2013

# Leadership in Tough Times: How Executives Sustain Organizational Faithfulness

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**Abstract:** In this narrative case study 10 chief executives of Mennonite Health Services Alliance were extensively interviewed to explore how they perceived their role and leadership practice to sustaining the Mennonite/Anabaptist identity of the organization they were serving. The findings fell into four broad themes: the executive as person, the executive and context, leadership and sense-making, and promising practices. This article seeks to popularize some of the insights that emerged from the research and offer practical support to executive leaders committed to corporate faithfulness to core identity while managing in very challenging times.

**Keywords:** *Organizational faithfulness, Mennonite identity*

## Introduction

As President/CEO of MHS Alliance, I have the opportunity and responsibility to work with governing boards and CEOs around the country on major strategic issues. Our consulting group engages me with hundreds of faith-affiliated nonprofits of many different religious traditions. A few years ago I was working with a large faith-affiliated nonprofit. I was asked to work with them on mission, core values, and strategic direction. As we began to work on mission and values, we slammed into deep conundrum. This organization, rooted in a particular Christian church tradition, had over the years recruited talented individuals to serve on the board. But they had given only passing attention to the matter of the faith or worldview of those individuals. When they recruited a CEO, they gave more attention to professional competence than faith or ideology. By the time I began working with them on mission and core values, the

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board was so diverse ideologically that I wasn't quite sure I could pray with the group. And if I did pray, what type of prayer was acceptable? Work together on mission and core ideology has not been easy.

I worked recently with a very large health system. Their roots were in a mainstream Protestant religious tradition. They have grown phenomenally over the last 20 years. Although they still use the church's name in their corporate brand, it is clear that the deepest drivers of institutional identity are not faith but industry standards or expectations. When we proposed to the governing board that they work more intentionally at integrating perspectives of Christian faith into their corporate ethics, the CEO decided that this didn't really need the attention of the board; the board had more pressing matters to address. This experience reminded me of words often attributed to Mother Teresa: "No margin . . . no mission." To be sure, many organizations feel compelled to "chase the market." In so doing, they seem to sell their souls.

This article explores the simple question of how CEOs understand their role and work in shaping the religious identity of the organization they serve. As a foundation for the case studies and learning, I briefly describe the character of the marketplace, offer a framework for how religiously affiliated organizations are situated in relationship to their founding religious traditions, and highlight some contemporary ways of thinking about leadership. This will be followed by a review of the methodology and core themes emerging from my 2010 dissertation research, which was an exploration of how a select group of CEOs make sense of developing and sustaining clear organizational mission, coherence, and identity in their contexts of service. I will then conclude the article with suggestions for building the capacities of executives and boards in integrating faithfulness with effectiveness.

## Turbulence

Nonprofit health and human services organizations operate in a complex and turbulent context. Four major dynamics contribute to the whitewater: the economy, the healthcare system, the changing character of religious communities, and increasingly diverse or pluralistic communities and workforces.

### The Economy

The United States economy continues to sputter. While the real estate market is beginning to show signs of recovery, other sectors continue to struggle. Most communities and states are wrestling with underfunded

budgetary commitments. Tax revenues are lagging. Various governmental units are looking for ways to cut costs. Limited funding threatens crucial governmental and other nonprofit social services. Many are facing increasing human need while struggling with declining revenues. At the national level, there is continuing debate about the future solvency of Social Security and Medicare.

## The Healthcare System

The Affordable Care Act, passed and signed into law in late 2012, is changing how healthcare services are financed and delivered (Altman & Shactman, 2011). Broad principles are clear, but the regulations and mechanics of how the new system will work are unclear. The shift is from a healthcare system primarily characterized as an open market approach to one in which healthcare is viewed more as a right than a commodity. Further, payments will increasingly follow cost-effective quality care outcomes rather than units of service rendered. These changes are huge. But we are building the plane as we fly it.

## The Changing Character of Religious Communities

Communities of faith or churches are undergoing significant changes. Several studies, including those by the PEW Forum on Religions and Public Life (as cited by Goodstein, 2012) and the American Religious Identification Survey (ARIS) (as cited by Grossman, 2009), reflect that membership in most mainline Christian churches is declining. Offsetting this is significant vitality among some Pentecostal groups, the Seventh-day Adventists, some Catholic groups, the Amish, and a wide variety of independent evangelical congregations. Further, most religious groups also report that their most significant growth is among churches and/or communities of color. These are significant changes for institutions that are affiliated with more mainline religious traditions.

Although the PEW study evidences that generally the frequency of attendance at weekly worship held steady over the years, younger age cohorts show an increasing disinclination to regularly attend worship. Meanwhile, the percentage of respondents that indicate that they are not affiliated with a specific religious tradition but are "religious" is increasing. This deepens the question about the institutional interests and loyalties of an increasing number of adherents—particularly younger adherents.

### Increasingly Diverse or Pluralistic Communities and Workforces

Finally, the marketplace served and workforce employed is far more diverse and pluralistic today than was the case a generation ago. This is evidenced in U.S. census data. The most rapidly growing sector of the U.S. population is Latino. Citizens of Hispanic origin make up the majority of the population in many cities. Simultaneously, workforces are far more diverse today than in the past (Katz & Rodin, 2010).

Seldom have so many dynamics been in play or the water so turbulent. Religiously affiliated health and human services organizations need to navigate this reality. It is at once a context of danger and a great opportunity. Finding the way requires executive leaders who can find a pathway that integrates attention to faithfulness to core mission and values with effective adaptation to the marketplace.

## Faith-Affiliated Organizations

Religiously-affiliated or faith-affiliated organizations are all situated in relationship to their founding community of faith. They may be closely aligned, distant, or somewhere in between. Sider and Unruh's (2004) article documents a broad-based study of faith-affiliated organizations, including social service organizations representative of a broad range of religious perspectives from within and beyond the Christian tradition. Their purpose was to develop a typology that represented a range of different ways for organizations to be positioned in relationship with their founding churches.

The resulting typology was represented by a continuum. At one end were organizations characterized as "faith-permeated." These are social service ministries that are essentially religious—highly aligned with a religious tradition and/or ideology. In many organizational aspects, from governance through policy and program design, such an organization expresses religiosity. One might say that these types of organizations "ooze" religiosity. The organizations at the opposite end of the continuum are essentially secular with only a legacy of faith relationship. For these organizations, faith or religious ideology is an artifact in the corporate museum. This ideology is no longer critical in shaping current policy and practice. Between these opposite ends of the continuum are other positions on the continuum, each representing a different degree of connectivity with and expression of the religious ideology of a given religious tradition.

## Executive Leadership

Many contemporary writers offer metaphors for effective leadership. Mintzberg (1973, 1989), who sought to catalogue the multiple roles of the executive, used many metaphors for these roles, not the least of which was communicator. DePree (1989) noted that leadership is as much art as it is science. Wheatley (1999, 2005) asserted that leadership in the turbulent 21st century is about perceiving deep patterns in the midst of chaos and helping others to find a place of belonging and to make a meaningful contribution. Whyte (2001) likened navigating or leading organizational change to "crossing an unknown sea." Bolman and Deal (2003) explored the symbolic work of leaders who are managing in rapidly changing contexts. Senge, Scharmer, Jaworski, and Flowers (2004) described some of the deeper reaches of leadership and organizational reality as a capacity to focus "presence." There are many metaphors used to describe the core energy of good leadership. Each carries some meaning. Each is a little illusive. None presume to say it all.

Weick (1995) offered yet another important metaphor related to effective leadership. He asserted that leaders in the context of constant change play an important role in "sense-making." Very recent literature on leadership which has focused on leadership adaptability supports this metaphor. Heifetz, Grashow, and Linsky (2009) called this "strategic adaptation." Kotter (2012) characterized this as "strategic agility." Such leaders "make sense" through being at once attentive to an organization's core convictions and ideology while also highly responsive to changing market conditions.

The CEOs of faith-based nonprofits serve as the 24/7 incarnation of the organization's mission and values. There is no one else that represents the whole all the time. Individual nonprofit board members have no authoritative voice outside the boardroom; they speak as one when they are meeting. But as soon as they disband, the CEO speaks as their agent (Carver, 2102). The CEO employs staff members who have roles to play, but these individuals are limited in their scope of responsibility and authority. The CEO is the only representative of the organization that has a fiduciary responsibility to incarnate the mission, identity, and core values at all times.

Consequently, the CEO of a faith-based organization bears or shoulders significant responsibility to sustain the mission, identity, and core convictions of the organization over a long period of time. How can or do CEOs of faith-based ministries understand their role and work toward this end? My dissertation research (Stiffney, 2010) explored this question.

## Research Design and Outcomes

My research focused on the self-understanding and perception of 10 chief executive officers concerning how their leadership contributed to developing and sustaining a clear sense of organizational mission, core values, and identity in contexts of uncertainty. One could ask if insights from research in 2010 are still relevant. Yes! The turbulence continues. There is an even greater demand for leaders who can navigate while sustaining clear organizational mission, identity, and values.

The research design was unique—collaborative, case-study and narrative-oriented. Mennonite Health Services Alliance (MHS Alliance) is a national network of Mennonite/Anabaptist-affiliated health and human service ministries. Ten CEOs of MHS Alliance ministries served as the case studies. These 10 CEOs represented a reasonable sampling of MHS Alliance member CEOs. Senior care, behavioral health, and disability services were represented. The sample organizations were geographically dispersed. The CEOs represented a balance of gender, diversity in length of tenure as CEOs, and differences in personal religious faith. Among the participants were those with United Methodist, Brethren in Christ, Mennonite, Christian Missionary Alliance, Catholic, and Baptist religious perspectives.

The methodology included extensive one-to-one interviews between researcher and CEO as well as small group focus groups. The 10 CEOs participated with me in reviewing draft summaries and recommendations through audio conference calls and exchanges of draft material through electronic communication. The following represents the four major categories of findings and illustrations of leadership practices within each.

### *The Executive as Person*

These CEOs shared a deep and personal Christian faith. Each acknowledged that this personal faith orientation was foundational to their understanding of their call. One likened himself to "shepherd" of the flock. For some of the participants, Mennonite/Anabaptist tenets of faith define their personal Christian faith. Most were aware of some of the unique contours of an Anabaptist/Mennonite perspective—a commitment to community, service, humility, and non-violence. Some others had less understanding of these distinctive claims.

While all affirmed that their personal faith shaped their work, all indicated a realization that their daily work—the words and the deeds—must have integrity. One observed that he realized that if he doesn't invest time and energy in shaping the faith-character of the organization, no

one else will. Another CEO was already into his final year of executive service before taking a new assignment. He was anxious about whether the board and search committee would give adequate attention to the "heart" of the successor CEO. It was his conviction that matters of the heart were more significant than specific leadership competencies.

The CEOs spoke at some length about the place of self-awareness, humility, and vulnerability in their leadership. With tears in her eyes, one told the story of the unexpected death of a client. In this situation, it was the CEO who urged that there be a service of remembering and healing for staff, other clients, and friends. She learned through this how important it was for the CEO to be present with staff and clients who were grieving. She observed that although her personal inclination is toward more private expressions of faith, it was important for her to gather the community of staff and friends to grieve. She felt blessed through the experience and believe it deepened corporate consciousness about the place of Christian faith in their total effort. Another CEO reported that until his current appointment as CEO, his faith had been more personal. Yet as CEO of a faith-affiliated organization, he was drawn to learning to be more articulate about his own faith in ways that were not off-putting.

Each of the CEOs reported on a personal life of faith, a personal faith that they cultivate in different ways. Many use disciplines such as daily prayer, study, quiet time, and participation in a church.

## The Executive and Context

These CEOs all expressed that they believe they are "called" to their current leadership work. In one sense the work is just that—work. But it is more. They view the essence of the leadership work as a central feature in their personal call to Christian discipleship. Their commitment in Christian life is for the whole of life, not just religious activities on the weekend. This convergence of a personal sense of call and the mission or vocation of the organization is a source of motivation, focus, and power for their daily work. Several observed that they view themselves as the embodiment of the organization's faith-based mission—they represent and live the mission 24/7.

All expressed in different ways that as CEOs they wrestle with the tension of being accountable for corporate effectiveness (viability) and at the same time institutional faithfulness (mission and identity). Several borrowed on the oft-used metaphor—"if no margin, there is no mission." However, they were quick to say that this is precisely the tension that is part of their daily work.

But each CEO knows that he or she serves in a context set largely by the governing board. Several observed that the boards of directors, to whom they report, are a significant determinant of how they address matters related to organizational culture and identity. Several mentioned that there is significant attention given to this by the board. Some noted that they did not think that their board understood the complexity of this challenge in the 21st century. Most yearned for more resources to stimulate meaningful conversation about this in the boardroom.

Another variable influencing how CEOs navigate is the nature of the community of faith where they serve. The organizations served by these CEOs all have some type of affiliation with the Mennonite/Anabaptist community of faith. In some cases, the relationship with the church is dictated by prescriptions of bylaws. In others, the relationship is more voluntary. Where there is dynamic local involvement between the church and the institution, there appears to be greater appreciation for the role of the church. In circumstances where there is little energy in the relationship, there is less appreciation for the contribution of the church. One CEO expressed great frustration in even getting an audience to speak with pastors of local "supporting" congregations.

Finally, all of the CEOs, regardless of their geographic setting, spoke at length of the challenges of diversity or pluralism. Diversity is experienced in terms of a dramatic change in the nature of those served that result in serving a more diverse clientele. It is experienced through the recruitment of an increasingly diverse workforce. This challenge of increasing diversity is a contributor to the tension of maintaining a clear sense of institutional purpose and grounding while serving in a very diverse context. One CEO, who serves an organization whose board is primarily Mennonite, described the way the organization responded to the trauma of 9/11. They worked hard, he reported, to honor multiple religious perspectives in the workforce and among the clients/residents served while still elevating Jesus' call to peace and reconciliation, not retribution.

## The Executive and Sense-Making

Mintzberg (1973, 1989) effectively outlined the multiple roles played by effective executives. Communication with multiple stakeholders was one of the core roles of the executive CEO. Weick (1995) suggested that at the heart of this communication challenge is the job of "making sense" or facilitating "sense-making." By this, Weick meant that executives provide internal and external stakeholders a frame of reference or a cognitive schema. Essentially this means executives help stakeholders "see" or

build the connection between what they are doing and a larger reality. They support stakeholders in making sense of the challenges, confusion, and opportunity they may be experiencing.

Interestingly and without provocation, several CEOs in this study referred to Mintzberg's work and Weick's metaphor of "sense-making." To a person, these CEOs reported that they wrestle with a high degree of tension between a commitment to a distinctive Mennonite/Anabaptist faith and the challenge of effectively serving pluralistic markets through diverse workforces.

The CEOs offered various approaches to resolving the tension. Those approaches fall into one of the following three pathways: (1) distinctiveness as legacy, (2) distinctiveness as contemporary accent, or (3) distinctiveness as focus for ongoing renewal.

These pathways deserve some elaboration. In the first, "distinctiveness as legacy," the organization's identity as a Christian and Mennonite organization is treated primarily as an interesting artifact of history. It shapes to some degree contemporary perceptions, but is not viewed as having long-term strategic consequence. "Distinctiveness as accent" represents the treatment of Christian faith or even Mennonite perspectives as tasty frosting on an otherwise vanilla or chocolate cake. Faith is an accent. "Distinctiveness as focus for renewal" is more like viewing faith as leaven: it fundamentally changes the character of the whole loaf or, in this application, the entire organization.

The promising practices that follow represent practices that seek to treat faith as a leaven for the whole, not simply as museum artifact or tasty frosting.

## The Executive and Promising Practices

Three of the CEOs have launched corporate-wide initiatives in mission and values integration that are rooted in the Christian faith and are further shaped by unique Mennonite/Anabaptist convictions. These efforts have included rearticulating core mission and values, recasting employee orientation, and emphasizing value formation in leadership development matters. One has developed an acrostic of their corporate values to remind all staff of their foundations as an Anabaptist Christian organization and the character that each employee will express.

Several CEOs described rituals that have become carriers of values and identity. One organization does a Christmas store each year. All staff and board can contribute new or slightly used items to the store. Employees with need can sign up and are given private and confidential shopping

hours to "shop" for Christmas. With great enthusiasm another CEO described the power of their annual ritual of a "cup of cold water" award. Employees nominate peers as potential recipients of this award for extraordinary service. Such rituals reinforce core values and identity.

Three of the CEOs are devoting more attention to recruitment and hiring at the senior levels that gives more consideration of faith understandings or commitments of candidates. One has developed a long-term leadership formation program that is faith-based and value-focused.

Three have embarked on corporate-wide efforts in branding and values integration that give fresh energy and higher visibility to the faith-based identity of the organization. These three are seeking to more explicitly link this initiative with their most-deeply held convictions. Several are also engaging their boards in new kinds of conversation about linkage with the roots of the organization and the surrounding community of faith.

## Recommendations for Further Resource Development

Although this research was concluded in 2010, the key insights and promising practices are still helpful. The suggestions for next steps in resource development are still relevant. One of the intents of this research was to "stir the pot" across the MHS Alliance network. It did just that. The national governing board authorized a network-wide study of how each of the 70 member organizations is affiliated with the Mennonite/Anabaptist community of faith. This national study underscored the key recommendations coming from the research process and the 10 CEOs.

If we are to have health and human service ministries that are faithful to mission and core convictions and at the same time can respond effectively to a changing marketplace, we will need to develop the following:

1. Resources for governing boards and CEOs that support discernment about the challenges and possibilities for developing a distinctive faith identity in the context of increasing pluralism.

2. Resources for governing boards that are dealing with transitions of their CEO. These resources would help to (a) clarify expectations concerning the relative priority of candidates' understanding and prizing of the religious frame of reference of the related community of faith and (b) communicate expectations concerning the CEO's work with organizational identity.

3. Resources to help CEOs to explain and interpret the unique perspectives of the related faith tradition.

4. Leadership formation activities for executives and other senior leaders that focus on practical issues of how a particular religious frame of reference (e.g., Mennonite/Anabaptist, Catholic, Quaker, United Methodist, etc.) can shape organizational policies and practices.

5. Resources to help CEOs to do more value-focused senior staff recruitment and screening. Included in this is a request for a thorough review of the legal parameters in which organizations can appropriately discriminate in hiring senior leaders.

6. Tools to assist CEOs and boards in reaching out to engage the local community of faith in greater degrees of ownership and exchanges that are mutually beneficial.

## Concluding Reflections

Over time and with little conscious attention, faith-based organizations react to the dynamics of the marketplace. They may in the process be effective but lose touch with important dimensions of their identity. There are tremendous pressures to chase the market and sell the soul! CEOs, in concert with their governing boards and other leaders, play a critical role in managing these tensions.

These 10 CEOs offer some perspectives on navigating this whitewater. Daily they have to make sense—bridging the theoretical and the practical. Their stories, told straightforwardly and with little editing, were gifts. The future will require CEOs who are faith-filled and effective if we are to have faith-based nonprofits that continue to serve the "least of these."

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