

What does the next generation of Christian not-for-profit leaders need?

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Abstract

This paper reports on a project funded by the Genesis Foundation to interview CEOs of Australian Christian not-for-profits about the leadership needs of organisations, as part of the development of a new not-for-profit leadership specialisation within the Master of Leadership at Alphacrucis College. This program fills a gap in leadership education by integrating the skills the next generation of Christian not-for-profit leaders need to run large and complex organisations with the capacity to maintain the Christian identity and mission of the organisation. Those interviewed emphasised the importance of character formation, the need for programs tailored to a particular context of the organisation, and the intense time and resource pressures on programs for their future leaders. It is hoped these and other findings reported will be useful for practitioners in the sector.

Introduction

This paper reports on a project funded by the Genesis Foundation to ascertain the leadership needs of Christian not-for-profit organisations in Australia, as part of the development of a new not-for-profit leadership specialisation within the Master of Leadership at Alphacrucis College. The sector is undergoing rapid change and its health is crucial for many disadvantaged Australians it serves (Gilchrist & Pilcher 2018). It is hoped that the findings will be useful for practitioners in the sector.

The new program at Alphacrucis fills a gap in leadership education in Australia. Many not-for-profit organisations, especially in social services, disability, and international development are connected with Christian churches. In social services, for instance, more than half of

services are delivered by organisations connected with Christian churches (the terminology varies – sometimes faith-based organisations or religious organisations – see Hynd 2017), often involving government contracts (Oslington 2015). In developing their leaders, the historically driven separation between theological education and universities in Australia (Oslington 2014) means that Christian not-for-profits in Australia looking to develop leaders who can guard their Christian identity and mission as well as have the skills to run complex, sometimes very large, organisations in a rapidly changing environment are faced with a difficult choice. Our theological colleges remain focused on preparing congregational ministers for the respective church denominations, and while they may do a good job of that, their programs provide little in the way of business and leadership skills. Moreover, the training they offer does not equip their graduates to connect theology with the business and leadership in a way that meets the challenges of organisational leadership in Christian not-for-profits. If the offerings of our theological colleges are not helpful for future leaders of our Christian not-for-profits then the alternatives are Master of Business Administration (MBA) programs offered by most of our universities and programs focused on not-for profits such as those offered by the Centre for Philanthropy and Nonprofit Studies at QUT, and the Centre for Social Impact at UNSW/UWA/Swinburne.

These alternatives at secular universities don't include theology and so leave their students without the intellectual background for the crucial leadership task of maintaining the Christian identity and mission of Christian not-for-profit organisations. This task is crucial not just for appropriate Christian witness, but for the long-term health of the organisations, and hence their capacity to serve disadvantaged Australians of all religious persuasions. The title chosen by the sub-editor for a recent article I was invited to write for the *Australian Financial Review* on NFP leadership (Oslington 2019) perhaps too starkly captures the choice faced by Christian NFPs: "Sharp-Suited MBA or Incompetent Minister?". Another way of putting this is the choice between mission drift (Greer & Horst 2014; Grimes et al. 2019) and leadership which lacks the necessary skills, potentially putting the survival of the organisation at risk (Menefee 2009; Anheier 2014).

The grant Alphacrucis received from the Genesis Foundation enabled myself as project leader, Master of Leadership Program Director Dr Mulyadi Robin and facilitator Naomi Nash from New River Leadership to interview CEOs and other senior leaders of Christian not-for-profit organisations. Co-design of the program with practitioners was our aim as we wanted to ensure

the new program met the actual needs of the sector rather than needs as imagined by a group of academics, albeit academics who had spent considerable time studying the sector.

Interviews were conducted with approximately thirty senior leaders of Christian not-for-profit organisations in Sydney, Melbourne, Perth, Brisbane and Hobart over a twelve-month period in 2018-19. Many of the not-for-profits were social service organisations, with some international development focus and other mission foci. Hospitals and schools were excluded. The organisations were mostly large. As part of the interviews we undertook not to identify individuals or organisations in any public reporting of the findings.

Our approach was to begin with questions about the operating environment and strategy, and then focus on the leadership development needs that flowed from these. We were particularly interested in the backgrounds of the current leaders of the organisations and the ways the organisations sought to develop future leaders. We took particular note of the resources available for leadership development.

Findings

The strongest message from our interviews was concern about where the next generation of Christian not-for-profit leaders would come from. Organisations currently struggle to find appropriately formed and skilled senior leaders and the expectation is that this will get worse rather than better in the years to come.

A problem raised by some CEOs was that those with training in health, counselling, social work or similar fields who rise through front-line operations, though excellent practitioners, are often ill-equipped for senior leadership roles. The problem described was not just lack of skills such as finance, which can be remedied through training, but a problem of professional cultures. Training in the helping professions often comes with an ideological ingrained suspicion of markets and authority, leaving those who do rise to managerial positions deeply conflicted about their new leadership and management responsibilities (the issue is also discussed by Hwang & Powell 2009 and Hoefer 2009). There are exceptions, and even the CEOs describing the problem could point to successful leaders who had risen through the ranks. If a social service organisation instead bypasses those within the organisation and hires from outside there are other problems, such as disconnection of the organisation from those who it

serves. Leaders hired from outside with a corporate or government background often struggle with the service ethos of the organisation, and with the Christian mission and identity of the organisation. We heard many stories of disastrous cultural mismatch for hires from the corporate or government worlds into Christian not-for-profit organisations.

The development needs of those promoted through the organisation tend to be finance, governance and leadership, whereas for external hires the issues are adjusting to the culture of the Christian not-for-profit and learning to tell the Christian story of the organisation.

Another theme of the interviews was the extreme time pressure on leaders of Christian not-for-profit organisations, and the lack of resources for leadership development. Government contracts usually only cover the direct costs of service delivery leaving the organisations to somehow finance leadership development and maintenance of the Christian identity and mission. This observation has previously been made by others including Hynd (2016), Gallet (2016).

Organisations varied greatly in their understanding of Christian identity and mission. Some understood their Christian mission as providing high-quality services to the disadvantaged with little or no explicit reference to the Christian faith. Leaders occasionally referred to restrictions placed on Christian witness by accepting government contracts, but on the whole, it seemed that the minimalist understanding of Christian mission was culturally entrenched in the organisation and that government restrictions were the excuse rather than the driver of this understanding. At the other end of the spectrum some organisations saw communication of the Christian basis of their work as essential, and the reason for the continued existence of the organisation.

In conjunction with interviews we spent some time studying the governance arrangements of the different organisations and there seems to be a strong association between the Board representation and other influences of the church the organisation is associated with and the understanding of Christian mission and identity. This is a topic which warrants further systematic investigation.

In terms of the skills and character that organisations were looking for in their leaders, and thus in any educational program for them, the need for personal character formation came across very strongly. We heard very often that skills can be acquired more easily than character, and

that failures of the latter tend to be much more damaging for the organisation. There is of course debate about the extent to which character can be formed in a degree program, but we will be paying great attention to character and spiritual development in the educational design. Our proposed program includes the existing core Master of Leadership units

- Christian Worldview,
- Introduction to Leadership,
- Governance Law and Ethics,
- Finance,
- Organisational Leadership,
- Intercultural Communication.

These core units were affirmed as important. The new units we were proposing in the not-for-profit leadership specialisation are:

- The Social Policy Environment for NFP Leadership
- Maintaining Christian Identity and Mission
- Evidence Based Evaluation.

The importance of the evidence-based evaluation unit was affirmed in an environment where Christian not-for-profits are called to justify their existence. There was particular interest in the component of this unit where we discussed techniques for measuring and valuing the Christian dimension of the organisations' services. The Christian identity and mission unit is something that sets the program apart from those offered by our Australian secular universities and was strongly affirmed by most of the CEOs we interviewed. They were particularly interested in practical guidance informed by the history of organisations that have succeeded or failed in maintaining their Christian identity and mission.

Two existing electives in the Master of Leadership program attracted strong interest

- Spiritual Life of the Leader
- Church and Not-For-Profit Law

The interest in the first reflects the importance the CEOs placed on character for their future leaders and this unit, together with the compulsory capstone unit in the Master of Leadership focus on cultivating the personal and communal spiritual disciplines to sustain fruitful long-

term leadership. The capstone unit is also particularly concerned with integrating a Christian worldview with the more skills-based business and leadership units in the program.

The interest in our church and NFP law unit reflects the complex and changing environment that our Christian not-for-profits operate in. The concern of this unit is not just compliance with legal and ACNC governance requirements, but capacity of leaders to contribute to the political debates over religious freedom, taxation and other privileges enjoyed by religious organisations (Judd, Robinson & Errington 2012). And of course the issues flowing from the Royal Commissions into child sex abuse, disability, and aged care.

There was a concern among many of the leaders regarding the absence of women at the senior levels of these organisations. This, in many cases, flows from the lack of encouragement of women in leadership in the denominations with which the organisations are associated, and there is a need for subjects which attend to the particular needs of women leaders. As well as offering particular units for women leaders we were conscious that mentoring and other initiatives outside the classroom were important in raising women leaders. Addressing gender and diversity issues also involves men, and this needs to be reflected elsewhere in the new program.

The CEOs we talked with wanted programs that were flexible, practical, and oriented to the particular needs of their organisation. This means programs that are offered on-site to cohorts of future leaders selected by the organisation, at times which fit the organisational work patterns. It also means having practitioners from the organisation teaching alongside academics in the program. Pricing also has to fit the budget constraints of the organisations.

One conundrum was the conflict between the desire for flexibility and the emphasis that the CEOs placed on formation of their future leaders. Prioritising flexibility would prioritise online delivery whereas prioritising formation would emphasise face-to-face intensives, probably residential. Balancing flexibility and formation has been an ongoing struggle in other programs and the emerging answer seems to be not to try to replicate the face-to-face experience over the internet while building face-to-face learning communities where the students are geographically located. For a not-for-profit leadership program this means making an offer to cohorts of students within an organisation or a group of organisations and devoting resources to building learning communities there—this remedy also allows for increased flexibility with respect to timing and location of face-to-face delivery.

We are conscious that our interview sample was heavily weighted towards larger social service organisations, and those with a stronger commitment to maintaining their Christian identity and mission.

Comparison with other Australian studies

At the most recent Australian and New Zealand Third Sector Review conference Craig Furneaux (2018) presented preliminary results of a similar project surveying the leadership needs of Australian not-for-profits as part of a review of the QUT Master of Business (Philanthropy and Nonprofit Studies) curriculum. Furneaux's study focuses on the needs of not-for-profits generally rather than the particular needs of religious NFPs. However, like this project, there is a concern to design programs that meet the needs of the sector rather than needs as perceived by academics or agendas within the administration of the institution offering the program.

Furneaux also made the important point (drawing on Di Maggio 1988) that there is huge diversity of not-for-profits by sub-sector of activity, size, and other features that mean the leadership needs vary greatly. For instance, leaders in small organisations have to be generalists and much more hands-on. In some sectors where government contracts and funding predominate leaders need to be able to develop tenders, manage compliance, as well as make strategic judgments about the organisation's relationship with government. I would add, based on the findings of the current project, that religious identity and mission is another dimension of leadership that varies greatly across Australian not-for-profits and requires special attention. This dimension of diversity has received less attention than it warrants in the research literature, especially in Australia where not-for-profits sectors such as social services, overseas aid & development, and education are dominated by religious organisations.

In terms of leadership skills required, the literature review stage of Furneaux's project, mostly drawing on US literature, suggested the core skills were strategy, HRM, conflict resolution, finance, fundraising, marketing, communication, and cross-cultural analysis. Various context specific skills were also identified.

The most significant recent published work on leadership needs of Australian not-for-profits is Wenzel and De Klerk (2016) and Wenzel (2017), developed as part of the Learning for Purpose

project based at the Centre for Social Impact at University of Western Australia. His organising concept was human capital in the sector while the project dealt with all ranks of employees not just senior leadership.

Findings emphasised strategy, fundraising and people management, including managing volunteers, among a longer list of competencies needed in the social sector: “strategy; governance; leadership and management of employees and volunteers; program and service design; impact measurement and evaluation; risk management and legal issues; enlisting funding; financial management and accounting; integrated reporting; attracting, developing, retaining talent; information and technology management; community outreach and marketing; advocacy and public policy; ethics; diversity” (Wenzel 2017: 122). This list accords with Furneaux’s literature review findings.

As well as considering the content of a leadership training program, Wenzel argues that attention is needed to emphasise motivation and transferability if learning is to be effective. For organisations and educators this means care about the timing and location of programs in the annual and weekly rhythms of leaders. Some of the CEOs we interviewed as part of the current project felt that weeklong intensives, preferably offsite, were the best way of getting participant focus on the course, though we have found at Alphacrucis that weeklong intensives mean that participants feel swamped with material and would like more time for reflection. There are always withdrawals before weeklong intensives as senior staff find themselves unable to be away for a whole week. We’ve found that breaking courses up into two-day blocks, incentivising pre-reading through early assessment based on the course readings, and enhancing opportunities for on-line interaction between the blocks helps. Part of the plan for the new NFP leadership program is teaching courses on the NFP site if they have enough participants, or teaching hubs for participants from NFPs in an area. This model as well reducing travel time makes the program fit better into the rhythms of the working week for leaders. Having cohorts of leaders from an organisation or organisations in an area studying will also likely increase motivation and application of learning.

An important point Wenzel makes is that funding models need to change to address the leadership gaps, and workforce training more generally. Government contracts for delivery of social services cover only the direct costs of programs, and not the indirect costs. Where there is competition for contracts between providers, the price is often driven down to the direct

program costs as providers market position and scale. The result is that leadership development misses out, to the long-term detriment of service delivery. Dealing with this in an environment of tight government budgets is not easy. It requires co-ordinated action from providers and the making of the political case for funding of indirect costs in order to secure the future of the program, and the continued efficient delivery of quality services to Australians who need them. One of those indirect costs highlighted by the current project interviewees and germane to this article is investment in the maintenance of mission and identity of the organisations.

Issues for practitioners and educators

Issues for not-for-profit leaders with responsibility for developing the next generation of leaders are discussed throughout the paper. However, here I would like to highlight several issues, especially those that also involve educators, governments, and philanthropy.

The particular history of Australia's higher education system has contributed to the gap in leadership training identified in this project. In Australia, in contrast to Britain and the US, there is a separation between theological training in church colleges and leadership, and management training in our universities. Religious not-for-profits play a much larger role in delivering social services, schooling and so on in Australia than in Britain or the US, with our historically non-ideological and utilitarian relationship between government and religious organisations providing services (Oslington 2015). Whether it is programs like the new Alphacrucis NFP leadership Masters in Leadership specialisation or leadership and MBA programs in secular universities that pay greater attention to the religious dimensions of not-for-profits, we need this gap filled if the mission and identity of these organisation is to be developed.

Besides identifying this gap, which is important for the future of Christian not-for-profits and those they serve, we have presented the findings of our interviews with CEOs of these organisations about what they value in an educational program for their future leaders. These findings provide a point of comparison for Christian not-for-profits assessing what needs to be done to develop future leaders in their organisation, as well as the sorts of internal programs and external courses that meet these needs. Any discussion of development needs for leaders in Christian not-for-profits rests on understandings of their Christian identity and mission and I hope this article will stimulate debate about that issue also.

The bottom line though for leadership development to happen is funding, and we need either new models of government contracting or philanthropy to focus more on capacity building than program delivery.

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