]. While the focus of this research is on the business dimension of relatively new principals, the point needs
to be made that an opportunity to interview highly experienced principals regarding their business competence should be the focus of future research.

**Table 3. Respondents by Years of Experience as Principal**

<table>
<thead>
<tr>
<th>Years of Experience as Principal</th>
<th>%</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3</td>
<td>32</td>
<td>6</td>
</tr>
<tr>
<td>3-5</td>
<td>26</td>
<td>5</td>
</tr>
<tr>
<td>5-10</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>10+</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

*Note: n=total number of respondents; % = number of respondents expressed as percentage of total.*

Respondents were asked to indicate whether they engaged in any type professional learning focused on the business aspect of their role (Table 4).

**Question 4: During the last 5 years, have you engaged in professional learning related to the business aspect of your role?**

This question homed in on the extent to which the principal self-evaluated and ascertained whether the business dimension of their role needed further training. Of the total number of respondents, 83% [n=15] indicated having completed some form of professional development focusing on the business aspect of their role. It was left to the respondents to categorise their training as related to the business dimension of their roles. 17% [n=4] indicated that they had not engaged in any business training, whether via self-evaluation or systemically endorsed and initiated. It was ascertained that of this 17%, all were in their first tenure as principal, and also have between 0-3 years of experience in the role (Table 4).
Table 4. Engagement in Business-related Professional learning

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>%</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>83</td>
<td>15</td>
</tr>
<tr>
<td>No</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td>Total Respondents</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

Note: n=total number of respondents; % = number of respondents expressed as percentage of total.

**Question 5: If yes, comment on this professional learning.**

The next question sought to ascertain what type of business skills were being acquired in this professional development. A summary of the training identified by all respondents is compiled below (Table 5). There were 15 principals who indicated that they attended formal or informal business training, regardless of whether it was systemic or self-initiated. Four principals indicated that they had not or had not yet attended any business-related training. Of the business training mentioned, financial management was identified by all principals as most frequently attended, potentially indicating a discomfort with their knowledge level in this area. Other areas rating high on the frequency scale was training in marketing (3) and governance (3). Of the total number of respondents, two principals had completed an MBA before their appointment, and one had significant business experience before his appointment.
Table 5. Summary of training undertaken

<table>
<thead>
<tr>
<th>Skills acquisition engaged in</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial management</td>
<td>10</td>
</tr>
<tr>
<td>Marketing</td>
<td>3</td>
</tr>
<tr>
<td>Governance</td>
<td>3</td>
</tr>
<tr>
<td>Legal</td>
<td>1</td>
</tr>
<tr>
<td>Organisational Leadership</td>
<td>1</td>
</tr>
<tr>
<td>MBA completed</td>
<td>2</td>
</tr>
<tr>
<td>Strategic planning</td>
<td>1</td>
</tr>
<tr>
<td>Human Resource Management</td>
<td>1</td>
</tr>
<tr>
<td>Curriculum innovation</td>
<td>1</td>
</tr>
<tr>
<td>Existing Business experience</td>
<td>1</td>
</tr>
<tr>
<td>Reading Books</td>
<td>1</td>
</tr>
<tr>
<td>Engaging with colleagues</td>
<td>1</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>1</td>
</tr>
<tr>
<td>Scorecards</td>
<td>1</td>
</tr>
<tr>
<td>Business training form Universities local and overseas</td>
<td>1</td>
</tr>
</tbody>
</table>

Question 6: Please comment on the support that could be provided to assist you in the effective execution of the business dimension of your role.

The recommendations by principals for their own business support training by their employers ranged from those systemically recommended, with principals being very happy with the support provided by their regional offices. Several principals indicated that business training prior to taking up their appointment was ideal, while others identified several areas of focus including financial training, Human Resource Management, Legal and Compliance and the potential for coaching and mentoring (Table 6).
### Table 6. Summary of support recommendations by principals

<table>
<thead>
<tr>
<th>Summary of support recommendations by principals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holistic approach to running a business</td>
</tr>
<tr>
<td>Recommendation by the system</td>
</tr>
<tr>
<td>Sufficient support by LEQ (Governance, finance, Strategy, Marketing)</td>
</tr>
<tr>
<td>Provision of templates for reports and Business/strategic plans</td>
</tr>
<tr>
<td>Region does well to assist principals</td>
</tr>
<tr>
<td>Support to interpret financial reports and Enterprise agreements</td>
</tr>
<tr>
<td>Need further business training. Limited understanding currently</td>
</tr>
<tr>
<td>HR Management</td>
</tr>
<tr>
<td>Legal training</td>
</tr>
<tr>
<td>Experts on retainer</td>
</tr>
<tr>
<td>Quality Business manager required</td>
</tr>
<tr>
<td>Coaching and mentoring with experienced principals</td>
</tr>
<tr>
<td>Great support from LESNW. Timely and responsive</td>
</tr>
<tr>
<td>More resourcing to access business training</td>
</tr>
<tr>
<td>Intentional training / experience before taking up the role</td>
</tr>
<tr>
<td>Annual update of latest trends in business skills required</td>
</tr>
<tr>
<td>Formal training in Legal and Compliance before taking on the role</td>
</tr>
<tr>
<td>Business training before taking up appointment or immediately (asap) after</td>
</tr>
</tbody>
</table>

**Question 7: Thinking about your work week: how many hours, on average, would you work per week during school time?**

School time is defined as the total duration of a school term, usually 10 weeks per term and any hours within a day. It is well-known that principals’ roles have changed and that much of their time is taken up by “managerialism” due to added accountabilities and may point to potential stress related to their role and they generally need retraining (Pont, Nusche & Moorman, 2008; Wright, 2011). The next two questions were posed to gauge the amount of time taken dealing with the core aspects of teaching and learning and the time taken up dealing with business-related aspects.
No principals worked part-time. Of all the respondents, 16% worked between 41 and 50 hours per week ([n=3]. A further 53% worked between 51 and 60 hours per week [n=10]. Several more respondents (31%) worked in excess of 60 hours per work week, excluding weekends, which equates to 12-hour days every day of the work week. 84% of respondents worked in excess of 51 hours in a normal workweek (Table 7).

Table 7. Hours worked per work week

<table>
<thead>
<tr>
<th>No. of hours worked during week</th>
<th>%</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-40 hours</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>41 – 50 hours</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>51-60 hours</td>
<td>53</td>
<td>10</td>
</tr>
<tr>
<td>More than 60 hours</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

Note: n=total number of respondents; % = number of respondents expressed as percentage of total.

Question 8: In a typical week, how much of your time would be spent on each of the following activities?

This question was designed to complement the previous question and to ascertain where principals spent most of their time. The list of activities used as indicators for this question (see Table 8) was not exhaustive but focused on most activities principals predominantly engage in, based on a survey on the literature. The point is also made that all of these activities may be delegated to others in leadership, at least in part, including teaching and learning. 90% of all respondents spent more than seven hours of their workweek on tasks related to management or administration. 90% of respondents spent up to nine hours per week on matters relating to teaching and learning (Table 8).
Table 8. Time spent per activity/task

<table>
<thead>
<tr>
<th>Activity</th>
<th>0-3 Hours</th>
<th>4-6 Hours</th>
<th>7-9 Hours</th>
<th>More than 10 Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Student Issues</td>
<td>61</td>
<td>8</td>
<td>31</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Human Resource (Staffing)</td>
<td>26</td>
<td>5</td>
<td>26</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Education or Curriculum</td>
<td>32</td>
<td>6</td>
<td>32</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Management or Administrative</td>
<td>10</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>Strategic Leadership</td>
<td>37</td>
<td>7</td>
<td>32</td>
<td>6</td>
<td>26</td>
</tr>
</tbody>
</table>

Note: n=total number of respondents; % = number of respondents expressed as percentage of total.

Question 9: Please respond to each of the following questions:

This question was posed to explore the respondents’ comfort level with their own business skill set based on their self-evaluation on a Likert-type scale ranging from ‘never’ to ‘always’ (Table 9). The results indicate that 74% felt that reporting to the board about financial matters do not cause them stress while 26% responded that it ‘sometimes’ causes them stress. Furthermore, 74% of respondents sought external support executing the business aspect of their role, despite most having access to a business manager. 70% of respondents were not confident enough to offer mentoring to colleagues, although in the interviews some indicated a willingness to engage with colleagues regarding business–related issues. 95% indicated that they ‘sometimes’ or ‘always’ knew what was needed to execute the business aspect of their role. There appears to be good synergy between knowing what is required and seeking external support to do the business aspect of their roles well.
Table 9. Principal response to business scenarios

<table>
<thead>
<tr>
<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>When reporting to the board, financial reporting cause me stress.</td>
<td>21</td>
<td>4</td>
<td>53</td>
<td>10</td>
</tr>
<tr>
<td>When executing the business dimension of my role, I seek external support.</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>5</td>
</tr>
<tr>
<td>My current business knowledge is enough to effectively execute my role.</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>I readily offer mentoring to other principals in executing the business aspect of my role.</td>
<td>42</td>
<td>8</td>
<td>32</td>
<td>6</td>
</tr>
<tr>
<td>I know what is required to execute the business dimension of my role.</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

Question 10: In the context of the business dimension of your role, how significant are each of the following:

This question sought a response from respondents regarding their view to the significance or importance, on a continuum, of several skills in the effective running of their sites. These skills are significant for any CEO or board of any organisation, based on comments from the AICD and other experienced principals (Saville et al., 2018). ‘Visionary Leadership’ rated as ‘very significant’ for 79% of respondents and ‘financial management’ as ‘very significant’ for 69% of respondents. ‘Governance’ rated either ‘significant’ or ‘very significant’ for 95% of respondents while all respondents rated ‘Risk management’ and ‘Strategic planning’ and either ‘significant’ or ‘very significant’ (Table 10).
Question 11: When I deal with the business aspect of my role (like financial, human resource and business management) as principal, I feel...

This question complements question nine above and further gauges how the business dimension of the principal’s role impacts on them, given that most respondents enter the role without any business experience. Question nine focused partially on whether respondents were impacted by the business dimension of their roles. Now they were asked to move towards identifying ‘how’ they were impacted by the business dimension of their roles.

Of all respondents, 47% ‘sometimes’ felt anxious when dealing with the business part of their roles while 68% either ‘sometimes’ or ‘always’ feel overwhelmed when doing so. Further to this, 68% either ‘sometimes’ or ‘always’ felt concerned. The three constructive emotions ‘confidence’, ‘in my element’ and ‘positive’ are all well represented. 84% of respondents either ‘sometimes’ or ‘always’ feel confident when dealing with the business aspect of their role while 68% feel ‘in my element’.

Further to this, 90% of respondents feel ‘positive’ towards the execution of the business aspect of their roles (Table 11).
**Table 11.** Emotions when dealing with the business aspect of principal’s role

<table>
<thead>
<tr>
<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Always</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Confident</td>
<td>0</td>
<td>16</td>
<td>47</td>
<td>37</td>
<td>19</td>
</tr>
<tr>
<td>Overwhelmed</td>
<td>10</td>
<td>2</td>
<td>11</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Concerned</td>
<td>0</td>
<td>32</td>
<td>12</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>In my element</td>
<td>10</td>
<td>2</td>
<td>58</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Anxious</td>
<td>10</td>
<td>2</td>
<td>47</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Positive</td>
<td>0</td>
<td>10</td>
<td>58</td>
<td>32</td>
<td>19</td>
</tr>
</tbody>
</table>

**Further points to consider**

The above analysis shed some light on the research questions, but further analysis was needed focusing on the responses of principals based on their level of experience. While the focus of this research was on early career principals, only 58% of all respondents fell into this category. The other 42% are principals with experience ranging from between five and 20 years. I was conscious that this experience may have impacted on responses dealing with emotions, significance and responses to business scenarios. Therefore, further analysis is required which isolates the years of experience of principals and connects these to their responses.

The respondents to the survey were contextually situated in independent schools within the Lutheran sector – systemic schools. These principals benefited from this systemic membership. For example, systemic schools may have processes and policies in place dealing with principal appointments and the kind of business preparatory training early year principals were exposed to as well as catering to the development of principals via their systemic preparatory programs.

**SUMMARY**

Principals spent much of their time managing instead of leading, although many regarded this as managing things that were urgent but not important to them. Principals spent the least amount
of time on strategic leadership, an area which many regarded as critical and crucial in their role, and almost all wanted to reverse this trend.

The responses and analysis from the survey (Phase 1) was used to aid in the question development for the in-depth face-to-face interviews and was used as the basis to probe the experiences of principals more deeply. A strong consideration for these interviews was whether there was synergy between the principal as spiritual leader and that of being a business leader/CEO and the tensions that may or may not exist in the execution of these roles.

**PHASE 2 (FACE-TO-FACE INTERVIEWS)**

The purpose of this section is to present the findings from the analysis of the qualitative findings of the face-to-face interviews. Chapter three explained that the interviews were semi-structured, allowing the same ‘basic’ questions to be posed to interviewees while allowing for further probing by me. Semi-structured interviews are assumed to elicit more information than structured interviews or surveys (Flick, 2017).

**Interview process**

Four semi-structured interviews were conducted and accounted for the qualitative phase of the study. Three principals fulfilled all the main sampling criteria of ‘length of service’ as discussed in Chapter three with the remainder being considered despite falling outside the ‘length of service’ criteria. Of this number, three were within their first appointment as principal, therefore they had five years or less of experience. One participant was a veteran of 12 years as principal despite his young age. Despite nine principals indicating a willingness to be considered for this phase after self-nominating in the survey, only four eventually made themselves available. All of these principals were interviewed. The semi-structured interview questions were reconceptualised after the survey analysis to enable more focus based on survey responses. A
copy of the interview protocol is found in Appendix C. I offer the following table as a summary of the demographics of the interviewees:

**Table 12. Interviewee Demographics**

<table>
<thead>
<tr>
<th>Interviewees by Region</th>
<th>%</th>
<th>n</th>
<th>Gender</th>
<th>Experience</th>
<th>School Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEQ</td>
<td>50</td>
<td>2</td>
<td>Female</td>
<td>≤5 years</td>
<td>1 urban Primary; 1 urban composite</td>
</tr>
<tr>
<td>LESNW</td>
<td>50</td>
<td>2</td>
<td>Male</td>
<td>1≤5 years &amp; 1&gt;10 years</td>
<td>1 rural primary; 1 urban secondary</td>
</tr>
<tr>
<td>LEVNT</td>
<td>0</td>
<td>0</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Emergence of Themes**

Four major themes emerged from the analysis of the interview data. These were:

- **Grace in Business** – when the compassionate or graceful actions of the principal, in operating under the Doctrine of the Two Kingdoms, impacted on the business viability and continued existence of the school.

- **Business-mission symbiosis** – the dual role the school plays in both the Kingdom of the Left (schools and leadership) and the Kingdom of the Right (church and gospel).

- **Role overload** – the incompatibility between role demands and the time available to fulfil those demands.

- **Self - Awareness** – a principal’s self-evaluation to determine the areas of deficiency (in relation to their skills and business competencies as principal) and the measures taken to address these deficiencies.
Grace in Business.

When principals were faced with the dilemma of the impact of both business viability and compassion and Grace simultaneously, many struggled to find an effective balance between these.

It became evident during the interviews that even an experienced principal still battled with ensuring business sustainability. For example, Principal B stated, “one of the reasons we’re in a significant financial challenge this year is because Grace has abounded in this community to the detriment of business”. Further to this, Principal C said, “where we find our own personal and moral ethical struggle the most often is that challenge of being a business of families choosing to come to a school where they make a financial commitment and then are unable to contribute to that school fees”.

In a Lutheran school, a fine balance between upholding business principles and the impartation of grace is critical. A culture of strong business may result in reputational damage to schools as parents rebel against this ‘un-Christian’ like behaviour while a culture focused on Grace may have the same outcome. Responding to the question on the tension experienced between the business leader role and spiritual leader roles, Principal A said that “being the CEO is probably not language I would use in our community as it makes it sound so clinical or distant”. Principal D illustrated finding a balance by working with the families. Principal D stated that “it is morally unsound to continue to enrol these people or these families. We have 3 other Lutheran schools and our fees are the highest so they could still continue (in a Lutheran school) however our site may not be the best for their family circumstances”.

It is rare for Christian schools to respond in a purely business-like manner to families when business and grace collide. According to the research, it appears that Lutheran schools would much rather gravitate towards showing grace and compassion. For example, in responding to the question regarding the tension between spiritual and business leader, Principal A responded
by saying: “we have shown a lot of Grace and we get to the point where we need to have
difficult conversations and parents respond with “and you call yourself a Christian school?” “.
Principal B added to this argument by commenting that: “we can be criticised for being a
business or being run as a business,” and furthermore, “while you’re about kids you should be
about Grace and we are”. Principal B illustrated the dilemma of finding a balance between
Grace and business clearly and articulated it with this comment; “but that’s probably a reflection
of our faith based spiritual side of what is manageable in the business still, what is
compassionate and where’s that middle ground”.

However, even when much compassion and grace had been exercised, Principal A commented
that “we’ve had to engage our solicitors for support”, suggesting an adverse outcome despite
exercising Grace.

The research showed that principals exercise and implement Grace to a large extent towards
those they interact with – families, staff and students. For example, Principal C verbalised these
actions: “we continue to show empathy to families” and “I need to care for teachers”. Further
actions in this regard were that of Principal A who said, “we were happy to write off some of
their debt”. This illustrated the Lutheran schools are unequivocally places of Grace.

While I have taken a strong stance that principals need more business skills in the execution of
their role, I am starting to reconsider my stance in relation to these comments. It may now
appear that principals need to bring more Grace into business to ensure the viability of their
sites.

SUMMARY

Through this theme, the research suggests that principals face a dilemma when they are
presented with scenarios which require them to operate and act under the Doctrine of the Two
Kingdoms – the gospel and the law. While Lutheran schools (and other Christian schools) are all
about Grace and Compassion, the sustainability and viability of the sites can be compromised should schools stray too far down this path.

**Business-mission symbiosis.**

Principals indicated that while they operated as an educational institution under the law, they also operated and served the Lutheran Church in the execution of both the school and the church’s vision.

In addressing this, principals were clear in their understanding of how the mission of the school and the mission of the church were complementary. They were aware of the relationship between the Lutheran school and the Lutheran Church. This awareness was well illustrated in the interviews, as shown by this comment from Principal C when addressing the issue of families who struggle to meet their financial obligation: “I just go to church and stand at the front and say that some benevolent family needs assistance”. Principal D stated further that “whereas I think in a school, particularly a Lutheran school, although the board appoints me, we see that as a partnership for mission”.

Furthermore, emerging evidence from the interviews was the iteration by principals that the profitability of the school was not always in terms of dollars, but rather linked to the mission of the church. Principal D made an insightful observation in this regard as follows; “so when we talk about viability or profitability, we also talk about the spiritual dimension, you know, people’s eternal life.” This point is further illustrated by this comment from Principal B; “(Us) being a business is not purely about making money”. There is consistency between this view of the school as a business expressed by Lutheran principals and that of Coughlan (2009) regarding Catholic principals’ view of their roles in their schools. Catholic principals view their role as ensuring the “creation of successive generations of mass-goers” (p. 228).

Addressing their role as spiritual leaders appointed by the church, all principals interviewed acknowledged this role and its importance in the dual mission with the church. Earlier research
by Nelson (2009) suggests that 25% of Lutheran principals were uncomfortable with this. Principal D emphasised this by stating; “the profitability (of our business/school) is more about advancing the Kingdom of God” and other principals reiterated this view.

The Lutheran Church states that Lutheran schools are an integral part of their mission of evangelisation (LCA, 2006). It is therefore clear that the church is also in the school. This entrenches the connection between the Lutheran Church and the Lutheran school.

SUMMARY

Principals understood the critical role they played in the mission of the church and worked hard to ensure the viability of the school, in order to make a contribution to the mission of the church – evangelisation.

Role overload.

The emergence of this theme was not unexpected and was explored in the survey. An analysis of the literature clearly suggested that the nature of the principal’s role and its intensity had changed. Previous research (Cranston, Ehrich & Billot, 2003; Pont et al., 2008) highlighted this changing role and workload as well as the emergence of managerialism due to neoliberalism, which was addressed in Chapter two.

Analysis of the survey data clearly indicated some interesting results. Amongst others, 31% of Lutheran principals worked in excess of 12 hours per day, excluding weekends. This research is in line with the findings of Cranston (2003), where the roles of Australian and New Zealand principals were investigated, as well as that of the changing workload of principals across OECD countries (Pont et al., 2008).

Without prompting, all interviewees verbalised unsolicited comments of how the competing demands impacted on their time and effectiveness to do their job. It also became clear that while there was a desire to spend more time on the strategic and leadership aspect of the job,
most principals were overwhelmed with managerialism. For example, Question 8 of the survey indicated that only 5% of respondents spent more than ten hours per week on strategic leadership matters while 69% of respondents spent more than ten hours per week on management or administrative matters.

Commenting on the demands of the role of principal, the following views were captured during the interviews: “Their view of the principalship is quite idolised”, stated Principal C when commenting on those prospective principals hoping to make the transition into the principalship and that “they don’t know how demanding the job is and they come in blind”. Principal A painted a powerful picture of the commitment needed in the role by stating; “what other CEO role do you know where they finish their board meeting at 11:30 pm and then have to be on board again at 7:00 am the next morning?”. Principal D shared a powerful vision of the plight of the rural or regional Lutheran principal. Principal D articulated this plight (lacking business support, little interaction with other principals, perceived little interest from the system) as follows: “being a principal of a small school is too hard”.

Despite the demands on time and family, principals still wanted to serve the church in this capacity and need to be commended for their enthusiasm in the role and the contribution they are making. The positive nature of the interviews reflected this position.

SUMMARY

Analysis of the survey revealed that while there was a desire to spend more time on leadership activities like strategic planning and governance, principals inevitably ended up spending most of their time on management and administrative activities, previously identified in the literature review as managerialism. This theme was identified early in the research as being significant for Lutheran principals and that it impacted on their performance in the job.

While role overload is not unique to Lutheran principals, it was significant in that Lutheran principals were appointed as both business leaders and spiritual leaders. The spiritual leader
role is not present in either government or other non-religious schools and therefore presented an added consideration on the Lutheran principal’s time. It could be argued that Lutheran and other religious school principals experience role overload to a greater extent than principals of non-religious schools.

Self-Awareness.

Principals indicated during the interviews that after making the transition from another role, they found their skillset to be deficient and lacking in business acumen. They sought out ways to improve in this area through systemic means or other training.

Principal B contextualised this in the following way: “I would say there’s still upskilling to be done because there are responsibilities in this job which are not taught anywhere else”.

Principal B spoke further on this, personalising his actions on self-awareness as; “a goal for me was me identifying with my council chair where I will get this upskilling”. Principal D spoke of how principals perceived their responsibility in the area of addressing their deficiencies as; “I have a role in professionally upskilling myself” and “that is where I see my responsibility in training and upskilling myself”.

Analysis of the survey (Question four) focused on this self-evaluation and awareness of their business skills. Of all responses, 17% indicated that had not engaged in any business-related upskilling, either systemically or otherwise. Of these, all respondents were in the first year of their tenure as principal and had between 0-3 years of experience. For some principals, while there was a realisation and awareness of their strength or deficiency in an area, taking action to gain added skills was critical.

SUMMARY

Interview comments by principals supported the questionnaire data pertaining to long working hours. For example, principals commented on their many evening and weekend commitments,
the romanticised view of the role by aspiring principals and that the job was all-consuming. There was also general agreement amongst principals that they were the CEO and spiritual leader of the school. Regarding the skill requirements to fulfil the role, there appeared to be wide agreement amongst principals that business acumen and specifically financial skills was where they felt most disadvantaged. In fact, Principal D commented on the actions of several colleagues who enrolled in business and financial studies. Another example is Principal D said, “so I enrolled at the AIM to study financial management for non-financial people” and Principal A stated that “I see a growing number of principals take on business study”. Interview comments by principals suggest the mission of their schools as more important than its financial viability – they measure their success beyond finances.

CONCLUSION

This chapter presented the findings from the analysis of the data collected from the two phases of this research – the questionnaire and the face-to-face semi-structured interviews, which in turn assisted in the gathering of deep, meaningful data in the interviews. The data collected led to the themes presented in this chapter, which will be discussed in more detail in the following Chapter, number five.
INTRODUCTION

The previous chapter (Chapter four – Research Findings) outlined the research findings of both the survey and face-to-face interviews. The survey responses were used to aid in the generation of the face-to-face interview questions which shed light on answering the main research question which was: “How do principals perceive their role in a landscape of business accountability in Lutheran schools?”. Several themes arose from the interviews, shining light on the research questions.

This chapter explored the themes of Grace in Business, Business-mission Symbiosis, Role Overload, and Awareness which emerged from this research. The impact of Lutheran theology is shown to have a strong impact on the emergence of the first two themes. Lutheran theology featured strongly in guiding the actions of Lutheran principals, particularly in relation to the business dimension of the principal’s role.

THEME 1 – GRACE IN BUSINESS – A DILEMMA

The first theme highlighted the dilemma principals face when they execute both the business and spiritual dimensions of their role. While an understanding of Grace was not specifically explored in the survey or interviews, principals’ responses to the interview questions demonstrated both an understanding and application of this theological teaching of Grace. For example, phrases like “we continue to show empathy to families” by Principal C, and “I need to care for teachers” also by Principal C, show this. “We were happy to write off some of their debt and relieve their burden”, stated Principal A and “we see a strong moral and ethical obligation in not putting people into debt”, stated by Principal C demonstrated this understanding and application of Grace in the context of the business role.
It was also evident from the interviews that dealing with dilemmas (where business and spirituality collided) were commonplace for these principals. All of the interviewees verbalised their struggles when the financial obligations of the school community were not met and how this affected the financial position of the school. This was consistent with research by Cranston et al. (2006) who found that ethical dilemmas in faith-based schools were widespread and commonly experienced by leaders.

The interviews showed that there existed a desire from principals to act with compassion and Grace within the Kingdom of the right, and with a business mindset within the Kingdom of the left, and this caused a tension for them. The research interviews and the survey illuminated that Lutheran principals have at times trouble striking the right balance between the execution of their role as business leader and that of spiritual leader. This struggle originates in their interpretation and implementation of the Doctrine of the Two Kingdoms and their interpretation of what ‘business’ means. On the one hand, there is an expectation that they act as representatives of the church and with compassion. On the other hand, there is an expectation that they execute the business dimension of their role which requires action to ensure the continued viability of their sites. These may be in conflict with each other and present a dilemma where principals struggle to find the right balance between them.

As spiritual leaders, principals are expected to lead by interpreting and implementing Lutheran theology, such as the theology of the Doctrine of the Two Kingdoms. This theology implies a spiritual leadership model with Grace as foundational. In contrast, leading as a CEO (business leader) might suggest an expectation of ensuring the continued existence of the school. This business dimension of the role, with its inherent economic and political pressures of keeping the doors open through being financially viable, causes a real tension for principals. This tension is highlighted and amplified by this telling comment from Principal B: “Grace has abounded in this community to the detriment of the business”.
What I did not understand when conceptualising this research is that Lutheran schools are primarily places of Grace, where it is anticipated that those who interacted within Lutheran schools (including parents and school leadership) experience the Grace of God expressed with and through their lives (Albinger, 2010). In the words of Principal A: “while you’re about kids you should be about Grace, and we are” and principal B: “Parents are not paying school fees and we have shown them a lot of Grace”. However, it cannot be ignored that principals in Lutheran schools are appointed as the CEO of the school and a business connotation is implied and embedded into the role. This is in line with the responsibility of accountability, financial health and reporting mechanisms, corporate governance and strategic leadership within the school, clearly relating to the business dimension of the principal’s role. Acting with Grace in a business environment places the principal in a dilemma – a dilemma which impacts squarely on the viability of their site.

**More care and compassion into business**

The need for the principal of Lutheran schools to show care and compassion can impact their decision making. In doing so, Lutheran schooling has retained a major focus on the central Lutheran doctrine of ‘justification by Grace through faith in Christ’. Traditionally, Lutheran schools in Australia operate with a philosophy of being ‘Christ centred’ or ‘Gospel-centred’ (Bartsch, 2010). Principal A and Principal B were reluctant to use terms like ‘business’ and ‘education’ in the same sentence or context for fear of parental backlash. The reality is that school expansion and competition have brought additional costs to bear upon Lutheran schools (as well as for other independent schools). This may be resolved by running these schools along business lines, with a focus on accountability and reporting. However, Lutheran schools are first and foremost communities of teaching and learning, but Lutheran schools have not been immune to the influences of a market economy (Jennings, 2004).
The centrality of Grace was emphasised in each interview by principals and identified as a tension between a Lutheran principals’ role as spiritual leader (acting in a Christian-like manner) and their role as business leader (ensuring the viability of the business). For example, Principal C noted that “we were happy to write off that debt” and “we’ve given them a great deal of leeway with regard to their fees” but finally and almost inevitably that “we’ve had to engage our solicitors for support”. This example highlights the tension that exists within Lutheran schools, specifically for principals in the execution of the business dimension of their roles. Principal C suggested that they have to “rethink at what point we have difficult conversations with parents before their debt level gets too high”. In other words, this example shows that principals need to balance their compassion through Grace with the reality of ensuring the continued health of the school as a business. If the health of the business is neglected, principals have failed in their second role, that of being a business leader ensuring the viability of their organisation, leaving their first role, that of spiritual leader, unfulfilled. In addition, a primary mission of the church - that of evangelisation - is also compromised as the church is also in the school. By this, I mean that the school is the church and that the missionary endeavours of the church take place in the school just as it takes place in the church. In effect, the school is an extension of the church. The church relies on its schools to provide fertile grounds to enact its mission. To do so, the school needs to be in a financially healthy state.

**A change of view – Grace in Business**

While all Lutheran principals understood, applied and implemented Grace in their leadership, the extent of this application and its impact was often not considered by principals. I also suggested earlier in the discussion that while there was no evidence that the Lutheran principals in this study displayed a lack of understanding of the Doctrine of the Two Kingdoms and Grace, there was evidence that they struggled to maintain the balance required in its implementation. The potential outcomes of this unbalanced approach will now be further illuminated. To do so, I
pose the question: What are the outcomes when there is an over-reliance on Grace (with its inherent compassionate nature) when effecting business leadership?

**Grace in Business – a balancing act**

I propose that visualising Grace and Business at opposite ends of a continuum may shed some light on the dilemma facing Lutheran principals. The further the slider moves to the left towards Grace, the more ‘Christian’ principals/schools’ behaviour becomes. This behaviour is characterised by compassion and care. This may lead to perceived desirable outcomes by the school leadership, but inevitably leads to the viability of the school being compromised when a school behaves too ‘Christian-like’. This is because too much Grace is extended which impacts on the business viability of the school entity. At this end, there is an abundance of compassion and Grace, but the extreme outcome is undesirable and could result in the school’s viability being compromised. Starratt (2004) considers these actions to encompass leadership as a human enterprise.

The further the slider moves to the right, the more clinical and businesslike or ‘un-Christian like’ schools may become. Schools are seen to place business and profits ahead of students and vision. This is not the desired features of faith-based schools. Towards this end of the continuum, there is an absence of compassion and Grace.

There exists a place along this continuum where the two extremes are in harmony. This is where the right balance has been found by the leadership where Grace, compassion and business co-exist and a balance has been found in the execution of the business and spiritual dimensions of the principal’s role (Shapiro & Gross, 2013; Shapiro & Stefkovich, 2010). For every school, this
‘sweet’ spot may be at a different place on this continuum and determined by its own specific culture. However, compassion and Grace impact viability. Principals needed to find their own balance where they could execute maximum compassion and Grace while still operating a successful, sustainable business. In the end, business viability impacts spiritual viability for the next generation.

**Ethical decision making**

This study showed that approaching and dealing with business ethically from within a Christian worldview can be challenging. When operating along purely business lines, a clinical, neoliberal view may be taken and utilised. Alternatively, an approach based upon care and compassion may be another course of action. Both of these courses of action may achieve the same outcome of business viability. So, whether a principal chooses to act with a clinical business focus or chose to adopt a more compassionate approach, business viability may be achieved via both approaches. It may be that Lutheran principals act with due regard for both of these approaches, suggesting action which may be partly business-like, partly compassionate. This was highlighted in the research when principals took action to safeguard the school (business) from financial impact when parents did not fulfil their financial responsibilities after extending Grace and compassion to them in this regard.

When effecting leadership, all leaders are called to display an ethical dimension to their leadership. When engaging in ethical and moral decision making within schools, empathy and compassion is paramount and central (Starratt, 2004). What this research found in Lutheran schools was that the business dimension of the principal’s role was meshed with care, compassion and empathy. To illustrate this, Principal B said; “but that’s probably our faith-based spiritual side reflection of what is manageable in the business, what’s compassionate and where’s that middle ground”. Principal D said that; “we also have a moral responsibility towards families who find themselves in a financial situation”. Another study in Catholic schools mirrored
and supported the findings of this study regarding the compassionate, caring and ethical facets of the principal’s authentic leadership (Nsiah & Walker, 2013).

The ‘profitability’ of the Lutheran school

Lutheran principals exhibit a very different view of the profitability, or ultimate success of their sites. It appears that Lutheran principals, while working hard on the financial and business success of their sites, also work hard on ensuring success where it really matters to them – advancing the Kingdom of God. Principals relate the profitability of their schools to the advancement of the Kingdom of God – its mission. It appears also, while not always obvious, that profitability is not usually seen in terms of dollars and cents, but rather in the ultimate success of the mission of the church – evangelisation - and the role the school plays in this.

Principal responses during the interviews reinforced this viewpoint. For example, Principal D summed it up with this comment:

So when we talk about viability (of the school), we also talk about the spiritual dimension of, you know, people’s eternal lives” and further that “when we look at profitability, we are not making money for our shareholders, but it is rather about advancing the Kingdom of God in order that we can continue to be the light and salt of the world.

Principal B said that “business (schools) is not purely about making money either” and “we are a Christian school”. That is at the heart of what we do but for that to come to fruition the business has to be managed well”, entrenching this very different view of success and profitability.

Lutheran principals also related the profitability of their sites to its future spiritual impact. In other words, sustainability is inextricably linked to mission. Principal D highlighted that it was their role to ensure the “viability of the site for future generations”. It appeared that Lutheran principals linked the business success of their schools to the spirituality of their stakeholders (students and parents). Other unsolicited comments in this regard from principals were that “viability also comes down to one’s understanding of the mission of the church” and that “profitability is more about re-investing into the organisation”. Another equally insightful
comment made by Principal C, when discussing school as a business was that: “if we don’t have CEO’s with those (business) skill sets, our schools will cease to exist”. The point is further made that well-run schools created opportunities for mission and if schools were not run along business lines, the missionary opportunities for the church were impacted and compromised. This view was further emphasised by this comment from Principal D that “our School Council is quite happy that the majority of my time is spent in that business realm” and further that “we’ve made moves towards having a sustainable business model in place”. Lutheran principals’ view of the profitability of their sites was inextricably linked to the mission of the church – evangelisation.

While schools created opportunities for evangelisation for the church, the church also ensured that the mission of its schools were enacted. Over the last several years, several Lutheran schools have had to close their doors. The reasons are various, all impacting on the school’s bottom line – its profitability and viability. These factors included falling student numbers, competition from other schools, economic factors, financial constraints, corporate governance and strategic oversight. However, many schools have been supported financially (tied over) until operating conditions improved with the aim of ensuring the mission for the church was sustained. For example, Principal B commented that “we never want to go back to needing to be bailed out effectively”. This highlights that the church and its schools had a relationship which was mutually beneficial and symbiotic. This added to the strength of both the Lutheran church and its schools, a strength which non-systemic schools lack.

The business challenges of the rural Lutheran school

One of the principals interviewed was from a rural Lutheran school. Although this was an area with little data available in support, it became clear that rural Lutheran schools are exposed to unique challenges given their remoteness and size.
Rural Lutheran schools experience unique challenges in the business environment. Of the schools closed by the LEA over the last three years, all have been rural schools roughly an hour or more from capital cities and the capacity of these schools to attract students was compromised due to their location. While I do not wish to debate the merits or lack thereof for regional school closures, analysis suggested that economics or financial sustainability generally appeared to be the reason. According to one regional school principal with a deeply personal story, Principal D said; “being a principal of a small school is too hard” and, referring to the role as principal, stated that “it’s broken so many people over so many years”. These comments originated from a principal for whom the business dimension of the role became a daunting prospect but who flourished in the spiritual dimension of the role.

Generally, urban school principals were blessed with the support of a business manager and delegated much of the business dimension of the school to these individuals. Rural principals are not afforded this and often have to carry the burden of the business dimension themselves, often with very limited support from the system. Referring to this pressure on rural principals, Principal C suggested that “there is a history of that occurring”.

The business challenges of the rural Lutheran principal were not anticipated in this research and remain largely unexplored. It is an issue worth exploring as about 20% of all Lutheran schools fit into this rural category.

Summary

The theme of ‘Grace in business’ illustrates the tensions that exists between the principal as the spiritual leader and the principal as business leader. This tension comes to the fore when the compassionate or graceful actions of Lutheran principals impact the viability of their schools as a business. Failure to strike a balance places pressure on the financial resources of the school, impacting the principal, staff, students and LEA (Lutheran Education Australia), who have ultimate responsibility for the financial viability of Lutheran schools. I reiterate the comment
that “just as schools straddle both dimensions, so must leadership” (Ruwoldt, 2006, p. 26).

There is an expectation that whatever the dilemma, Lutheran principals will address each one based on the same viewpoint – one where the Doctrine of the Two Kingdoms and Grace is central.

An inability to strike the right balance impacts significantly the church’s endeavours of evangelism within its schools, as the church and school is engaged in a symbiotic relationship, each ensuring the viability of the other. This leads us to the second theme, Business-mission symbiosis.

**THEME 2 – BUSINESS-MISSION SYMBIOSIS**

While the Lutheran school is seen as being involved in both the ‘kingdoms’ of the left and right, the function of the church in this context is evangelisation rather than education (Bartsch, 2001). I argued earlier in the Discussion (The Doctrine of the Two Kingdoms) that there existed a close relationship between the church and its schools, and that the church is in the school (LCA, 2006). The Lutheran Church of Australia’s (LCA) statement of principles considered its schools as “an integral part of the mission of the church” and that “the Lutheran school at the same time as it works in the Kingdom of the Left is also working in the Kingdom of the Right” (LCA, 2006, p. 1).

Lutheran principals are very aware of this business-mission relationship and work tirelessly to ensure its sustainability. They embrace the role they play in the LCA (spiritual leader), but they are also aware of their role in the LEA (as business leader), i.e. they know their role in the Kingdom of the Left and the Kingdom of the Right. There is consistency of this view amongst Lutheran principals and that found by Coughlan (2009) in Catholic schools where he suggests that principals see their role as promoting the reign of God by meaningfully connecting with their faith communities.

In the next section of the discussion I suggest that the relationship between the church and schools is symbiotic and empowering for both parties. I will use the biological definition of
symbiosis as a point of departure to theorise this relationship. Symbiosis will be defined as follows based on the Oxford English Dictionary: ‘a relationship between two types of organisms in which each provides the other the conditions necessary for its continued existence’. This may be altered to personalise this business-mission relationship as follows to this research - a relationship between people or organisations that depend on each other equally to ensure its continued existence.

**The school-church mission – Evangelisation**

The church has as its objective the discipleship or evangelisation of people and that the principal or school, as an agent of the church, is integral to this mission. Coughlan (2009) commenting on Catholic schools, reinforces this view when he theorises that the principal has significant influence on the way schools enact their mission. It utilises its systemic schools to accomplish its purpose. In order for schools to fulfil this role, they need to be financially viable. Despite this strong relationship between the Lutheran church and its schools, the church will not continue to indefinitely fund a financially dependent school and may consider the school’s closure. I suggest that the principalship of a religious school is essentially about ensuring the viability of the business in order to create opportunities for evangelisation. For the church to effectively enact its mission of evangelisation, it needs to have a mission field to operate within – its schools. However, for this ‘field’ to be available, schools as a business need to be healthy and sustainable in order to ensure the church is able to fulfil its missionary endeavours. To illustrate this point principal B said: “this year, you know, we went into a position where we never want to go back to in terms of needing to be bailed out effectively by the system for a short period of time” and Principal C, commenting on the relationship between a small rural school and its congregational church stated:

> I just go to church and stand at the front and say: ‘We’ve got families who cannot pay their bills (school fees), and there’s a couple of benevolent members who will come to the party every time, pumping in ten thousand and another fifteen
thousand bucks a year’, and by that we are actually covering and making the books.

This is a clear illustration of the ‘no-frills’ way in which rural communities ensured the viability and existence of their schools, and in so doing ensured the missionary endeavours of the church were accomplished. Ensuring the business viability of schools to enable the church to effect its mission of evangelisation contributed to the multifaceted nature of the principal’s role and its complexity. This also resulted in principals having more to do, which leads us to the next theme – role overload.

The theme of business-mission symbiosis emerged as it became clear that Lutheran principals interviewed acknowledged their appointment as spiritual leader by the Lutheran Church. While these interviews did not indicate any discomfort with the mantle of spiritual leader, it may prove worthwhile to explore this further as any discomfort in this area will impact the mission of evangelisation of the church. The principal of a Lutheran school therefore plays an integral part in the mission of evangelisation of the Lutheran church and opportunities for discipleship. What was not explored in the interviews was the level of comfort felt by Lutheran principals as the spiritual leader of the school and its associated responsibilities.

**THEME 3 – ROLE OVERLOAD**

The theme of role overload dealt with the extent to which principals perceived themselves as doing too much. While there was a general focus in the survey on principals’ workload, a specific focus was an analysis of how much time was spent on the business aspect of their roles.

Previous research addressed in Chapter two – Literature review highlighted the changing role of principals resulting in role overload (Pont et al., 2008; Starr, 2013; Stoll & Temperley, 2010). This section will investigate the theme of role overload (too much to do) borne out by the survey and interviews, specifically pertaining to the business dimension of the role, and its impact on principals.
I argued in Chapter two, supported by the literature, that the role of principals has changed, and that the OECD suggests a role description that now encompasses skills in business management, strategic management, operational management and corporate governance, amongst others. I also argued, supported by the literature, that the role and workload of principals has become more complex and encompassing. I further argued that principals are appointed via a conventional route (Head of School, deputy principal) and that this route is generally not good preparation for the principalship, essentially a CEO role (Starr, 2013). The deputy principalship, based on my experience, is essentially an operations management role and does not provide opportunities for the development of the business skills required for the principalship.

Supported by the literature in Chapter two, the workload of principals has increased due to enhanced expectations on reporting, accountability and the business processes associated with education.

Many principals are simply not prepared for the demands of the role. Analysis of the survey reveals that 53% of principals said they worked in excess of 50 hours per work week (excluding weekends) and a further 31% said they worked in excess of 60 hours per work week – in simple terms, 31% said they worked in excess of 12 hours per day. Further probing on the amount of time devoted to specific tasks yielded interesting results. 69% of respondents from the survey said they spent less than six hours per week on issues related to strategic leadership (a business dimension), while 69% said they spent more than 10 hours per week attending to management or administrative matters (a managerial dimension). The notion of too much to do was echoed by other principals in the interviews in unsolicited comments like this from Principal A:

“Principals have a lot of evening commitments and weekend functions to attend but are still expected to be back on deck at whatever time the next morning” and “what CEO do you know where they finish their board meeting at 11:30pm and they have to be back at work at 7am the next day?”. There appeared to be a mismatch between early career principal expectations and the actual requirements of the role.
Further unsolicited comments focusing on role overload included that of principal D who urged colleagues to practice self-care in their roles. Another principal of a rural school shared a powerful image to illustrate the unique challenges faced by rural school principals when he posited: “being a principal of a small school is too hard”. This appears to be clear evidence that the plight of the rural principal is serious and demands closer investigation. It is worth noting that rural principals generally managed smaller schools and did not have the benefit of a business manager. This responsibility then fell on the shoulders of the principal, which may elicit greater stress. Further analysis of the interviews revealed that it was female principals who intimated that their work lives impacted on their family lives. This is telling and could possibly serve as evidence for the reluctance of female candidates to present themselves for the principalship.

The findings of this research found alignment to that of previous research in this area (Cranston et al., 2003). Cranston found that 43% of principals in Queensland, Australia worked in excess of 60 hours per week while 73% of New Zealand principals indicated a workweek in excess of 60 hours. This highlights the impact of neoliberal policies on principals’ time. Despite Lutheran principals suffering from work overload, it does not suggest that they are dissatisfied in their job. In fact, the interviews suggest that despite this overload, they are very satisfied in their roles especially as it pertains to making a difference to students and their communities.

**THEME 4 – AWARENESS**

This theme is concerned with the manner in which principals deal with the perceived shortcomings in their skill set, specifically as it related to the business dimension of their roles. During the interviews, principals spoke at length of their learning journey from the time they made the transition from deputy principal to principal. For some it was a journey of learning on the job, for others, it was a calculated endeavour to bridge the perceived gaps in their skills set.
During the interviews, Principal B contextualised this idea: “I would say there is upskilling to be done because there are responsibilities in this job not taught elsewhere”. There was consistency amongst all principals interviewed that they came into the role largely unprepared for its demands. During the completion of the surveys, principals self-evaluated their business skills or lack thereof. Principal D talked about this realisation as well as their action as follows: “being a principal I realised there’s a gap in my skills, one which was compliance and legal and financial management, so I attended workshops to keep myself equipped”. Lutheran principals became aware of their business skill deficiency and found ways to improve on this, including seeking out business training either systemically or via other means.

**RELATIONSHIP WITH PREVIOUS RESEARCH**

Chapter two explored the literature surrounding the changing role of principals and the impact of these changes on the business dimension of the principal’s role. Within Lutheran education, there seemed to be limited literature addressing the business aspect of the principal’s role. Recent research within Lutheran schools have focused on educational leadership in primary and secondary schools related to: contributions to mission, construction of underperformance, the deputy principalship, ethical dilemmas, principal appraisal and principal worldviews but is silent on the business dimension of the principal’s role. An illumination on this area of Lutheran schooling is warranted and provides principals with a voice in this regard.

While research around the business dimension of principal’s roles specific to Lutheran schools is scarce, some research had been done in this area focusing on Catholic, independent and public schools. Considering the changing business role of principals, the findings of this research are consistent with that of other research in this area (Cranston, 2007; Cranston, Ehrich, & Billot, 2003; Smith & Riley, 2010; Starr, 2012; 2014; 2018). All address the changing business role of the principal since policy changes implemented since the early 1990s, which have demanded greater accountability.
SUMMARY

The focus of this research was to explore the perceptions of Lutheran principals in conceptualising their role in a landscape of accountability. This exploration focused on the business dimension of the role but later evolved to include the tension that manifested in the dual purpose of the role, that of business leader and spiritual leader. The sub questions focused on where principals learned about the business dimension of their role and what support they may require in the execution of this role. The findings of this research provide answers to these questions.

The impact of Lutheran theology (Doctrine of the Two Kingdoms and Grace) on the leadership of Lutheran principals was surprising for me and was never considered during the planning of the research (see Chapter one). Its impact emerged in response to Question 7 of the Interviews (as per the Interview protocol in Appendix C) – “Could you comment on the tension that may or may not exist in the execution of these two roles, that of spiritual leader and business leader?”.

There is anticipation in Lutheran education that Lutheran theology influences decision making of principals (Albinger, 2010; Paterson, 2016; Ruwoldt, 2006). While tension between the two roles of business leader and spiritual leader was anticipated (and therefore explored during the interviews), the role and mode of impact of Lutheran theology was not.

The literature reviewed in Chapter two (Literature Review) and the contextualisation of the study in Chapter one focused and guided the collection of data based on the changing role of the principal, both internationally and within Australia. It was argued through this review of the literature that the environment in which educational institutions now operated was primarily one of neoliberalism (Apple, 2005; Baker, 2005; Connell, 2006; Gewirtz & Ball, 2000; McGinn & Welsh, 1999; Smyth, 2011). It is within this worldview that principals now operate – a view that demands increased scrutiny, accountability, value for money and promotes competition. There exists within this worldview a free market economy where education is commodified, and
competition is fuelled for student recruitment. Some of the lexicon used in this space in justification of this ideology includes ‘competition, excellence, customer-orientated, enterprise, quality and effectiveness’ (Connell, 2006; Gewirtz & Ball, 2000). Under this dispensation, it can appear that education is no longer about the common good and there is a disregard for inclusion and equality.

This study has shown that, whilst operating in a neoliberal environment, Lutheran principals are also guided by another way of seeing the world. Lutheran principals are appointed as both a business and a spiritual leader. The spiritual dimension of their role lent to Lutheran principals a specific context of Christian faith and Lutheran values. This context added both a complexity and guidance to the role of Lutheran principals as CEOs of their school. In this research it was evident that a tension was created in the execution of the Lutheran principal’s dual role as business and spiritual leader, but this also created a sense of balance and care which enabled the ‘business’ view to be moderated by the consideration and application of Lutheran theology, specifically the Doctrine of the Two Kingdoms and the theology of Grace (incorporating care and compassion).

Lutheran schools, like many Christian schools, operate within a culture of Christian values of Grace, belief and practice. In the context of schools as a business, Lutheran school leaders and staff are directed through Lutheran theology to act compassionately, and this world view can reasonably be assumed to extend towards parents who fail to meet their financial obligations towards the school, or its business dealings with associated parties, including its employees.

Lutheran principals engaged in servant leadership within their vocation with a grounding in Lutheran theology. Spesia (2016) argues that Catholic principals, unlike secular and government school principals, are servant leaders within the broader church and this requires them to be spiritual leaders tuned to the Catholic Church mission. I found this to be similar regarding the Lutheran principals in my research. What I found was that the Lutheran principals in this research informed the principalship role with a good understanding of Lutheran theology, which
guided authentic decision making, including business decision making. The principals’ grounding in Lutheran theology is necessary as the church appoints them as spiritual leader and as business leader (a role which in Chapter one I likened to that of CEO). Paterson (2016) supports this conclusion that I have reached pertaining to the theological grounding of Lutheran principals. Paterson (2016) found that principals held to an understanding and use of Lutheran theological teachings, particularly of Grace and the Doctrine of the Two Kingdoms, but not the theology of Creation.

The actions and behaviours of Lutheran principals with reference to the business aspect of their roles are grounded in an application of Lutheran theology, particularly the Doctrine of the Two Kingdoms and Grace. Lutheran principals, when faced with dilemmas which require them to act under the Doctrine of the Two Kingdoms (the gospel and the law), naturally considered Lutheran doctrine to address these dilemmas. For example, Lutheran principals applied Grace to most dilemmas involving parents (who cannot meet their financial obligations) and student behaviour.

After analysis of the interviews, it became clearer that Lutheran principals respond differently in their role, including the business dimension of their role, due to their consideration of Lutheran theology (Albinger, 2010; Paterson, 2016; Ruwoldt, 2006). They lead with a moral and ethical vision which is considerate of a Christian worldview, and more specifically of Lutheran theology. The neoliberal view embodied and embraced the clinical nature of business, while the results of this study suggest that the Lutheran perspective of principals embraced Grace and compassion – a clear dichotomy. For example, Principal B stated: “My goal is that every individual student has a pathway beyond school and sometimes that comes at the sacrifice of business”. Principal C reinforced this compassionate view as follows: “But that’s probably a reflection of our faith based spiritual side of what is manageable in the business still, what is compassionate and where’s that middle ground”.

The specific theology which in my view impacts on their business leadership and decision making is the Doctrine of the Two Kingdoms and Grace and this is now considered.

The Doctrine of the Two Kingdoms

Chapter two explained the Doctrine of the Two Kingdoms. This doctrine speaks of the two hands of God (or two Kingdoms), the left and right, and how it operates in the world. The left hand symbolises God’s operation through justice and the law, where education operates and the right hand symbolises mercy and the gospel, where the church operates (Bartsch, 2013).

When considering the predicament regarding accountability, the question then arose who Lutheran principals might be accountable to? It appeared that principals of faith-based schools have a higher moral purpose in their business role as well as their spiritual role (Nuzzi et al., 2012). This may be explained by the concept that school is church and that the church is also in the school. By this I mean that the role of the principal as business leader ensures that the church operates as the school. The role of the principal as spiritual leader ensures that the school operates as the church. There is no separation of the two entities. An understanding and application of the Doctrine of the Two Kingdoms is used by principals to lead as a business leader and as a spiritual leader.

The extent of principals’ understanding of this doctrine was not explored during the survey or interviews. However, a study by Paterson (2016) found no concerns with the level of understanding and application of this theological teaching. Paterson (2016) concludes that Lutheran principals possess a good comprehension of Lutheran theology (like the Doctrine of the Two Kingdoms, Grace and Creation) and that its application in the execution of their roles is evident. In contrast, Nelson (2016) theorises that a quarter of Lutheran principals are either neutral or uncomfortable with the mantle of the principal as spiritual leader. This may indicate that some principals lack the required understanding and application of this doctrine in their spiritual leadership role. In contrast to Nelson (2016), my study found that all principals...
interviewed both acknowledged and embraced their spiritual leadership role and were comfortable with its interpretation and application.

Lutheran principals do their leading differently. I argue through this research that education operates within the predominant paradigm of neoliberalism; however, Lutheran principals conceptualise and implement a different way of executing business and spiritual leadership. They implement the ethic of care in tandem with the ethic of service in their business leadership. This lends to their leadership a different dimension to that expected within the neoliberal perspective. In executing their business and spiritual leadership, Lutheran principals do not execute their business and spiritual leadership in isolation but rather bring the two together. Lutheran principals lead in a way where they bring Grace into Business. What this means is that Grace has a dominant impact on their business decision making and their leadership. The outcome may be that this places stress on the business viability of their sites. This research has shown that Lutheran principals are prepared to live with this added stress as they have a broader vision of the profitability of their sites. Their vision appears focused on and is inextricably linked to the success of the church’s mission of evangelisation and advancing the Kingdom of God. It follows that this way of leading benefits the church and should be encouraged.

Lutheran principals do what is demanded of them in the ‘Growing Deep’ Leadership and Formation Framework but feel judged when they do so. ‘Growing Deep’ asks of principals to develop an understanding of Lutheran theology and how it “informs leadership across all areas of responsibility” (LEA, 2019, p. 4). In essence, LEA is articulating two requests which may be in contradiction to each other – on one hand, to lead with a theological grounding in all decision making and, on the other hand, to execute business efficiently. I theorise here that this places principals in the thick of two contrasting viewpoints, that of Theology vs Neoliberalism. While principals intuitively bring theology and business together, it may be that LEA does not have an understanding of how this happens and therefore may not be well placed to assist and support.
When I started this research, I anticipated that Lutheran principals need more business training to execute the business dimension of their roles. This research brought me to other insights and my view has now changed. I now value the viewpoint of principals, where they ably bring Grace into Business, rather than the neoliberal view of a purely business approach. I now feel that Lutheran principals don’t need more business training but need more support in how to bring the two, Grace and Business, together. They need support to bring Lutheran theology into their business dealings, and this is fundamental to Lutheran principals. Any business training needs to be integrated with theological training as they are two sides of the same coin and inextricably linked to each other.

In Chapter six, the Conclusion, I will focus on how the research questions have been answered. Chapter six will conclude with strategies and recommendations for considerations by all parties to whom this research might be relevant, including prospective principals considering their next steps. A large focus will be on how early career principals may be supported to better integrate both the business dimension and spiritual dimensions of their roles.
Chapter 6: Conclusion

This study was designed to explore how Lutheran principals perceive their role in a landscape of business accountability and the leadership they need to provide to their organisations in this area. My research had its genesis when the lack of business preparation for principals was queried as they embarked on their new role, partly that of business leader or Chief Executive Officer. The purpose of this chapter is to present the conclusion and recommendations of this study.

The purpose of this research was to explore how principals of Lutheran schools conceptualised their role in a landscape of accountability, reporting and compliance as the business processes associated with education have come into sharper focus. The participants in this research were principals in their first tenure of appointment. Principals in their first tenure were chosen because they are newly immersed in the business dimension and spiritual dimension of their roles and navigating the tensions between them. The study sought to understand the perceptions of these principals regarding the business dimension of their role.

Chapter one outlined the origin of this research via my personal interest in the business of schools, stemming from my background in corporate business management before becoming a teacher. I recognised that the working environment in which all principals in public, Catholic and independent schools operate had undergone drastic change and that the skills principals brought to the role may be insufficient when dealing with 21st century leadership. I argued that schools had become more business-like due to the political ideology of neoliberalism, which espoused greater autonomy for schools but demanded greater accountability. It was noted that the business environment in Lutheran schools, where principals are appointed as both spiritual and business leader, creates the potential for tension for principals as they seek to operate within both the Lutheran ideology of the Kingdom of the Left and the Kingdom of the Right. It is
within this Lutheran theological context that the research question was conceptualised to explore how principals perceived their role in a landscape of business accountability. The research question was: How do principals perceive their role in a landscape of business accountability in Lutheran schools?

Chapter two focused on the framing of the research within the current educational and political environment and the unique demands placed upon principals of faith-based schools as leaders within the church and leaders of the business that is their school. A review of the literature highlighted the changing nature of a Lutheran principal’s role, mainly due to policy changes both nationally and internationally. The literature review also intimated that principals are increasingly required to bring a business focus to their roles despite not having adequate preparation considering their ascension via the normal route of deputy/assistant principal. The research data confirms that even experienced principals struggle with the demands of the business dimension of their roles.

Chapter two discussed how all schools have been impacted by business demands. However, since Lutheran principals are deliberately appointed as Chief Executive Officer (a business concept with a business implication) by the LEA, the question as to how Lutheran principals perceive their role in a landscape of business accountability was identified as a focus for research. This question was given greater relevance as there is limited opportunity to develop the business skills demanded for the role within the pathway to principalship from assistant to deputy to principal prior to appointment. The changing role of the contemporary principal was explored, especially pertaining to the changing business dimension and the required leadership role within it, in a Lutheran context. The literature review reveals a paucity of research on the business dimension of the principal’s role within Lutheran schools, although some research exists within Catholic schools and public schools.

Chapter three outlined the study design undertaken to examine the research question. The mixed methods approach was framed by an ontological paradigm of social constructionism. An
accompanying epistemological view that is interpretivist formed the framework for the study. The interpretivist perspective brought to the study enabled me to probe for meaning as constructed by the actions and interactions of principals. The mixed methods approach used both a survey and interviews to gather rich and meaningful data to answer the research sub-questions.

Chapter four analysed the research findings of both surveys and interviews. In summary, the results found that principals of Lutheran schools in their first years of appointment, feel disadvantaged in the business dimension of their roles and furthermore many sought to address this by self-education either formally or informally.

Chapter five focused on a discussion of several themes that emerged from the analysis of the survey and interview data. The emerging themes were:

- Grace in Business.
- Business-mission symbiosis.
- Role overload and
- Awareness.

PERSONAL REFLECTION

When I started this research journey, I thought that principals, as leaders of business due to their appointment as CEO, needed to enhance their minimal and frequently non-existent business skills. While schools can be thought of as a business, I believed that it was a fair assumption that principals, as the CEO, would require a skill set similar to that of a not-for-profit organisation leader. Advertisements for principal positions in the media underlined the business skill requirement, with several recently advertised positions highlighting the appointment as CEO (Westminster College, Adelaide and Concordia College, Adelaide).
As a result of this research, I have come to a different realisation. I have found that Lutheran principals may not need more business skills but rather need more assistance to help them bring Grace and business together within their practices as leader. This is because it was found that the Lutheran theology of Grace and the Doctrine of the Two Kingdoms were at the core of how Lutheran principals responded to business decisions. I have also realised that while Lutheran schools run on business principles, their profitability means more than dollar amounts at the end of the financial year. The profitability or viability of these entities are closely linked to their mission, and I have come to more fully appreciate that the mission of faith-based schools is closely linked to that of their affiliated churches. In the case of Lutheran schools, their key outcome is their support of the church’s mission of evangelisation.

**LIMITATIONS OF THE RESEARCH AND IMPLICATIONS FOR FUTURE RESEARCH**

This research was conducted in Lutheran schools across Australia, within the independent school sector. It is acknowledged that the issue of preparation for business leadership may be applicable to other faith-based school systems, or schools in the public sector, as all principals now experience a similar environment of business accountability (Pont et al., 2008). The size and scope of the research impacted the decision to focus on the Lutheran sector, as did the logistical challenges of collecting data from principals given their isolation. Future research may be undertaken in other school sectors, especially the Catholic and other faith sectors, in order to contextualise these findings beyond the Lutheran context.

A second limitation was that this research focused on the experiences of early career Lutheran principals only. It is feasible that not many principals were within the first tenure of their careers and this impacted on the available sample for participation and proved to be exclusive. The idea was that newly appointed principals may be able to recollect recent steep learning curves pertaining to their business role more easily and the study would be more relevant to them.
More experienced principals may have developed strategies to cope with the changing business dimension of their roles. It is acknowledged that an opportunity was missed to garner the views of more experienced Lutheran principals regarding the business dimension of their roles, from which we may have learnt much. Future research may focus on a more rounded sample of experience, including samples based on school size and rural, remote and urban Lutheran schools.

A further limitation is my potential bias based on a view that schools operate as businesses. My past corporate experience and business study may have influenced the way data was interpreted and needed to be guarded against.

The setting for this research was faith-based systemic Christian schooling, that is, Lutheran schools. It is envisioned that other non-systemic schools may provide a more mitigating view of the principal’s business experiences. Therefore, it may be prudent to undertake research to determine:

- How principals of non-systemic schools perceive the business dimension of their role and where they acquire the business skill demanded of them.
- Where the tensions lie for principals within non-systemic and public schools given they don’t have the spiritual dimension to contend with.
- Whether the business accountabilities of the principal’s role impact on a principal’s well-being.

**RESEARCH QUESTIONS ANSWERED**

The first question sought to understand where and how business skills were acquired.

**Question 1**
Where do Lutheran principals learn about the business dimension of their role?
Early career Lutheran principals find the business dimension of their role challenging, evidenced by the high percentage who seek out professional learning in matters of financial management, governance and marketing. There appear to be limited offerings systemically to equip principals in this area and many are seeking business knowledge elsewhere to the extent that some have completed an MBA or other university training. This is acknowledgement from those on the ground that they are deficient in this area and are challenged by the business dimension of their role.

While most principals would map their careers and eventually end up as principal, many find themselves in the role by accident and without middle or senior management experience. These principals, particularly from smaller schools, have significant challenges to overcome and given their remoteness, find the role (with its significant business focus) extremely challenging. While they seek and find professional learning, it is often a struggle to attend these events.

**Question 2**

How do principals distinguish between leadership and business leadership/management?

Early career Lutheran principals find it hard to provide leadership in an area they struggle in. For those fortunate enough to have a business manager on staff, this relationship is critical, and the task of business leadership is often left to the business manager. For those unfortunate enough not to have one on staff, the task of providing both business leadership and business management is daunting. For example, Principal D suggested that “the job of principal is just too hard”. To their credit, most principals seek out opportunities to upskill and are keenly aware of their responsibilities in this area.

**Question 3**

What support do principal require, if any, to operate in this business environment?
Early career Lutheran principals take responsibility for their own learning and seek out opportunities, after self-identifying these, whether it is provided systemically or independently. Lutheran principals agree that their role encompasses both business leadership (CEO) and spiritual leadership. Many were uncomfortable with the mantle of spiritual leader but many more were uncomfortable with the mantle of business leader. The research indicates that many principals are happy with the support provided systemically, while others verbalise otherwise. It is worth noting that systemic support is provided by region (LESNW, LEVNT and LEQ) and different regions provide different levels of support.

Understandably, principals indicated varying levels of business support requirements. Some suggestions were:

- Intentional business coaching before taking up the role of principal or immediately after appointment.
- Continued coaching and mentoring by experienced principals.
- More financial resources to access business training.
- The need for a quality business manager (who are well-qualified).

It is worth noting that many Lutheran principals find the spiritual leadership role daunting. I suggest that many also find the business leadership role daunting. Not surprisingly then, many early career Lutheran principals find their entire role daunting. Despite these challenges, the participants in this research still approach the role with a servant heart in the knowledge that they serve in their role with a higher moral purpose and for the greater good of the Kingdom of God.

**Answering the Main Question**

How do principals perceive their role in the landscape of business accountability in Lutheran schools?
There exists an abundance of Grace within Lutheran schools, particularly from principals when they execute the business dimension of their role. It is apparent that Lutheran principals respond unexpectedly when business decisions are made. Lutheran principals intuitively bring Grace into the business dimension of their roles, but they struggle to find the right balance between the provision of Grace and their business decision making when faced with this dilemma.

This study showed that Lutheran principals execute the business dimension of their role guided by their Lutheran values and theology, particularly the Doctrine of the Two Kingdoms and the Lutheran understanding of Grace. The understanding and implementation of these two theological principles is what underpins how Lutheran principals respond to the business dimension of their roles. It appears the spiritual role informs the business role and vice versa. Consequently, there was an understanding amongst the Lutheran principals in this study to act with Grace and compassion in the execution of their business role, but this action needs to be moderated.

An understanding and implementation of the Doctrine of the Two Kingdoms further guided Lutheran principals in their leadership. It is this doctrine which allowed the principals to operate within two spheres - that of the church and that of the state. It is through this doctrine that they developed an understanding that the mission of the school is inextricably linked to the mission of the church. Since these principals have been appointed by the church, they act as guardians of the church and ensured that the church operates in the school. Since Lutheran principals act as leaders of the church in schools, they are mindful towards bringing more Grace to their business role. While they executed the business leadership role, they did so with Grace and compassion, adhering to the teachings of the church.

It is the finding of this research that there is evidence that early career Lutheran principals struggle to maintain a balance in the implementation of Grace. I theorise further that Lutheran principals need more help to bring Grace and business together in their leadership and that any
training should focus on the integration of these rather than being addressed separately. This imbalance has had an impact on the business viability or profitability of their schools and has consequently impacted on the success of the church mission of evangelisation. Lutheran principals operate within the Two Kingdoms, and despite the dilemmas this creates for them, their Lutheran values and theology carry them through and play a central part in the execution of their ultimate role, that of creating fertile ground for evangelisation, through the successful life of their school.

At the start of this research, I thought that Lutheran principals needed more training in the execution of the business aspect of their role. It now appears this may not be the case, but that they rather need more help to integrate the two, Grace and business, since their role is one which is focused on people and the implementation of an ethic of care.

CONCLUSIONS OF THIS STUDY

Early career Lutheran principals feel overwhelmed in their role as both spiritual leader and business leader (CEO). Many principals said they work in excess of 60 hours per work week. The research does not corroborate earlier findings (Nelson, 2016) that the mantle of spiritual leader does not sit comfortably on many, nor does the cloak of business leader.

The findings suggest that Lutheran principals’ understanding of the Doctrine of the Two Kingdoms framed their response to the business dimension of their role. Operating a viable business was central to the principal’s role, but their operation as spiritual leader and business leader impacted on business viability because it caused tension. Those who struck a balance between business leadership and spiritual leadership provided the church with fertile ground for evangelisation.

This research will potentially assist Lutheran principals in their understanding of the tensions created by their role as both spiritual leader and business leader (CEO) and move towards addressing them. Openly communicating amongst their peers about their sites as a business
entity may break down the barriers to ensure business viability. They can feel at ease that they are not alone in dealing with the stresses caused by the business dimension of their role.

The most significant theme emerging from this research is the unique way in which Lutheran principals integrate Lutheran theology (Doctrine of the Two Kingdoms and teaching of Grace) into their business leadership role.

RECOMMENDATIONS

Since Lutheran principals generally ascend to their role via traditional means (head of school, deputy principal) and therefore have little opportunity to acquire business acumen, this research supports the idea that Lutheran principals require training in preparation of the execution of the business dimension of their role. It is evident that many principals find their own ways to upskill in this area, but a systemic approach may be more beneficial. It is further recommended that:

- The LEA needs to amplify the integration of theological training and business training for its principals as it is fundamental to principals and their success in the execution of their tridimensional role. This integration needs to be a defining feature.

- Any principal training would need to be all about Grace-in-Business, instead of standalone theological or business training.

- A holistic, systemic approach is adopted to support both prospective principals and early career principals in the acquisition of agreed business skills.

- The LEA consider the implementation of minimum standards of business skills training for the principalship and partner with tertiary institutions in the provision of these skills.

Since Lutheran principals use the Doctrine of the Two Kingdoms and Grace as contributing to their business decision making, it is recommended that:
• All appointed principals have a working knowledge and application of all Lutheran doctrines that impact their decision making, like the Doctrine of the Two Kingdoms and Lutheran teaching of Grace.

• Opportunities are created for early career principals to share, learn and grow around the business dimension of their role and that opportunities are created for them to share integrating Grace and business in their roles.

The additional business challenges of rural principals were an unexpected occurrence in this research. There is a paucity of research into rural faith-based schools. There is further evidence that the business dimension of the role impacts on the well-being of these principals given their isolation and lack of a business manager to support them. It is recommended that more research be done in this area in order to shed light on their business challenges.

The complexities of the issues raised by the research goes beyond the mere suggestion that principals may need greater business acumen. There may be a case for principals to have a greater focus on their spiritual leadership coupled with more access to a qualified business professional on site.

This research found in Lutheran schools that the business dimension of the principal’s role was meshed with care, compassion and empathy so that ‘profitability’ was seen to be in terms of the success of the church and its mission of evangelisation rather than just monetary value. This research finally recommends that Lutheran Education guards against losing this Grace-in-Business approach and the unique way Lutheran principals execute their business leadership role by offering opportunities for Lutheran principals to undergo professional learning which allows them to think about and have dialogue with colleagues about the dilemmas they face in bringing ‘Grace into Business’.
Dear Gavin,

The Chair of the Social and Behavioural Research Ethics Committee (SBREC) at Flinders University considered your response to conditional approval out of session and your project has now been granted final ethics approval. This means that you now have approval to commence your research. Your ethics final approval notice can be found below.

FINAL APPROVAL NOTICE

Project No.: 7931

Project Title: The 'business' of schooling: an exploration of how Lutheran school principals understand their role in a landscape of accountability

Principal Researcher: Mr Gavin Marcus

Email: marc0109@flinders.edu.au

Approval Date: 9 July 2018

Ethics Approval Expiry Date: 1 December 2020
Appendix B (survey questions)

1. Region
   - LEQ
   - LESNW
   - LEVNT

2. School Type
   - Primary only
   - Secondary Only
   - Composite (Primary and Secondary)

3. Years of Experience as Principal
   - 0-3
   - 3-5
   - 5-10
   - 10+

4. During the last 5 years, have you engaged in professional learning related to the business aspect of your role?
   - Yes
   - No

5. If yes, please comment on this professional learning.
   

6. Please comment on the support that could be provided to assist you in the effective execution of the business dimension of your role.
   

7. Thinking about your work week, how many hours, on average, would you work per week during school time?

- 30-40 hours
- 41-50 hours
- 51-60 hours
- more than 60 hours

8. In a typical week, how much of your time would be spent on each of the following activities?

<table>
<thead>
<tr>
<th>Activity</th>
<th>0-3 hours</th>
<th>4-6 hours</th>
<th>7-9 hours</th>
<th>more than 10 hours</th>
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</thead>
<tbody>
<tr>
<td>Student Issues</td>
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<tr>
<td>Human Resource (Staffing) issues</td>
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<tr>
<td>Education or Curriculum leadership</td>
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<tr>
<td>Management or Administrative issues</td>
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<td>Strategic Leadership</td>
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9. Please respond to each of the following questions.

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<thead>
<tr>
<th>Question</th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Always</th>
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</thead>
<tbody>
<tr>
<td>When reporting to the board, financial reporting cause me stress.</td>
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</table>
When executing the business dimension of my role, I seek external assistance.

My current business knowledge is enough to effectively execute my role.

I readily offer mentoring to other principals in executing the business aspect of my role.

I know what is required to execute the business dimension of my role

10. In the context of the business dimension of your role, how significant are each of the following?

   Not significant Somewhat significant Significant Very significant

Financial management, including budgeting and auditing

Risk management and legal compliance

   Not significant Somewhat significant Significant Very significant
11. When I deal with the business aspect of my role (like financial, human resource and business management) as principal, I feel

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<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
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<tr>
<td>Confident</td>
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<td>Overwhelmed</td>
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<td>Concerned</td>
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<tr>
<td>In my element</td>
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<tr>
<td>Anxious</td>
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<tr>
<td>Positive</td>
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12. The interview phase of this research requires principals to provide informed consent to be considered for an interview on the business dimension of their role. Please indicate if you want to be considered for this by providing your name and e-mail address below if you:

- have less than 5 years’ experience as a principal
- have a school size greater than 200 students
Appendix C  (Interview protocol)

Project: The ‘Business’ of schooling: an exploration of how Lutheran school principals conceptualise their role in a landscape of accountability

Key research question: How are school principals being prepared to understand and act in the landscape of accountability?

Time of interview: Date: Interviewee:

A description of the study:

a) Purpose: Educational spending takes up about a third of government spending. In the current climate of accountability, the business processes associated with education have come into sharper focus. While principals might be good pedagogical leaders, early research in this area suggests that most principals do not consider themselves good business leaders (Cranston, 2007). This research proposes that there is not enough focus on the leader as a business manager in preparation programs or continuing professional development courses for education leadership. Therefore, the purpose of this study is to explore how principals are being prepared to understand and act in the current landscape of business accountability and where they learn about the business dimension of their role. It is researched within the context of the Lutheran education system. The outcomes of this study may prove valuable to other independent school governing councils as well as the government sector. It may also impact policymakers in government and particularly, Lutheran schools, shining light on the educational needs of the modern principal.

b) Process: 25% (20) of principals responded to the survey which was distributed as the first part of this exercise. Thank you for participating in that survey and also for being a part of this interview process. Across all regions there will be 5 / 6 principals interviewed in total with no identification used in the publication of data - except by principal A, principal B etc. A transcription of this interview will be provided to you so that you can confirm that it was an accurate recording. All transcriptions will be stored at the university.

c) Interview: It is expected that this interview will take approximately one hour, and you have given signed consent for your involvement in this next stage (show / collect form). As is written in the Introduction letter you are able to remove yourself or the information you have shared at any point in the research process.
Interview Questions and prompts.

1. Not every teacher aspires to become a principal. What inspired you to become a principal?

2. Can you share your journey from classroom teacher to its culmination as principal?

3. Thinking back over the last several years, what would you consider is a highlight? And lowlight?

4. I had a look at advertisements for a principal position in other independent schools and Lutheran schools recently. Some suggested or stated that the principal is the CEO of the school. What are your thoughts/response/view to this view of leadership?

5. The OECD and many other studies suggest that the role of principal has changed and that leaders need training. What training have you engaged in that you found useful for your role? What made it useful?

6. Please listen to the following quote: “Principals are excellent leaders of Teaching and Learning but not particularly good as business leaders, nor do they want to be seen as such”. - Cranston, N. C. (2007). Through the eyes of potential aspirants: another view of the principalship. School Leadership & Management, 27(2), 109-128. How would you respond to this quotation?

7. As a principal in a Lutheran school you are also appointed as the spiritual leader of the school with a strong understanding of Lutheran theology, upholding strongly religious Lutheran values and views. You are also expected to make sure of the schools’ viability and its “profitability” Could you comment of the tension that may or may not exist in the execution of these two roles – you as spiritual leader and business leader)?

8. Could you comment on what further professional training (systemic or otherwise) or support would be of benefit to you, or any early career principal, if any, in being able to execute the business aspect of their role?

9. Is there anything you want to comment on which we have not addressed during this interview that you feel is relevant to our discussion today?
make money for our shareholders, but rather the profitability is more about advancing the Kingdom of God in terms of re-investment into the organisation. In order that we can continue to be the light and the salt of the World, of the more secular World, so that we will be a choice for the community who want their children to grow and develop in a Christian environment.

I So that, I want to explore that a little further and I want to suggest... I want to give you a particular example and perhaps you have been exposed to it. In some schools, many schools maybe, there are often scenarios where you, the typical family who are unable to pay their school fees due to their change in circumstances. I wonder if that creates tension in your site between your role as spiritual leader, and on the other hand that ability to ensure the viability of your site in a business sense.

P I think I always... We will always support family, who have short term or sudden change of circumstances that were beyond their control. So we always have a financial aid there that supports those families. However, we also have the moral responsibility of families that found themselves in a financial situation, that’s going to be a long-term dependent on financial aid. They will be the families that we deem as families that actually could not afford our inaudible (23:45) the experience our school can offer. It is therefore morally unsound to continue to enrol these people, or these families, so what we normally do is we do work out that you know, what it means by, the amount at which after which it would tip them over into financial strain, or that will create an untenable situation for the family to get out of debt. Because if we continue to enrol these families, what we are indirectly doing is, we are helping them to lead a lifestyle that they can’t afford and so obviously there are different types of Lutheran Schools, even on the Coast, whereby the fee structures differ. So for families who which to continue to enrol their children in a Lutheran School, but cannot subscribe to... because we have three Lutheran Schools on the Gold Coast, ours is the highest fee. So in other words, I’m actually able to suggest that they got to the other two, the Lutheran Schools, so indirectly, the, to leave the Gospel, to continue to show empathy to families who wish to expose their children to Lutheran theology and Lutheran education, they could still continue, however, our site may not be the best for their family circumstance.

I Okay, the OECD and many other studies suggested that the role of principals have changed and that these leaders need training. I’m very interested in what training you’ve engaged in, and in particular why you’ve engaged in that training, and what you thought was useful about it?

P Okay, so my main leadership growth has always been in curriculum leadership. So, I was like a subject coordinator, then head of department, so I, and then I was like, Dean of Studies. So I stayed on the thread of curriculum developer, pedagogy, classroom practice for a large part of my career. When I go back to my earlier point about extending my sphere of influence, when I realised that to influence... Say, I stayed on the Curriculum track for a long, long time, because that’s bread and butter of school, but I came to realise at a point in my career that yes, teaching and learning could be excellent, but if the pastoral care wants taken care of, the child come with mental illnesses or family breakdown, stress, whatever illnesses, all that if they are not taken care of, irrespective of how brilliant the teachers are, learning doesn’t take place, and... So that extended my desire to learn more about Pastoral Care. So that’s the kind of training, so I kind of
References


Watterston, B. (2015). Environmental Scan: Principal Preparation Programs, prepared for the Australian Institute for Teaching and School Leadership. Melbourne, Australia: AITSL.

