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

James R. Vanderwoerd

This article reports selected findings from a qualitative case study of two faith-based social service organizations to address 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? The findings suggest that the adaptation of secular institutional practices is not as inevitable as some have feared. Rather, the two organizations studied showed convincingly that their faith traditions and values were alive and widely evident throughout their organizations. Three key strategies emerged as means for maintaining religiousness in the face of secular pressures: (1) Religious identities were perceived as given rather than chosen, and therefore were not negotiable; (2) religious values provided strong justification for seeking relationships with others who do not share their faith; (3) the religious worldview blurred religious and secular distinctions so that secular technologies and practices could comfortably be utilized.

Heightened attention to the role played by 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; Gibelman and Gelman, 2002; Smith and Sosin, 2001;)

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“Charitable choice” legislation included in the 1996 welfare reform, the establishment in January 2001 of the White House Office for Faith-Based and Community Initiatives, and a series of White House executive orders have sought to increase religious groups’ access to public funds while decreasing the constraints on these organizations’ religiousness (Carlson-Thies, 1999; Cnaan and Boddie, 2002; Davis and Hankins, 1999; Sherwood, 2000). While there has been debate about and opposition to these developments, it appears that partnerships between government and religious groups to address social problems will continue to play a role in the social welfare state of the twenty-first century (Bane, Coffin, and Thiemann, 2000; Cnaan, 1999). The current move to increase these partnerships draws attention to their potential impact on religious organizations. One important issue is the unintended consequences of increased funding relationships between government and religious organizations. However, government funding of religious organizations providing social services is not new, and many religiously affiliated organizations have been receiving substantial government funding for decades (Cnaan, 1999; Degeneffe, 2003; Marty, 1980; Netting, Thibault, and Ellor, 1990). At the same time, the White House-led initiatives and Charitable Choice legislation focus in part on increasing religious groups’ access to government funding without their having to sacrifice important characteristics of their religiousness. The premise of these initiatives is that religious organizations are unable to accept or seek public funding unless these restrictions are eased. Yet, as noted earlier, Catholic, Lutheran, Jewish, and other religious organizations have for many years used public funding to provide social welfare services. It is worth investigating how these organizations have managed the demands of accountability to both government funders and religious constituencies. This article reports selected findings from a qualitative case study of two faith-based social service organizations, both of which have a long record of substantial government funding. 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?

**Review of the Literature**

A review of theory and evidence suggests that we concede the question of whether government funding influences nonprofit organizations (either secular or faith-based) and instead seek greater understanding about how government funding influences organizations that receive this funding. Institutional theories in organizational analysis suggest that organizations and their leaders are relatively powerless to resist institutionalizing pressures in their fields.
In particular, according to the institutional isomorphism hypothesis (DiMaggio and 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 that address aspects of these questions. One body of work has examined the institutional isomorphism hypothesis in a variety of organizational contexts, in both 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 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 and Lipsky, 1993; Smith and 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 that explicitly or implicitly utilized an institutional (or similar) theoretical framework tended to ask the kinds of research questions—and used correspondingly appropriate methodological approaches—that are more likely to uncover the underlying but powerful influences of institutional elements (Alexander, 1999; Netting, 1984; Ostrander, 1985, 1989; Smith, 1996; Smith and 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 and 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).

Taken together, institutional theory and corroborating evidence suggest that government-funded religious social service organizations will indeed face, and perhaps succumb to, secularizing pressures. Nevertheless, it is not clear how these organizations manage the tensions that arise from conflicting secular and religious normative and
cultural influences, nor how or why some organizations appear to resolve these tensions more in the direction of secularization while others lean more toward retaining religious uniqueness. 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’s (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 and others, 1998). One key to further understanding the impacts of government funding on religious organizations, therefore, is to explore how religious organizations manage often-contradictory claims arising from these multiple authorities.

**Research 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. Using a theoretical sampling method (Glaser and Straus, 1967; Patton, 2002), the two purposively selected organizations from the Midwest possessed the following characteristics: an explicit religious mission and identity; a strong, current affiliation with one or more Protestant denominations; a long-standing reputation for successful social service delivery; and a minimum of 50 percent of their annual revenues from government sources (see Table 1). These selection criteria were used to maximize

<table>
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<th>Table 1. Selection Criteria for Two Organizations</th>
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<tr>
<td><strong>Selection Criteria</strong></td>
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<tr>
<td>Percentage of Government Funding</td>
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<tr>
<td>Organizational Structure, Development, History, Expertise</td>
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<td>Services</td>
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<td>Religious Affiliation</td>
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the extent to which the two organizations would have experience managing dual accountability to both religious and government sources. Both organizations had several decades of experience (since the 1970s) with multiple sources of government funding. At the same time, both organizations identified themselves as religious, clearly articulated a religious mission statement, and had an organizational structure that tied them closely to specific religious denominations.

This study used a comparative case study design (Yin, 1994) to explore how the selected organizations managed conflicting secular and religious tensions. This approach is warranted because of its ability to analyze the complex contexts within which the studied processes occur; the inclusion of perceptions of multiple organizational stakeholders; and the lack of clear conceptualization of important concepts relevant to this study, such as “organizational religiousness” and “secularization” (Gilgun, 1994).

Data collection occurred during several months in the spring of 2002. Multiple sources of data were collected, including documents and archives, interviews and focus groups with multiple stakeholders, and field observations. Individual interviews were conducted with twelve to fifteen leaders and other key informants in each organization. The leaders included top staff persons (the director or chief executive officer, directors or vice presidents of finance, human resources, development, and programs) as well as with board members. In addition, focus groups were held with groups of mid-level and direct service staff persons. An interview guide based on the framework (see following) was used; interviews generally lasted an hour to an hour and a half, and were audio recorded and transcribed for later analysis. Annual reports, board and staff meeting minutes, budget documents, strategic plans, and other related documents covering primarily the previous five years were reviewed, as well as other documents dating further back. Several events were included for field observations, including staff development and training workshops, informal lunches, and staff meetings.

The framework for data collection and analysis was adapted from Jeavons’s (1998) proposal to examine seven aspects of an organization as a means of exploring the organizations’ religious characteristics:

1. **Self-identity**: The extent to which an organization identifies itself explicitly as religious, and the advantages and disadvantages that this brings
2. **Participants**: The extent to which board members, staff, volunteers, clients, constituents, and others adhere to and share religious convictions
3. **Resources**: The sources of the organization's resources and the extent to which religion explicitly assists or hinders resource acquisition
4. **Goals, products, and services:** The extent to which religion shapes the organization’s purposes and how these purposes are implemented

5. **Decision-making procedures:** The extent to which religion determines the processes of decision making

6. **Power and authority:** The extent to which religious values determine who has power and authority and how they are exercised

7. **Organizational fields:** The extent to which religion determines with whom the organization interacts in its environment

In addition to Jeavons’s work, this study used Chaves’s (1993a, 1994) conceptualization of secularization. Chaves critiques earlier definitions of secularization that focused on the decline of religion as being too vague for empirical investigation. He identified two organizational structures within religious organizations, each of which claims competing sources of authority: a religious authority structure and an agency authority. A religious authority structure attempts to enforce its claims by appealing to the supernatural, whereas an agency authority structure’s authority comes from bureaucracy and rationality. At the organizational level, therefore, he defined secularization as “the declining scope of religious authority’s control over the organizational resources within the agency structure” (Chaves, 1993a, p. 165). Within each of the seven organizational aspects Jeavons identified, this study focused on how organizational leaders balanced secular and religious authority claims.

**Findings**

This section summarizes the results of this study by presenting brief descriptions of each of the two organizations, followed by descriptions of the similarities and differences between the organizations on each of the seven characteristics from Jeavons’s (1998) framework.

**Case Summary: Port of Promise**

Port of Promise is an independent nonprofit organization with 501(c)3 status. (Organizational names have been changed to protect confidentiality.) Although it is an independent organization, it has a historic connection and affiliation with Protestant churches in the Reformed tradition in the Midwest. Currently its board membership must be constituted of persons who are members in good standing of four Reformed denominations. The board has recently gone through a reorganization in which it was reduced from twenty-one to fifteen members. Port of Promise employs approximately 280 full-time equivalent staff and has an annual budget of nearly $15 million.

Port of Promise began in 1964 with an educational program for eleven children with hearing impairments. The initial focus was on providing education for children with disabilities who were not being served by the public school system. In particular, the focus was on
providing education within a distinctive Christian context. As the organization gained a reputation for being respectful and competent in providing services to children with disabilities and their families, increasing requests were made to provide services to adults with disabilities as well. In response to these demands, Port of Promise began adding independent living skills programs for adults, work training opportunities, and residential services. At the same time, public funding for the children’s education program came under scrutiny because of the explicit religious content and context provided by Port of Promise (and other religious schools). By the mid-1970s, it became clear that government funding for religiously based educational services to children with disabilities would soon end. Faced with the prospect of stripping away the religious content in order to continue receiving funding, the organization closed down the school for children amid tremendous controversy and shifted to services primarily for adults.

Despite staunch opposition from some community members to the closing of the school, Port of Promise continued to expand to meet the demand for services for adults. In addition to expanding residential and employment services for adults with disabilities, in the 1980s programs were established for persons with chronic mental illness and a residential home was opened for adolescents. The 1990s saw expansion into adjacent states and the establishment and rapid growth of international services to persons needing wheelchairs. Recently the agency has increased services to children and their families, and is currently in the midst of a campaign to build an endowment.

Case Summary: Lutheran Family Services

Lutheran Family Services has demonstrated for more than one hundred years that it is an organization devoted to the well-being of families. The origins of the agency are in two orphanages established by church pastors in the late nineteenth century. Each of the orphanages grew out of two Lutheran denominations, the Lutheran Church Missouri Synod (LCMS) and the Lutheran Church in America (LCA), which became the Evangelical Lutheran Church in America (ELCA). Through the first half of the twentieth century, the orphanages operated independently, adding and expanding services to address a variety of problems that were facing families.

The 1960s and 1970s brought dramatic changes. In 1966 the two agencies began to share office space, and in 1971 they merged to form one united Lutheran social ministry organization. This was significant, because it enabled the agency to communicate a common and shared commitment to those unfamiliar with Lutheranism and its denominational differences. In particular, this merger positioned the agency to make the most of another important development: the substantial increase in government funding made available to nonprofit organizations during the Kennedy, Johnson, and Nixon administrations. LFS,
along with many other religious and nonreligious social service organizations, saw rapid growth during this time in its revenue and consequently was able to expand its services and programs. This expansion brought new challenges, particularly as the agency increasingly partnered with government as a service provider and the proportion of its revenue from supporting churches declined. In 1986 the agency changed its name to Lutheran Family Services of the Midwest, reflecting a vision of what the organization has become today: a distinctly Lutheran agency with approximately 200 full-time equivalent staff (more than 280 total staff persons) and an annual budget of more than $9 million, providing a range of services for families from multiple locations across a specific region of the Midwest. (Note again that the organizational names used here are pseudonyms that are roughly equivalent in meaning to both organizations’ actual names.)

While the Lutheran label has always existed as an important part of this agency’s identity, there has been increased emphasis since the mid-1990s among Lutheran social ministry organizations on recapturing distinctive Lutheran beliefs and history. This was precipitated in part in 1997, when Lutheran leaders across the country established Lutheran Services in America as a national umbrella organization for Lutheran social ministry organizations (Uehling, 1999). One priority of Lutheran Services in America was to lead and equip social ministry organizations to “reassert the character and vitality of our Lutheran heritage” (Childs, 2000, p. 2).

A tangible way in which LFS does this is through its unique relationship with the two foremost Lutheran denominations, the LCMS and the ELCA. As part of its mandate to strengthen the connections to the Lutheran heritage, LSA has provided guidelines and principles for formal partnerships between Lutheran social ministry organizations and both the LCMS and the ELCA. According to these guidelines, the relationship between the church and social ministry organizations is one of interdependence. Formally and legally, therefore, LFS is an independent 501(c)3 organization. However, its constitution and bylaws stipulate that it has two corporate members—the regional bodies of both the ELCA and the LCMS—and that specified activities or decisions that are fundamental to the organization and its purposes may only be undertaken with the approval of both corporate members. At the same time, the bylaws also make clear that while LFS is dependent on the corporate members for financial support, the two churches are not financially liable for LFS.

The LSA guidelines for partnership specify that the two denominations must constitute at least 51 percent of the board of Lutheran social ministry organizations. LFS more than exceeds this minimum, in that all eighteen of its board members must be members of either LCMS or ELCA congregations (the proportion is determined by the numbers of congregational members within the geographic region served by LFS). Further, two of the eighteen board member slots are
automatically filled by the senior clergyperson (or delegate) representing each of the two denominations in that region. LFS's structure as an independent nonprofit organization with formal connections to the ELCA and LCMS clearly links the organization to its Lutheran history and identity.

**Religiousness in Seven Organizational Areas**

Jeavons (1998) proposes an examination of seven organizational characteristics as a method for assessing the religious characteristics of an organization. This framework has been used to organize this study's exploration of the religiousness of faith-based social service organizations that receive more than half of their annual resources from various government sources. As shown in Table 2, the overall pattern across all seven organizational characteristics suggests more similarities than differences between the two organizations.

**Identity.** Both organizations strongly identify themselves as religious, despite the fact that Port of Promise's name is not explicitly religious. When asked about this, there was wide consensus that this was not a problem, and did not represent any motivation to disguise or downplay the agency's religiousness: “I'm not saying that we hide [our identity] either. . . . I don't see it as deceptive or anything. People know who we are. We are not real shy about it either. We are pretty proud that we are a Christian organization.” Jeavons argues that the organization is more religious if the organizational identity is perceived by leaders as an asset, and further, that the specific religious identification is useful in accomplishing the organization's purposes. This was certainly the case in both organizations. In Port of Promise, leaders spoke about the strong religious reputation of the agency as an asset, while at Lutheran Family Services respondents noted that the Lutheran name was crucial to their mission. As one leader said, “When we chose our name—we actually shortened our name in 1985, and each word was very strategically deliberated and selected. Obviously, we are Lutheran Family Services. That has to do with our theological roots and our connections to the Lutheran church and its value base. And all of it comes from that.” Further, respondents in both organizations noted that their names had become associated with characteristics—honesty, integrity, quality, caring—that were seen to emerge from their religious traditions and beliefs, and thus differentiated them from other similar nonreligious organizations.

**Board and Staff.** The patterns of membership of board and staff are similar as well: the closer to the top of the organization, the more explicit and extensive are the requirements for adherence to religious values. Port of Promise has been more intentional and thus more successful about its procedures for recruiting staff persons who share the religious mission while staying within Equal Employment Opportunity parameters. For example, the agency has recently developed a set
<table>
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<tr>
<th>Organizational Characteristic</th>
<th>Port of Promise</th>
<th>Lutheran Family Services</th>
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<tr>
<td><strong>1. Identity</strong></td>
<td>Name not explicitly religious</td>
<td>Name explicitly identifies organization with a specific religious tradition</td>
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<td></td>
<td>Religious identity conveyed through reputation</td>
<td>Religious identity mostly perceived as advantage</td>
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<td></td>
<td>Religious identity is mostly perceived as advantage</td>
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<tr>
<td><strong>2. Board and Staff</strong></td>
<td>All board members must be from specified denominations</td>
<td>All board members must be from specified denominations</td>
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<td></td>
<td>Top staff expected to be from specified denominations</td>
<td>CEO required and other top staff expected to be from specified denominations</td>
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<td></td>
<td>Coherent and agencywide efforts to recruit and hire staff that conform to religious values</td>
<td>Mixed and ambivalent efforts to recruit and hire staff that conform to religious values</td>
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<td></td>
<td>General openness to diversity but strong expectation for staff persons to share organizational religious values</td>
<td>Explicit commitment to diversity in recruiting and hiring staff</td>
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<td></td>
<td>Homogenous labor pool</td>
<td>Diverse labor pool</td>
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<tr>
<td><strong>3. Resources</strong></td>
<td>Diverse sources of resources</td>
<td>Diverse sources of resources</td>
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<tr>
<td></td>
<td>Government funding largest single funding source</td>
<td>Government funding largest single funding source</td>
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<td></td>
<td>Religious values and reputation widely seen as advantage in acquiring resources</td>
<td>Religious values and reputation widely seen as advantage in acquiring resources</td>
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<td></td>
<td>Resource suppliers not generally perceived to threaten organizational religious identity</td>
<td>Resource suppliers not generally perceived to threaten organizational religious identity</td>
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<tr>
<td><strong>4. Purpose and Services</strong></td>
<td>Explicitly religious mission, vision, and values</td>
<td>Explicitly religious mission, vision, and values</td>
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<td></td>
<td>Denominational theology clearly reflected in purposes</td>
<td>Denominational theology clearly reflected in purposes</td>
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<td></td>
<td>Do not distinguish between religious and secular services</td>
<td>Do not distinguish between religious and secular services</td>
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<tr>
<td></td>
<td>Willingly utilize “secular” service technologies</td>
<td>Willingly utilize “secular” service technologies</td>
</tr>
<tr>
<td><strong>5. Information and Decision Making</strong></td>
<td>Consistency with mission and values most important criteria for decision making</td>
<td>Consistency with mission and values most important criteria for decision-making</td>
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<td></td>
<td>Explicit commitment to religious sources for decision making (that is, “We seek the guidance of the Holy Spirit”)</td>
<td>Articulated commitment to religious traditions as sources of information</td>
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<td></td>
<td>Prayer widely used, but not required, as a tool for decision making</td>
<td>Prayer widely used, but not required, as a tool for decision making</td>
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<tr>
<td><strong>6. Power and Authority</strong></td>
<td>Blend of “top-down” and participatory approach</td>
<td>Blend of “top-down” and participatory approach</td>
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<td></td>
<td>Authority seen in explicitly religious terms: as given by God; as utilized for service to others</td>
<td>Authority seen as reflecting religious values, but not explicitly given by God</td>
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<td><strong>7. Interorganizational Relationships</strong></td>
<td>Widespread partnerships with both religious and secular organizations</td>
<td>Widespread partnerships with both religious and secular organizations</td>
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<td></td>
<td>Fit with mission and values most important criteria for partnerships</td>
<td>Fit with mission and values most important criteria for partnerships</td>
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<tr>
<td></td>
<td>Willing and able to end partnerships on the basis of value or mission differences</td>
<td>Willing and able to end partnerships on the basis of value or mission differences</td>
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of core questions that are used in hiring across the agency. These include the following:

1. Have you read a copy of the Port of Promise vision, mission, and values?
2. What would you do daily to show people they are valued?
3. Describe how you see yourself in assisting people to reach their potential.

Lutheran Family Services shows evidence of increasing attention to this area as well, and includes the phrase “Personal convictions that are compatible with the philosophy and goals of the Agency” in its list of qualifications for most positions.

Both organizations, while seeking to hire staff persons who share their vision, also show high levels of tolerance for diversity. This commitment to diversity is consistent with the Lutheran understanding of the church’s role in social ministry and its relationship with those who are not Lutherans or Christians. For example, McCurley (2000) points out that the Lutheran values of seeking to respect the dignity of all people and to serve all may “imply that social ministry organizations intentionally employ at various levels of the staff, people who reflect the diverse religious and cultural traditions of those who are served” (p. 78). As much as their religious values prompt them to seek staff who share the religious vision, their values also provide strong motivation for being inclusive.

Resources. Both organizations reflect resource patterns that mirror those of other large, complex, successful nonprofit organizations (Edwards, Yankey, and Altpeter, 1998; Kettner, 2002). But while the pattern is similar to other organizations, it was clear that strategies for acquiring resources were informed both by religious values and principles and by pragmatic assessments of needs and opportunities. In other words, utilizing accepted “secular” methods for resource acquisition was more intentional than inadvertent. Interestingly, informants in both organizations noted that, although the contributions from supporting churches and denominations were among the smallest in terms of proportion of overall revenue, these sources were highly influential and critical to the organizations’ mission and vision. In the words of one respondent, “The most important dollars we have in our budget are Lutheran dollars—the smallest dollars, but the most important dollars because they define who we are and why we do what we do. . . . They’re Lutheran. We are Lutheran. They define who we are. Those dollars may be small but in a sense control the board. They’re very important.” Thus, it is the source rather than the amount of funding that operates to influence these organizations’ religiousness. Put another way, organizational leaders exercised a choice about which funding sources would drive their mission and which would be means to accomplish that mission. While respondents in both organizations expressed levels of
frustration and dissatisfaction with regulations and requirements attached to government funding sources, these were generally seen as manageable challenges rather than substantial threats to their religiousness. Even more, the widespread consensus in both organizations was that their religious identities, and the values and reputation associated with those identities, were sufficiently advantageous to more than offset the tedious requirements attached to funding.

Purpose and Services. The heart of these organizations’ religiousness is in their explicitly religious statements of organizational mission, vision, and values. Both organizations showed evidence that board and senior staff were well acquainted with these statements, that the statements were current, and that they were widely communicated and articulated throughout the organization. Further, respondents in both organizations articulated their commitment to and understanding of these purpose statements in ways that demonstrated familiarity and knowledge of the denominational and theological traditions undergirding each organization.

For each of these two organizations, the theological foundations of their motivation for providing social services made it difficult for respondents to classify their services as either “religious” or “secular.” In general, both organizations utilized service technologies that are widely used and accepted by “secular” providers within their respective fields of service. This was not inadvertent, however; evidence from respondents and from documents shows that these organizations are quite deliberate in making use of the best available techniques for providing services, regardless of whether they were “secular” or “religious.” The key criterion for selecting service approaches was the fit with mission and values rather than whether a particular approach had a religious or secular source or label. This approach reflected underlying theological understandings: the Lutherans said, “God rains on us all,” while the Calvinists at Port of Promise said, “God created it all, so we embrace it all.”

Information and Decision Making. As with resource acquisition, both organizations utilized pragmatic problem-solving approaches to decision making, typically reflecting participatory and teamwork approaches. The religious “add-on” to these common practices was the use of prayer, explicitly included in Port of Promise’s value statements, and articulated by respondents in both organizations as widely practiced throughout their organizations. In neither case, however, was prayer ever described as being mandatory or forced. Rather, respondents in both organizations described various contexts in which staff members were invited to participate in prayer and devotions. These activities were described as occurring in a variety of contexts: as regularly scheduled events, at the beginning or ending of meetings, and as spontaneous invitations. It was evident in both organizations that prayer is an important mechanism for organizational decision making, and that it was practiced in a way that
attempted to be sensitive to those for whom prayer might be unfamiliar or uncomfortable.

**Power and Authority.** Power and authority were viewed in both organizations as means for accomplishing their organizational purposes, and thus as subject to their religious principles. In particular, this resulted in a cautious stance toward power: Power was necessary, but could be used wrongly. Respondents at Port of Promise articulated more clearly than did those in Lutheran Family Services that authority came from God. However, in both organizations, power and authority were viewed as tools for serving others. Neither organization translated this understanding of authority into a requirement or practice in which religious qualifications were more necessary for acquiring power or authority. Indeed, there was no evidence in either organization that clergy, or otherwise religiously trained or qualified persons, possessed more authority than others, or that religious qualifications were more important than other qualifications for senior staff positions. At the board level, the practice was somewhat different between the organizations: Lutheran Family Services explicitly requires religious qualifications via its standing positions for the regional representatives of the two supporting denominations, whereas Port of Promise does not specifically require religious (or, more specifically, clerical) qualifications for board membership.

**Interorganizational Relationships.** Finally, in the area of interorganizational relationships, the practices in both organizations were also similar. Each organization had partnerships with many organizations, both religious and secular. Neither organization demonstrated a propensity to explicitly prioritize religious criteria over others in selecting suitable partners. Rather, the primary guide was the extent to which a proposed partnership could advance the organizational mission, regardless of whether that partner was identified as religious.

**Patterns and Themes**

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 3). 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 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 our 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 to which they otherwise would not have to be accountable. Within the schema of “dual structures,” it is primarily government funding that 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 toward the “other” that prompts them to make choices to engage with these authorities. The tensions, therefore, do not arise because of government funding. Rather, government funding is one 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

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Table 3. Organizational Characteristics by Explicitness of Religious Expression

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<th>Level of Explicitness</th>
<th>Organizational Characteristica</th>
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<tr>
<td>Most Explicit: Religious</td>
<td>1. Organizational self-identity</td>
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<td>values and identity are</td>
<td>2. Board and top staff persons</td>
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<tr>
<td>clearly in evidence in</td>
<td>4. Purpose</td>
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<td>written documents and in</td>
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<td>respondents’ articulations.</td>
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<tr>
<td>Moderately Explicit: Religious values and identity are in evidence sporadically, or show up in some but not all aspects.</td>
<td>2. Staff</td>
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<tr>
<td>Least Explicit: Religious values and identity are not obviously in evidence.</td>
<td>4. Services</td>
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a Numbers of organizational characteristics refer to the seven aspects identified by Jeavons (1998).

Although religious values and commitment are high, in both organizations these values prompt them to a stance of openness and inclusiveness.
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 that 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—particularly leaders—often spoke about their experiences and challenges in ways that suggested little choice. For example:

I think that regardless of whether you are a confessing Christian or not it's still the mandated direction that we've been given as an agency by our Lord.

We can't cease to be who we are because that's false. Christians are—that's an identity.

We are called to do human services. Our motivation is not just human compassion but it's theological... We do it because we are called to do it. We are a Church that believes in justice, dignity, and care of neighbor. We are driven to serve our neighbor who is in need.

These statements, and other similar phrases such as “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. Their choice is in being obedient to a mandate or calling, but not in choosing what that mandate is.

Not only did both organizations demonstrate a strong sense of identity rooted in their religious beliefs and history, but both organizations developed specific and concrete ways of cultivating commitment among staff to their organizational identity. For example, Port of Promise had recently embarked on an agencywide series of half-day workshops that were mandatory for all staff persons. The first of these focused on the organization’s vision, mission, and values, and how these are rooted in and emerge from the organization's religious beliefs. Lutheran Family Services had developed a similar approach, in which the Joined at the Heart (Childs, 2000) material and resources produced by the umbrella organization Lutheran Services in America were used in staff orientation, team building, staff workshops, and so on.
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. Port of Promise’s mission says, “The special creation of God that is the human being,” while Lutheran Family Services says, “We believe all people are created by God in God’s image.” 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, the following comments suggest clearly 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 or to track or record the particular religious practices of individual staff members.

If you’re going to choose to work for Port of Promise you’re choosing to support the vision and mission as well. So, I wouldn’t have a guess about what percentage of folks are not confessing Christians.

I think most people can align with [our mission] even if they aren’t Christians. It is the sense that we value people, that we respect one another, that there is dignity.

I’ve had in my history, some people who’ve been good managers who’ve not been Christians, but they understand the Christian faith well and respect that and can relate.

The most important focus in recruiting staff was whether candidates were committed to the organization’s mission, not on categorizing persons as believers or unbelievers. In both organizations there was an explicit acknowledgment that persons could be committed to the organization’s mission without necessarily sharing the same religious beliefs.

This attitude of openness was to a certain extent true also for clients. In both agencies there were explicit commitments to provide services to all persons, regardless of whether persons accepted the organization’s religious tenets. Despite this commitment, however, there were limits to this openness. In particular, the clearest distinctions between “us” and “them” arose around issues regarding morality, and especially sexuality. In these instances, both agencies struggled with how to maintain their open stance but still preserve religiously understood norms for behavior or lifestyles. For example, both organizations, especially Port of Promise, distinguished between sexual behavior and practices that were congruent with or opposed to their religious faith. At Port of Promise, this meant that if clients insisted on engaging in behaviors deemed to be in conflict with the
organization’s beliefs, services could be limited or even ended. In general the blurring of “us” and “them” boundaries allowed these organizations to reach beyond their religious beliefs to provide services to all, motivated by an ethic of service to all those created by God. At the same time, even this open stance had limits that arose particularly around morality and sexuality issues.

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. When organizational leaders were asked to distinguish which parts of their services and programs are secular and which parts are religious, most of them had a difficult time. Rather, as the comments following demonstrate, they tended to see secular and religious distinctions as blurred, and in some senses, irrelevant. What was more important was whether the services were consistent with the organization's mission and values:

In some ways there is no real marked differences because if I worked in a secular agency as a Christian, I would be doing almost the same things I am doing now.

A lot of the wisdom and stuff that is going on out there, may be under the secular terminology, but it still guides God’s world and God’s gift to humanity and it is out there and it fits in our stand and mission.

We are not saying that this is bad and this is good. No we embrace this, but if it opposes where we stand and it doesn’t follow through with what we are serving or what we are about, then yeah I am sure we would eliminate that part of it. It doesn’t work for us. That is one thing that Port of Promise is really good at, they embrace professionalism and use the best technology that is out there.

I do not always talk about God and Christ in my work, but the basic concepts of it are the same whether it’s secular or whether it comes from a religious point of view.

What emerged clearly was that distinguishing between religious and secular sources of pressures is someone else’s distinction, and, therefore, someone else’s problem. As the following comments attest, it appears that the reason these organizations do not experience religious/secular tensions is that they do not recognize them in the first place.

Obviously there are things that you can pick out that are obviously tuned to helping a person develop their faith or develop their spirituality and those things look like helping people to attend church or a Friendship Bible Series or
connecting them with a pastor if they want to join a church, but my expectation is that my staff come from our vision all the time, so whether that’s helping someone balance their check book or helping someone decide what church they want to join, I don’t think that one is secular and one is religious.

I don’t think there’s a difference between what we do in an organization and maybe similar in purpose but not be Christian in its stated mission—the difference in what we do is in who we do it for and why we do it, and not necessarily in what we do. For me it really comes back to why we do it and who we do it for.

Respondents 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 and others, 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. The most extreme approach to this is what is known as a “total institution”; some researchers have noted that religious organizations can become closed 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 and 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 as 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 identities 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 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, they affirm 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 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 be useful only to other organizations that are similarly open toward 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) toward those labeled as “outsiders.” Assessing one’s organization based on both faith commitments and its 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 that are more closed toward the other, leaders would need
to carefully negotiate with organizational stakeholders which external resources would be deemed appropriate. On the other hand, the task would be different for a leader whose organization demonstrated openness to others but appeared to have weak faith commitments.

This study raises several questions for further research. Additional investigations that attempt to address some of this study's limitations could include selection of organizations based on other theoretical criteria. For example, in addition to selecting government-funded organizations on the basis of similar faith commitments, it would be useful to include organizations with similarly high faith commitments that have intentionally chosen not to seek or accept government funding. This would enable a comparison of how these organizations interpret and implement their faith commitments similarly and differently. This approach would allow greater understanding of whether highly faith-committed organizations with and without government funding take similar approaches in the way they encounter the secular “other.” It would seem likely that high faith-committed organizations that do not take government funding may do so because of their stance toward others; however, such a conclusion is only speculative and requires further study.

Additionally, this study provides a retrospective view of current and recent experiences of how organizations that have had long-term funding relationships with multiple levels of government have managed to retain their faith commitments and identity while operating in secular contexts. A longitudinal case study design would help us understand how organizational leaders make decisions and resolve dilemmas that arise when they interact with secular organizations, persons, or potential resource suppliers. In particular, an organization that has historically chosen not to seek or accept government funding but recently began to do so, perhaps through Charitable Choice or other similar incentives, would be a good case for such an investigation.

Further research could also be directed toward comparisons between faith-based organizations and non-religious nonprofits, and between Christian and other religious organizations that provide similar services, to investigate whether there are similarities and differences in the ways in which they understand and communicate their organizational identities, missions, visions, and values (Chaves, 2002). For example, are there non-religious nonprofit equivalents to the phenomena uncovered in this study of faith-based organizations experiencing their identity as given rather than chosen? Does faith commitment make organizational identities stronger, more coherent, and more resilient compared to non-religious nonprofits?

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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**References**


