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A New Organizational Paradigm

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Abstract

Church performance and growth in the United States is in crisis. Numerous authors and theologians have examined this issue from seemingly every possible angle. However, organizational design theory may identify a foundational aspect contributing to church crisis which has heretofore been overlooked. Organizational design research indicates that alignment of structure with the environment is a key determinant of organizational performance, second only to leadership. This article examines the underlying organizational theory associated with the evolution of a typical church to determine how environmental and structural alignment may be contributing to the church crisis. This research asserts that churches start out as natural organizations and tend to evolve to rational organizations over time. A natural organization exists only for the people in the organization, while in a rational organization people are needed to support the goals of the organization. This paper concludes that a church must have an administrative side which is rational and a ministry side which is natural. If the church is all natural, chaos reigns and ministries become inefficient. If it is all rational, the church becomes ineffective, plateaus and eventually declines.

Introduction

“This is a church, it is not a business!” is one of those annoying sayings you frequently hear as you try to modernize, organize and increase the performance of a church. This phrase is annoying not only for its inexactness, but also because it appears to be anti-change, anti-progress and anti-efficient. It is the perfect barrier to change or discourse since it is true, churches are not businesses. But is this fact pertinent to a discussion on growing churches? Can churches learn

anything from business, or is the church so different that the business way of doing things is irrelevant? As one who has worked with systems to improve efficiency it is a little hard to admit but this discussion may hold a key to the solution of some of the church's most onerous problems: growth and relevance.

There is little doubt that the American church is in crisis. In his book, "The Church in Crisis" David Olson goes into detail documenting the decline of churches with a significant and steady decrease in the percentage of the population touched by Christian churches. Numerous other books have examined the decline of influence of the American church including "The Unstoppable Force" by Erwin McManus and "Radical Reformation" by Mark Driscoll to name two. As you read through these books you will see many issues in common including the need to become more missional, the need to understand people born in the post modern period and our drift away from the Biblical model of the church. In addition to these common issues identified by some of the top Christian researchers and theologians, there appears to be a foundational detail hidden from these great writers which is, however, well recognized as a key determinant of performance by organizational theorists and design experts.

Organizational research supports a link between the structure of an organization and performance (Scott & Davis, 2007; Jones, 2004; Katz & Kahn, 1976). Researchers Randolph and Dess (1984) go one step further and indicate that there is a strong link between the environment in which an organization operates, the technology or systems and processes they use to accomplish their mission, the organizational structure and the performance of that organization. Bolman and Deal (2001) look at this issue from a slightly different but consistent perspective and assert that performance is directly related to alignment between people and the organization. These ideas are critical, I believe, when integrating Western business culture and

business people into our churches. To illustrate this concept we will examine the case study of a typical American church we will call Typical American Church.

Background: Theoretical Underpinnings of Typical American Church (TAC)

Typical American Church is an organization which has plateaued. It is located in an affluent suburb where it has been for nearly 30 years. In the first 15 years it experienced steady growth in budget, staff, building and people in the congregation. However, over the past 15 years the budget, staff and building have remained the same while the congregation has seen a steady decline from a peak of 800 to a plateau of 350. This church was started by a group of families with the idea of building a church. The norms and values of this group included belief in God's existence, that Jesus Christ is the Son of God who died for our sins and the Bible is the word of God. Organizational design theorists would call this early structure of TAC a natural system. Scott and Davis (2007) detail a wide range of thought on the natural organizational paradigm which helps explain the organization created for TAC including: Mayo's human relations theories, Barnard's social consensus and Parson's AGIL system. Next we will examine how these theories help explain the natural model for a church.

Typical American Church (TAC) followed Mayo's human relations school of natural organization in that it acted as if feeling, sentiment and social commitments to colleagues were more important motivators than self interest (Scott & Davis, 2007, p.65). TAC had leadership with high concern for the members of the church along with the ability to organize building projects and service projects to the poor in the local community. Concern for workers and organizational ability are two essential elements of leadership in the human relations school of thought according to Scott and Davis.

The social consensus model put forth by Barnard and cited in Scott and Davis (2007) also lines up with the early theoretical underpinnings of TAC. The families decided together and worked together to accomplish their goals. Further, there was a system of identifying direction and goals which entailed passing work down from the top of the organization. Then the work was accepted through consensus by the congregation. This system of top down tasking and consensus is a defining characteristic of the consensus model (Scott & Davis, p.70).

The early Typical American Church also followed Parson's AGIL system as cited in Scott and Davis (2007, p.76) which asserts that an organization may have Adaptation, Goal attainment, Integration and Latency to aid in survival. TAC followed this system closely by adapting to the environment. They adapted by acquiring resources from contributions of money, time and skills to build a church building. After building the first building they added on and eventually moved to a bigger facility as they grew. TAC integrated their efforts through developing a flexible structure from which to keep the families connected and coordinated. This flexible structure consisted of Sunday school classes, small community groups, ministry teams and ad hoc groups to serve special needs. Unfortunately, they were not able to maintain the final aspect of this model, latency, which would ensure survival of the organization and its culture. Without latency, the organization changed significantly and lost sight of its goals and overall direction before slipping into decline.

In addition to the three models discussed, TAC is also consistent with the natural concept put forth by Bolman and Deal (2003) where the organization is a family (p.16) and exists only to serve people. Thus, people were the most important asset of the organization and a major goal was positive change in people (p.46). This positive change for TAC took the form of growth in faith, training and mentoring. TAC aligned members with the organization through their stated

mission of “More people, more like Christ.” This mission was designed to improve the lives of people in the church, make positive change in their communities through ministry actions and most importantly provide an opportunity to put their faith in God and His salvation. This mission statement also illustrates the open nature of the organization by the connection with the community as a source of resources as well as the object of dynamic goals.

As a system within a complex system, TAC meets many of the attributes for an open system as described in Scott and Davis (2007, p.99) in that it has multiple missions with multiple heads, multiple decision makers, dynamic coalitions and an environment which provides the resources necessary for the organization to survive and thrive. TAC has eight different local ministries to the poor and disadvantaged as well as worldwide compassion and faith ministries. Each of these ministries has a decision maker as well as multiple coalitions. The unique relation between the various sub-organizations was difficult to fully comprehend and could not be deconstructed and understood by examining individual parts. This ability to understand the system only as a whole is consistent with the definition in Scott and Davis (2007, p.101) of an open system.

The contingency theory of open systems also provides an apt description of the subunits of TAC. The contingency theory, according to Scott and Davis (2007, p.103), states that the design of substructures within a larger organization relies on the environment in which they operate. As an example, a ministry to feed the hungry in downtown Seattle was organized to prepare, transport and serve food to the homeless, help them find a place to sleep and provide for the social needs of the men and women it served. This organization required to serve the homeless was much different from that required to minister to high school students who needed a place to socialize and a group with which to relate. Thus, from the organization of TAC,

multiple subunits adapted to the environment in which they served while using completely different organizational structures and all the while creating a synergy of mutual benefits with the efforts of other subunits.

The power structure of TAC during these early years appears to be network centric as the organizational emphasis and control was placed within the ministries where the work was accomplished. In addition, TAC was a hybrid organization consistent with Powell's (1987) description which includes autonomous subunit connections to the central figure, the senior pastor, who provided general direction and inspiration.

So TAC began as a natural, open network centric organization with some hybrid characteristics. By all measures and intents the performance of TAC was successful. The church was growing and people outside of the church were seeing Christ through the service of the church members. However, what is successful can always be improved upon and a worthy mission is a good thing, but accomplishing that worthy mission more efficiently is even better.

Evolution to a Rational System

The successful open natural system at TAC gradually changed to a rational system as many new people entered leadership positions within the church. These new leaders were successful executives in rational fortune 500 organizations and governmental agencies from the immediate neighborhood. Starting with the premise that the purpose of an organization is to achieve specific goals (Scott & Davis, 2007, p.35), these new leaders structured the organization to accomplish the mission in the most efficient manner possible. The leaders attempted to create a formalized structure to make relationships and processes explicit and thus accomplish well

defined goals. A formalized structure and specific goals are the two salient features of a rational system according to Scott and Davis (2007, p.38). Further, the goals are not generated from the structure, but the structure is a means to accomplish the goals.

The new rational organization incorporated components from Fayol's administrative theory with a hierarchical coordination and specialization of activities (Scott & Davis 2007, p.44). A pyramid structure was implemented to link activities and common structural elements were defined for the purpose of standardization. The goal of the reorganization to a rational system was consistent with Max Weber's bureaucracy theory and Simon's administrative man theory as discussed in Scott and Davis (2007, p.50-53). Thus, specialization and hierarchy provided for goal accomplishment at one level, such as the church secretary completing a mass mailing, to supply the means for the next higher level, such as a pastor communicating with the community.

As the new leaders took control they worked on implementing rational systems such as clear job descriptions for the staff, rules for the members and leaders, policies in a structured policy manual, a systems approach to doing church and a rational and standardized organizational structure for the subunits. The new leaders also instituted management by establishing objectives with clear goals and evaluation systems. These efforts also brought about centralization of the power to be focused on the ruling body designated as the Elder Board. These efforts coincide with the definition of a rational system according to Bolman and Deal (2003, p.16) which states that the structural attribute of the rational system includes "rules, roles, goals, policies, technology and environment."

Randolph and Dess (1984) argue that the selection of an organization's market or product determines the environment in which they exist, the environment determines the technology, or methodology of accomplishing their mission and the technology leads to the structure. If the structure is not aligned with the environment and technology, Randolph and Dess argue, then organizational performance will suffer. The transition from a natural open network-centric organizational system to a rational centralized organizational system appears to have caused a misalignment between structure and environment for TAC leading to a decrease in performance.

Redesigned Paradigm

Although the original organizational natural design is superior to the present design, there may be advantages to applying a comprehensive design model to ensure all aspects of organizational design are addressed and understood. A model presented by Bolman and Deal (2001, table 1.1) appears to be the most complete design model and provides high level guidance for redesigning the organizational paradigm for TAC. Bolman and Deal's model presents four frames from which to design a new paradigm: structural (rational), human resources (Natural), political and symbolic. A look at this model sheds light on another probable shortcoming of the original natural, open structure used by TAC. The original system did not recognize the need for a structural component at an appropriate level of implementation. In other words, ignoring the need for a structure in a limited area of the organization led members to overcompensate with too much structure and eventually led to changing the natural system. With a fresh look at a new paradigm the components can be appropriately balanced to obviate future significant organizational design changes.

Structural Aspects of the New Paradigm Design

Some parts of TAC require structural design such as specialization, uniformity, standardization, centralization, efficiency and pay for performance (Katz & Kahn, 1976, p.152). Specifically administrative and management functions require this high level of structure including; planning, programming, budgeting, systems operations and maintenance, employee benefits and facilities management. At TAC these functions should be performed by a professional, behind the scenes leader. The leadership challenge is to “attune structure to task and technology” (Bolman & Deal, 2001). Structure around planning for the future, programming scarce resources and creating and executing budgets are all key concepts which demand order and clarity. A structured and clear planning, programming and budgeting process will provide a service to ministers on the front lines by not demanding inordinate attention to fight for scarce resources or try to decipher unclear plans. Moreover, proper execution and protection of the budget is a key component necessary to maintain trust, integrity and alignment with legal requirements. Systems operations and maintenance also needs a robust structure. Systems at TAC include information network, databases, communications systems and printing. These are systems which produce information, product or other convenience for the frontline ministers in the church but they do not require significant regime or ongoing attention from ministers to maintain. Employee benefits such as pay, insurance and retirement are issues which also need structure without inordinate attention from the ministers. Once these systems are properly set up they should provide the maximum amount of service for the least amount of effort. Finally, facilities must be maintained and the use managed to ensure rooms and equipment are clean,

available and in working order when needed. Facilities are a means to an end and should not involve high levels of intervention from the ministers.

People working in the administrative support section should be provided with merit pay as well as recognized for their efforts. However, the administrators should not be allowed to extend their structure and impose it upon the ministers.

A much different level of structure must be placed around the ministries. A basic system is needed which matches the diversity of the ministries as well as the variety of environments. Aspects of structure which are essential for ministers mostly entail communications. Ministers must be connected to the greater organization with a clear knowledge of the direction of the overall church and how they fit into the direction. Second, the ministries must communicate with each other for support, to ensure no duplication of efforts and to gain a better insight of the broader effort which will help understanding of resource allocation. Finally they need to communicate with administration to let them know their needs, provide feedback on performance and provide information to build the systems already in place. Other structures needed for this group of ministers include a process for selecting the correct person for the job, some level of training for people participating in the ministry and a set of limitations to ensure they are not acting against the collective will of the people or against government regulation.

Human Resources Aspect of the New Paradigm Design

Organizations are like families in the human relations paradigm according to Bolman and Deal (2001, p.16) and Katz and Kahn (1976, p.162). Principal aspects of the human relations model include the concept that people need organizations and organizations need people.

Moreover, the extent to which the organization and the people are aligned determines the degree to which the organization performs (Bolman & Deal, p.115). Similar to the structural model, the human resource or natural model will be applied differently to the two functional sections of the organization. The administrative section should be recognized primarily as a social group which is motivated by feeling, sentiment and social commitments to colleagues more than self interest as proposed by Mayo and cited by Scott and Davis (2007, p.65). Further, the administrative section should emphasize Parson's AGIL system by acquiring sufficient resources, setting goals, integrating and coordinating efforts and ensuring latency of the systems and performance.

The ministering portion of the church, which includes the entire congregation and leadership except for the administrators, should have a greater focus on human resources or the natural aspect of the organization. To ensure peak performance the organization and people must be aligned (Bolman & Deal, 2001). Finding the right people for any ministry should be the first and most important task of church leadership. Second, following Mayo's theory on natural systems the church should emphasize concern for people and the organization of tasks (Scott & Davis, 2007). These two attributes should be a timeless foundation in all ministries as well as minimum requirements for qualification as a ministry leader. Without this attribute, the ministry will lose an essential element of Parson's AGIL system, latency or the ability to carry on the ministry beyond the tenure of a small group of leaders. Ministries must also be designed to follow Barnard's concept of consensus and the ostensive contradictory concept that tasks are passed down from the top, but they are only accepted through consensus of participants (Scott & Davis, 2007, p.70). Finally, the ministry teams should strive to follow Selznick's theory of institutionalization as found in Scott and Davis. People should be encouraged to serve in a

ministry area as a whole person not just as someone filling a role. The character, strengths and social culture of each individual ministry should be preserved to allow the ministry to attain a “life of its own” (Scott & Davis, p.73).

The Political Aspect of the New Paradigm Design

According to Katz and Kahn (1976, p.100) organizational politics has three functions: allocating resources and managing conflict; executing decisions; and mobilizing people for interaction with external organizations. Bolman and Deal (2001, p.16) claim that the central concepts of organizational politics includes “power, conflict and competition.” On the administrative side of the church one of the primary functions of the leader is to keep the politics separate from the ministry side. Administrators should not allocate resources between ministries, nor should they be given power over ministries. Controlling the services to the ministries is enough power in the hands of the administrators and this power should be balanced with submission of the administrators to a third and independent party such as a Board of Trustees.

Politics in the ministry side of an organization should be well understood and open. According to Bolman and Deal (2001, p.200) goals, policies and direction emerge from an ongoing discourse and bargaining process, and power is often held by other than those in positions of authority. Thus where power resides in an organization it is important to understand so the actual power structure can be made visible. Further, the actual power structure should be intentionally used to make decisions instead of restricting decision making to only people in traditional positions of power. Managing conflict in the ministerial area should be based on deferring to the shared value of the Bible as opposed to using political routes for resolution. The

third aspect of politics, mobilizing people, can be accomplished naturally through the consensus process mentioned in the human resource section.

The Symbolic Aspect of the New Paradigm Design

The central concepts of the symbolic organizational frame include “culture, meaning, metaphor, ritual, ceremony, stories and heroes” (Bolman & Deal, 2001, p.16). Culture is defined as both a product and a process (p.244). As a product culture is the accumulated wisdom of those who have gone before while as a process, culture is constantly being renewed, upgraded and improved. The stories, metaphors, symbols, rituals and ceremonies are methods of representing and explaining the organizational culture.

The symbolic frame is the one frame which should unite the administrative side with the ministry side. Administration should share in the culture, meaning, ritual, ceremony, stories and heroes of the church. The ministry side should intentionally share their success and give credit to the support and services provided by administration. According to Bolman and Deal (2001) the leadership challenge in organizational symbolism is to create beauty and meaning and strengthen faith. In the new paradigm the church will continue to unite and inspire through ceremony and symbols.

Future Performance with the New Paradigm

The new paradigm described above will provide a balanced framework from which to meet future challenges. This paradigm will allow the separate ministries to act as networks described in Child and McGrath (2001) which are independent and can act with increased speed

in a fast changing environment while placing power in knowledge in each of the network nodes. It decentralizes control yet creates a hybrid organization as proposed in Powell (1987). This hybrid organization has some centralized functions such as direction and goals which come from the top, while most of the functions in the network nodes are determined by the environment and are not centralized. Additionally, future uncertainty reduces the accuracy of planning which creates a need for increased communications as indicated by Galbraith (1974). This new paradigm provides a decentralized structure which decreases the need for information. Moreover, a rational administrative section will increase the capacity to communicate. Decreasing the need for information and increasing communication capacity are the two solutions to uncertainty offered by Galbraith.

The two major uncertainties relating to churches are the resources available and the ministry needs external to the church. The new paradigm will accommodate these uncertainties handily. The administrative section can track resources available and help align ministry expectations with resources. Since the various ministries are decentralized, and somewhat disembodied (Child & McGrath, 2001), changes will affect only a small portion of the church at any one time. Restricted resources can prompt a reallocation of resources to the ministries which can then independently adjust their level of operations. Changes in the external environment can be accommodated by the ministry which intersects the changing part of the environment. Again, only a portion of the church will be affected by the change. Future changes will have isolated impact on the church as a whole and should have little to no impact on processes. Processes are set up to accommodate change.

Conclusion

Amburgey and Rao (1996) determined that organizations evolve in reaction to environmental change. They also found that organizations experience a lower death rate with low saturation of the market. TAC has low saturation with high demand for their services which indicates a good chance of organizational survival. However, survival depends on the church maintaining an open environment with a structure that is agile enough to change and remain relevant to the community. The new paradigm splits the organization along functional lines and provides different levels of organizational theory for structure, human relations and politics to best accommodate the mission and the future environment. The original organization worked for TAC, but it seemed chaotic and in need of rationalization. Rationalization has caused a misalignment of structure with environment and methods resulting in a decline in performance. Applying the new paradigm takes the best from the past and considers the tendency to rationalize. This tendency to rationalize the entire church is countered by rationalizing the parts that need structure, rules and process and allowing the frontline ministries to appropriately remain as natural organizations.

By dividing the church into two functional areas the new paradigm will apply a balanced approach tailored to each functional area. The balanced approach includes a four framed model composed of structural, human resources, political and symbolic organizational aspects. This balanced approach addresses both alignment issues mentioned above, provides the ability to recognize environmental changes and the flexibility to respond to those changes with appropriate structural and resource adjustments.

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