

**How Faith-Based Social Services Organizations Manage
Secular Pressures Associated with Government Funding**

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Heightened attention to the role of faith-based organizations (FBOs) in addressing social problems has led scholars and policy analysts to raise numerous theoretical and policy questions regarding increasing government – FBO partnerships (Chaves, 2002; Smith & Sosin, 2001). This paper reports selected findings from a qualitative case study of two government-funded, faith-based social service organizations (Vanderwoerd, 2003). The study sought to answer two questions: 1) How does government funding influence the religious characteristics of faith-based social service organizations? 2) How do government-funded faith-based social service organizations manage the tensions arising from both secular and religious contexts?

Literature Review

A review of theory and evidence suggests conceding the question of *whether* government funding influences nonprofit organizations (either secular or faith-based) and instead seeking greater understanding about *how* government funding influences organizations receiving this funding. Institutional theories in organizational analysis suggest that organizations and their leaders are relatively powerless to resist institutionalizing pressures in their organizational fields (Scott, 2001; Powell & Dimaggio, 1991). In particular, according to the institutional isomorphism hypothesis (Dimaggio & Powell, 1983), religious organizations within the organizational field of public social services will become subject to powerful forces within the institution of social welfare. In response to these forces, such as professionalization and bureaucratization, FBOs will inevitably come to resemble the dominant secular organizations in the field.

Four sets of empirical evidence are available which address aspects of these questions. One body of work has examined the institutional isomorphism hypothesis in a variety of

organizational contexts, both in the for-profit and nonprofit sectors. Another body of work has investigated secularization (and related influences) and/or isomorphism in religious organizations in a variety of contexts. Two related areas of research have investigated specifically the effects of government funding on both secular and faith-based nonprofit social service organizations, but largely in the absence of specified theoretical frameworks.

Overall, this evidence presents a mixed, complex, and ambivalent picture. Some studies find that nonprofits and religious organizations are relatively untainted by government funding, appear to be able to hold their own against secularizing forces, and are relatively successful at maintaining a strong religious identity (Coughlin, 1965; Garland, 1992; Hiemstra, 2002; Monsma, 1996; Perlmutter, 1968). Other studies suggest that nonprofit organizations (both secular and religious) are strongly influenced by funding environments, and are somewhat powerless to resist larger influences on their religiousness and/or uniqueness (Chambre, 2001; Jeavons, 1994; Netting, 1982; Smith & Lipsky, 1993; Smith & Sosin, 2001).

One clue to this seemingly contradictory conclusion is in the range of methodological and theoretical approaches that appear to reveal a rough pattern of findings. In general, studies which explicitly or implicitly utilized an institutional (or similar) theoretical framework tended to ask the kinds of research questions – and used correspondingly appropriate methodological approaches – which are more likely to uncover the underlying but powerful influences of institutional elements (Alexander, 1999; Netting, 1984; Ostrander, 1985; Ostrander, 1989; Smith, 1996; Smith & Lipsky, 1993). On the other hand, studies utilizing different theoretical frameworks (or none at all) tended to employ approaches that were unlikely to get at institutional influences (Hartogs & Weber, 1978; Kramer, 1979; 1981). In particular, many of the studies that used a standardized survey method found minimal evidence of substantial impacts on

organizational identity and/or religiousness (Hiemstra, 2002; Missions, 1995; Monsma, 1996; Olasky, 2001; Salamon, 1995).

Further, the evidence suggests that religious organizations maintain a complex and delicate balance between accountability to their religious heritage (often embodied via their relationship to an overarching religious body, such as a denominational organization) and the bureaucratic realities demanded of modern organizational structures. Chaves' (1993a, 1993b, 1994) research reveals that the competing demands of allegiance to two "authorities" are central features of religious organizations. In general, the more a religious organization adapts modern, hierarchical, bureaucratic forms, the more difficult it is to maintain and protect its religious identity and uniqueness (Demerath III, et al., 1998). One key to further understanding the impacts of government funding on religious organizations, therefore, is to explore how religious organizations manage the often contradictory claims arising from these multiple authorities.

Method

To investigate the nature of these multiple authorities, therefore, this study explored how two faith-based organizations firmly situated in both secular and religious contexts managed the tensions arising from this dual accountability. As shown in Table 1, the purposively selected organizations possessed the following characteristics: an explicit religious mission and identity; a strong, current affiliation with one or more Protestant denominations; a longstanding reputation for successful social service delivery; and a minimum of 50% of annual revenues from government sources. A multiple case study design was used in which data were gathered from organizational documents, interviews and focus groups with key informants, and observations (Yin, 1994). The framework for this study was adapted from Jeavons' (1998) proposal to examine seven organizational aspects as a means of exploring the religious characteristics of an

Table 1

Selection Criteria for Two Organizations

Selection Criteria	Organization 1	Organization 2
% government funding	-about 60%	-about 60%
Organizational structure, development, history, expertise	- 280 FTE; 500 total staff -since 1964 -accredited by both “secular” and “religious” bodies	-200 FTE, 350 total staff -founded in early 1900s -accredited by several “secular” bodies
Services	Adult rehabilitation Children’s services	Children and family Immigration/refugee
Religious affiliation	Calvinist, Reformed -independent but largely supported by 4 Reformed denominations	Lutheran -independent but formal connection with 2 Lutheran denominations

organization: 1) organizational self-identity, 2) personnel, 3) resources, 4) purpose and services, 5) decision-making, 6) power and authority, and 7) interorganizational relationships.

Findings

Examining religiousness in each of these seven areas in terms of how explicitly religious values are expressed or evident reveals three dimensions of religious expression ranging from explicit expression to more moderate expression to least explicitly expressed (see Table 2). Overall, this case study reveals both organizations as thoroughly shaped and driven by their religious beliefs and heritage. Leaders express consensus and commitment to these values and communicate these values widely. Although religious values and commitment are high, in both organizations these values also prompt them to a stance of openness and inclusiveness. This stance enables them to accommodate and seek diversity in a variety of areas: with others who do

not necessarily share their religious values, either within or outside their organization; with other organizations; with funders; and with other sources of knowledge and technology.

The findings from this study provide an answer to this study’s first question: How does government funding influence the religiousness of faith-based social services organizations? The answer is that government funding forces these organizations to confront an authority that they otherwise would not have to be accountable to. Within the schema of “dual structures”, it is primarily government funding which operates to place these organizations within the purview of a nonreligious authority structure. But, it would be misleading to suggest that government funding causes this. Rather, it is these organizations’ prior stances towards the “other” that prompts them to make choices to engage with these authorities in the first place. The tensions, therefore, do not arise because of government funding. Rather, government funding is one

Table 2

Organizational Characteristics by Explicitness of Religious Expression

Level of Explicitness	Organizational Characteristic
Most explicit: Religious values and identity are clearly in evidence in written documents and in respondents’ articulations	1. Organizational self-identity 2a. Board and top staff persons 4a. Mission, values, and vision
Moderately explicit: Religious values and identity are in evidence sporadically, or show up in some but not all aspects	2b. Staff 3. Resources 5. Information and decision-making 6. Power and authority
Least explicit: Religious values and identity are not obviously in evidence	4b. Services 7. Interorganizational relationships

Note. Numbers for each of the organizational characteristics refer to the seven aspects identified by Jeavons (1998).

among several mechanisms that highlight and exacerbate the differences between the already existing religious and secular authority structures. Government funding organizes, codifies, and focuses the secular authority structure, but does not cause or create it. These tensions would exist without government funding, and these organizations would experience these or similar tensions anyway, albeit perhaps to a lesser degree without government funding.

The second major question posed by this study is: How do religious social service organizations manage the tensions arising from secular and religious contexts? As already noted, these organizations choose to engage the secular other, and thus bring themselves into contexts in which they must confront and wrestle with conflicting religious and secular authority structures. But, how do they do this? How do they resolve these tensions in ways that allow them to continue to operate comfortably and belong to two different contexts? Three major strategies emerged from this investigation.

First, the most important strategy for managing dual accountabilities to religious and secular authorities in these two organizations was to subjugate every organizational element to the demands and expectations of their perceived religious identity. Further, respondents perceived their organizational identities as mandated by the divine, rather than chosen by themselves. This way of seeing themselves and their organizations is crucial to the way in which they understand themselves, their organization, their task, and their relationship to others. At one level this could be identified as a strategy because from this vantage point flow a whole set of assumptions which guide how these organizations relate to the secular authority structure. On the other hand, calling this a strategy suggests that it is intentional and emerges solely from individual and collective decisions. Of course, the point here is that this strategy is less chosen than given. Respondents often spoke about their experiences and challenges in ways that suggested little choice. Phrases such as “we’re driven to serve our neighbor”, “we’re here

because we are who we are”, and “we can’t just pack up and go home because we’re called to be here” evoke the strong sentiment that these organizational leaders do not, in fact, feel they have choices about who they are or what they are to do. The choice is in being obedient to a mandate or calling, but not in choosing what that mandate is.

Second, both organizations’ strong commitments to diversity and inclusiveness result in minimizing differences and emphasizing the common worth and dignity of each person, regardless of whether a person is serving or served, employee or client. In particular, this focus on inherent respect for persons serves to minimize the differences between “religious” and “secular”, at least as labels for persons. This has implications both for how staff and how clients are viewed. In terms of staff, it was clear that while organizational leaders actively communicated the religious beliefs throughout the organization, this did not translate into attempts to force staff persons to accept these beliefs. The most important focus in recruiting staff was whether candidates were committed to the organizations’ mission, not on categorizing persons as believers or unbelievers. In both organizations there was an explicit acknowledgement that persons could be committed to the organization’s mission without necessarily sharing the same religious beliefs. This was also true for clients. In both agencies there were explicit commitments to provide services to all persons and to avoid discrimination of any type, including on the basis of religion.

Finally, at the heart of these organizations’ strategies for balancing religious and secular pressures is the way in which they define and understand such pressures. What emerged clearly was that distinguishing between religious and secular sources of pressures is someone else’s distinction, and, therefore, someone else’s problem. One could say – glibly – that the reason these organizations do not experience religious / secular tensions is because they do not recognize them in the first place. They view their world as neither religious nor secular; they

view themselves and their organizations as thoroughly religious because that is who they are called to be; they view their task as serving others in need to the best of their ability, making use of whatever resources are available. Labeling by others of some of these resources as either religious or secular has little bearing on their organizational identities or their faith commitments.

Discussion

Arguments distinguishing religious and secular elements of organizations stem in part from observers' attempts to investigate the processes of secularization using tools from organizational theory (Demerath et al., 1998). Open systems theories of organizations hold that organizations can only be understood in the context of their environments, and that the key issue to understanding organizations is how they relate to other entities in their environments. Further, open systems theories acknowledge that organizational boundaries are permeable and that organizations are constantly evolving in response to their environments (Scott, 1998). From this vantage point there is no way to avoid being influenced by the environment unless deliberate attempts are made to seal off organizational boundaries and constrain interaction with the environment. When an organization does this it is said to be a closed system, and the assumption is that the only way to keep an organization from being influenced by its environment is to restrict or control its interaction with its environment. The most extreme approach to this is what is known as a "total institution" and some researchers have noted that religious organizations can become closed in such a way in order to limit their chances of being influenced by the outside world (Peshkin, 1986).

In the two organizations in this study, however, there was little or no motivation to close themselves off from the outside world even though there was a high degree of commitment to their religious identity and commitments. Some observers assert that religious organizations risk losing their religiousness when they interact in secular contexts or allow themselves to be

accountable to secular authorities (Browne, 1994; Glenn, 2000; Hall, 1998). Organizational theorists assert that when organizations operate as open systems they will become like others in their environments (Dimaggio & Powell, 1983; Scott, 2001). Neither of these two outcomes seemed in evidence in this study, at least, not from the perspective of key informants. In a way, these respondents wanted to have it both ways. They believe they can – indeed, intentionally choose to – interact with the world and still maintain the core of who they are. Their confidence in this seemed due to the fact that they do not see their identities as chosen, but given. What made this powerful was the idea that their identities were the result of a choice by their God, and thus, were outside their power to control. They could no more change their identity than the color of their skin. Further, they did not view their world as made up of religious and secular elements, but rather, viewed everything as answerable to and potentially serviceable to God and His purposes. With these convictions motivating them, these organizations' leaders felt confident to embrace any available means in order to further their organizational missions, subject to values and principles themselves derived from their religious beliefs.

The findings from this study provide useful insights for those who lead and manage faith-based organizations. First, it affirms that attention to organizational identity remains a central and critical task for leaders (Brinckerhoff, 1999; Queen, 2000). The major strategy these organizations took was to communicate their faith-based mission and vision; but this depended on having something to communicate, and it was clear that a common thread throughout both organizations was a strong sense that they did not choose who they are, but only how to respond. Perhaps one lesson for other organizational leaders is the importance of understanding, and if necessary, recovering the organizational history and traditions. Second, these organizations also reframed their contexts so that secular / religious distinctions became meaningless and irrelevant. They did not define those who do not share their faith as “out of bounds” or “untouchable”, and

thus were able to seek and utilize resources, persons, and partnerships based on the more pragmatic concern for implementing their mission. This strategy can only be useful to other organizations that are similarly open towards so-called outsiders, and are able and willing to minimize distinctions between “us” and “them”. Thus, another implication for leaders of religious organizations is the importance of understanding the characteristics of their organizations’ religiousness. In particular, it appears important to distinguish between the faith commitments made in the organization and the organization’s stance (and the underlying theological positions) towards those labeled as “outsiders”. Assessing one’s organization based on both faith commitments and their religion’s stance toward others could provide a useful tool for determining where to focus one’s leadership efforts. For example, in highly committed religious organizations who are more closed toward the other, it would be important for leaders to carefully negotiate with organizational stakeholders which external resources would be deemed appropriate or not. On the other hand, the task would be different for a leader whose organization demonstrated much openness to others, but appeared to have weak faith commitments.

Contrary to the expectations of some observers and to the institutional isomorphism hypothesis, this study demonstrates that secularization is not an inevitable consequence when faith-based organizations receive government funding. Rather, when an organization is able to cultivate high levels of commitment to religious values and principles, it appears able to withstand an enormous amount of secular influences, including government funding. Further, such secular influences are not avoided as threats, but are sought out precisely because of their capacity to enable the organization to fulfill its religiously motivated mission.

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