

**ETHICAL ISSUES FOR THE MANAGEMENT AND ACCOUNTABILITY
OF CHRISTIAN CHARITIES
IN FACING CHANGE**

BY

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DECLARATION

I hereby declare that this thesis has never previously been submitted for any degree, is the result of my own independent research and is of my own composition.

To the best of my knowledge, this work does not contain any material published or written by another person except where due reference is made in the thesis.

David Molyneaux

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Finally, I should like to thank my own parents. They encouraged me to study Classics, then Church history as well as introducing me to the Christian faith. I acknowledge this with two Quotations which summarise themes in the research. The first, cited in the Introductory chapter, is from the Gospel according to St John,

"I give you a new commandment: 'love one another: as I have loved you', so you are to love one another"

The second is from Plato and cited in the Conclusions chapter,

"For the intents of their hearts were true and in all ways noble, and they showed meekness joined with discernment in dealing with the changes and chances of life and in their dealings with one another".

The personal purpose of this research remains - exploring in theory the nature of Love, Meekness and Discernment, thence better to attempt to achieve these in practice.

ABSTRACT

ETHICAL ISSUES FOR THE MANAGEMENT AND ACCOUNTABILITY OF CHRISTIAN CHARITIES IN FACING CHANGE

This thesis explores issues, ethical demands and appropriate responses relevant to those managing and accountable for change in charities founded with Christian inspiration. While Business Ethics and motivational factors within profit-orientated corporate entities have received increasing attention, ethics relating to the operations of the 'not-for-loss' voluntary sector and of ecclesiastical bodies remain relatively less investigated.

The purpose of the research is to discern, then formulate, pragmatic guidance which is both theologically based and managerially useful to those responsible not only for charities but also for many other institutions. It focuses on aspects of religious endeavour where, although often perceived separately, sacred and secular are inextricably entwined. Charitable and income-generating activities of churches ought to be prime proving grounds, for wider potential application within other and diverse organisations, of ethical principles put into practice.

The methodology concentrates on observation of three case-studies, one literary/historical and two contemporary, with active participation in the latter two so that the sharpness of the dilemmas and attempts at solutions reflect in-depth experience. Correspondence is used as a significant source for understanding the factors, criteria and opinions influencing those closely involved.

The literary/historical study describes the experience of St Basil and fellow bishops in Fourth century Cappadocia in defining functions and boundaries for senior clergy as churches developed into major religious and social institutions adopting many state responsibilities. To clarify both context and ramifications, concurrent and consequent legal statutes relevant to ecclesiastical management are described and discussed. Important findings are both Basil's awareness of constant tension between "Liberality" and "Fairness" and also the significant limitations of regulations, except where complementary to the essential application of personal qualities.

Against this historical and, possibly, paradigmatic background, the second study monitors, over 3 years, the breadth and complexity of the factors relevant to progressing an initiative requiring expenditure of £9.5m to develop a property-based, overseas activity of an established UK church. This prompts consideration of the processes of trying to implement change within ecclesiastical bureaucracies with traditions of consensual decision-making. Protracted compromise is observed as diluting trust and limiting evolutionary development, maintaining rather than challenging mediocrity. These findings are triangulated by reference to a range of parallel experiences.

By contrast, the third study examines the strains within the governance and management functions of a charitable enterprise which, since foundation in 1977, has grown seemingly successfully, so that by 2000 it has 500 employees and spends £8m p.a.. Longer-term implications of entrepreneurial but overly-centralised management styles are considered, together with ethical aspects of needing to implement revolutionary rather than evolutionary change. This involves personnel changes at executive level and the removal of specifically Christian references within the Mission Statement, thus raising issues of ownership and volunteer motivation. It notes that exercising self-control in using managerial powers exemplifies strength and trust, not weakness, so prompting reflection on long-standing philosophical and religious appreciation's of 'meekness'.

All three studies reveal certain constant qualities which express the inter-play of religious idealism and practical management -- concern for **Fairness; Creativity; Stewardship; Courage;** self-giving **Service** in leadership and also, equally vital, acceptance of full **Accountability**. Amid the inevitable tensions and compromises which accompany unceasing ethical searching and practice, these remain of enduring significance for Christian charities, particularly in periods of change.

ABBREVIATIONS & ACRONYMS

- ARK ~ ARK Housing Association
- Assembly ~ Church of Scotland, General Assembly
- Basil ~ St. Basil of Caesarea
- BofC ~ Board of Communication
- BWM ~ Board of World Mission
- CEO ~ Chief Executive Officer
- CJ ~ Justinian Code
- CofS ~ Church of Scotland
- CT ~ Theodosian Code
- Department ~ BWM's Edinburgh-based administrative staff
- ETWG ~ BWM committee, Edinburgh/Tiberias Working Group
- EVH ~ Employers in Voluntary Housing, an independent consultancy group
- Gregory(Naz) ~ St. Gregory of Nazianzus
- Gregory(Nys) ~ St. Gregory of Nyssa
- GS ~ General Secretary
- HA ~ Housing Association
- HO ~ Head Office of ARK
- LC ~ Local Committee, at an ARK community house or project
- MBC ~ Morningside Baptist Church
- MC ~ Management Committee
- MENA ~ BWM committee, Middle East/North Africa
- MGII ~ BWM committee, Management Group for the Institutions in Israel
- NT ~ New Testament
- RM ~ Regional Manager
- SGC ~ Sea of Galilee Centre, at Tiberias in Northern Israel
- SFHA ~ Scottish Federation of Housing Associations
- SH ~ Scottish Homes
- SMT ~ Senior Management Team

SNAP ~ Special Needs Allowance Payments, administered by Scottish Homes

SWD ~ Social Work Department

TWG ~ BWM committee, Tiberias Working Group

VNPO ~ Voluntary and Non-Profit Organisation

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CHAPTER 1: INTRODUCTION

1.1 PURPOSE OF THE RESEARCH : THE ESSENTIAL ISSUE

The Challenge

1.1.1 The broad purpose of this thesis is to describe and to reflect on what happened in certain charities of an overtly Christian foundation where those responsible for their governance and management faced the stresses of change. Because change forces not just single decisions or isolated actions but a series of both, it tests the ability of those who oversee or manage any organisation, to sustain the integrity of a consistent ethos, individually and corporately. In that the proving ground of integrity lies not so much in theories or claims to principles but in their pragmatic application, it is hoped that from this study may come conclusions which are both theologically sound and managerially useful for many situations.

1.1.2 Superficially, it would appear a relatively straightforward task to determine the ethical foundations upon which Christian charities ought to operate. Charity is the direct transposition of the Greek word for “Grace (of God)”¹, so suggesting that in aspiration for Christians such organisations should be synonymous with ‘love’ and ‘gratitude’, twin bases for both Salvation and Ethics. Biblical teaching is both indicative and imperative that Christians should give of themselves. This mandate pre-dates Christianity, for the Synoptic Gospels all record Jesus quoting approvingly from the traditional teachings of Judaism,

*“ ‘Love the Lord your God with all your heart, with all your soul and with all your mind’. That is the greatest, the first commandment. The second is like it: ‘Love your neighbour as yourself.’ Everything in the law and the prophets hangs on these two commandments”.*²

Jesus himself went further, with a new commandment that his own perfect, rather than personal, standards for that love should apply through following his example, namely,

¹ Derivation and use, Berger, K., in Exegetical Dictionary of the New Testament (Eerdmans, Grand Rapids, 1993), Vol.3, pp457-60.

² Matthew 22³⁸⁻⁴⁰. Parallels are Mark 12²⁹⁻³¹ and Luke 10²⁷⁻²⁸. All translations are from The Revised English Bible (CUP/OUP, Cambridge & Oxford, 1989)

*“I give you a new commandment: ‘love one another: as I have loved you’, so you are to love one another. If there is love among you then everyone will know that you are my disciples.”*³ But while these stated the ‘why’ and the ‘to whom’ of charitable self-giving, they did not provide the detail of the ‘how?’ or ‘how much?’ for any specific situation. ‘How?’ is the foundational ethical issue for this study.

The underlying difficulty

1.1.3 Questions like ‘how much?’ have challenged generations of individuals and disparate communities, if only to determine the minimum fairly to provide for themselves and for their dependants.⁴ Yet, while the Gospels provide many parables, stories and attributions of blessings which commend ‘giving’, they constitute no definitive rules. Indeed, there might seem inconsistencies even in the same gospel. Luke describes an upright, rich young ruler⁵ as invited to give away all before following the Master whereas Zacchaeus⁶, at another time, at another place, seems approved for having offered to give away only half, with no indication that he intended to abandon the infamous occupation of tax-collecting.

1.1.4 Overall the main thrust of the New Testament [“NT”] was to address the “Why?” so that the call, ‘Come and follow me’ left unresolved much of what was involved in following. Instead of providing mechanistic means, Christian scriptures stimulate “followers” to think and act in an infinite process, continuously collating from the different sources of knowledge of authority, hearsay, experience and reflection.⁷ Hence Christian Ethics are not confined to, but extend beyond, NT Ethics⁸. Each

³ John 13³⁴⁻³⁵

⁴ McCosh, A.M. Finance Ethics (Kluwer Academic Publishers, Norwell, 1999) p87 concludes that the teachings of Christianity, Judaism, Islam and Buddhism all address this issue and allow for reserves.

⁵ Luke 18²² Parallels Matthew 19²¹ ; Mark 10²¹ do not stipulate all.

⁶ Luke 19⁸

⁷ Taylor, J.V. The Christlike God (SCM, London, 1992) passim. See 10.6.4.

⁸ On this relationship, see Marxsen, W., New Testament Foundations for Christian Ethics trans. Dean, O.C., (T&T Clark, Edinburgh, 1993) ~ especially pp310-312; Meeks, W., The Moral World of the First Christians (SPCK, London, 1987); McDonald, J.I.H., Biblical Interpretation & Christian Ethics (CUP, Cambridge, 1993); Wogaman, J.P., Christian Ethics: A Historical Introduction (SPCK, London, 1994)

generation and individual must make discoveries for themselves and tease out their own solutions to the problems of 'how' and 'how much,' drawing from biblical principles for essential Christological ingredients but also being open to continuing inspiration.

The aims of the research

1.1.5 This necessity has implications for the task and format of this study. The broad aim of finding theologically-based and managerially useful conclusions can be divided into three parts:

- (1) to identify guidance that can be readily accessible to individuals seeking to follow their Christian inspiration, by pointing to ways of thinking and approaches to personal and corporate conduct at Christian charities;
- (2) to explore what happens in practice and therefore the possible usefulness, or need to modify, such guidance in response to the ethical issues which have emerged at such charities, both historically and during the course of Action Research;
- (3) to reflect on (1) and (2) in context and to refine a better understanding of both the bases and the practicality of such guidance that it might, thereafter, be offered for pragmatic application at both Christian charities and elsewhere when facing change.

Themes and format

1.1.6 To these ends, Chapter 1 provides a broad introduction to some of the factors pertinent to the search. At 1.2, it considers briefly three reported episodes in the praxis of the earliest church which illustrate the recurring nature of the difficulties and complexities of ethical implementation, while also providing insights for subsequent edification. At 1.3, it extends the Classical and NT traditions of providing lists of virtues as a means of inspiration for action, by exploring critically a modern equivalent. Following the ancient genre, this has developed for widespread application in contemporary organisational teaching. Given the, perhaps, unexpected prominence of 'Accountability' within this checklist, at 1.4, there is a short discourse on recent academic interest in this concept. At 1.5, there is an explanation of the significance to

the whole thesis of research study on the correspondence of three saints, subsequently known as the Cappadocian Fathers, and of the experiences of their era.

1.1.7 Chapter 2 outlines a more detailed exposition of methodologies employed with brief retrospective reflection upon them. Chapters 3 ~ 10 pursue the empirical enquiry across different historical and modern periods and circumstances, leaving to Chapter 11 a review wherein the major themes are collated and summarised together with a brief indication of how they might, in future, provide practical guidance.

1.2 A SOLUTION: POINTERS FROM THE ACTIVITIES OF THE EARLIEST CHURCH

Introduction

1.2.1 While the core message for each generation might be compressed into the single injunction, ‘be Christ-like in relationships with others’, in the primary written source of inspiration for Christians, the NT Gospels, there are no clear examples as to how during Jesus’ own ministry this was done in organisational terms⁹. For those seeking in selected and reported biblical incidents¹⁰ the “how” of undertaking individual praxis in collective circumstances, episodes or instructions in the history of the early church are of more particular relevance. Three of these will now be considered as pointers on specific ethical issues. Moreover, they also serve a wider, general purpose. These accounts are a source for Christian hope, by showing that even the most immediate followers of Jesus encountered difficulties and ambiguities in facing change. Their sense of uncertainty and their need to learn lessons may encourage those in future generations facing their own challenges, thus, indirectly, confirming the continuing pertinence and encouraging vitality of the NT.

1.2.2 This limited selection is not to exclude the messages of Jesus’ own ministry, for these informed the earliest church, as for example, in Paul’s reported speech,

⁹ Accusation of theft against Judas (John 12⁶) and arguments over precedence among disciples (Matt 18¹⁻⁵; Mark 9³³⁻³⁷; Luke 9⁴⁶⁻⁴⁸) suggest mistrust and disharmony rather than a model of perfection.

¹⁰ As pointed out by Barr, J., *The Literal, the Allegorical and Modern Biblical Scholarship JSOT* 44 (1989) pp3-17, “*the telling of factual accounts can be, in effect, allegorical.*”

“ All along I showed you that it is our duty to help the weak...by hard work, and that we should keep in mind the words of the Lord Jesus, who himself said, ‘Happiness lies more in giving than receiving’.”¹¹

While this quotation has no direct parallel within the Gospels, yet it provides a memorable statement of NT teaching on human self-understanding and subsequent Christian attitudes to “charity”. “Giving to the weak” had already been supremely exemplified by the love of God for humanity in the Incarnation. The inspiration follows from this overwhelming generosity of Divine Grace and enables self-fulfilment. But, as Paul notes, the “how” requires, of humans, self-discipline and personal hard work.

1.2.3 Significantly, the statement does not express an unqualified Beatitude but a comparative one, recognising that humans must also receive, thus acknowledging their limitations and dependence on sustenance from others. Spiritually, ‘receiving with humility’ is the means to find Grace. Human giving has to be qualified by the necessity of receiving. An asceticism which sees giving alone as the source of salvation would be the denial of free Grace. Self-denial does not transfer into giving unless somehow thereby material and spiritual resources are channelled for the benefit of others. Paradoxically, where extreme self-denial precludes future giving it may constitute self-indulgence. The practice of Christianity necessitates both giving and receiving within a sharing relationship. Inherent tensions are thereby raised which cannot be ignored.

The issue of ‘Fairness’

1.2.4 It is a clear feature of the earliest church that members appreciated these tensions in seeking a communal solution through active and passive sharing of God’s gifts in the participatory fellowship of ‘κοινωνία’¹², this representing more than material sharing and being the deeply committed practice of Christianity.¹³ It created organisational

¹¹ Acts 20³⁵.

¹² Definition and use Hainz, J. Exegetical Dictionary of the New Testament (Eerdmans, Grand Rapids, 1993) Vol. 2, pp 303-5

¹³ Acts 2⁴²⁻⁴⁶. On the foundations of early communities, Meeks (1987) p143: Stambaugh, J.E., & Balch, D. L., The Social World of the First Christians (SPCK, London, 1986) pp 82-101 and McDonald, J.I.H., The Crucible of Christian Morality (Routledge, London, 1998) Chapter 5 passim.

demands so that the Apostles appointed deacons, although only after the Grecian Christians among the community complained against the Hebraic Christians because their widows were being over-looked in the daily distribution of food¹⁴. The author of Acts gives no further explanation of these internal problems, rather describing external pressures on the nascent church. Witherington¹⁵ speaks for most commentators in suggesting a problem of growth rather than any intended deliberate ethnic discrimination. Nevertheless, perceived inequity occurred. Notably, it required a “complaint”, though not from the direct recipients, to prompt change.

1.2.5 Equal value before God is an integral principle of Christianity. It might suffice for this study merely to observe approvingly that the leaders listened responsively to complaints that it was being violated. However, lest their recorded response¹⁶ might be construed as distinguishing between a spiritual ministry of “*word of God*” and “*prayer*” for the apostles, with a material ministry of “*waiting at tables*” and “*administration*” for deacons, it is significant to note that Stephen established himself as miracle worker and preacher also. Deacons’ service may have been multi-faceted. Symbolically, Jesus himself had been willing to both preach and wash his disciples feet¹⁷. Christian ministry is holistic. Distinction in the comparative significance of functions was a concern of later generations, a point arising in chapter 3¹⁸.

1.2.6 Paucity of information prevents a full understanding as to why the first attempt at κοινωνία in the sharing of resources foundered, although not before it had provided precautionary guidance for future generations. With organisational growth, accountability emerged as a priority among the concerns of the nascent church. While this will now be explored briefly, the interpretation process for this exemplifies some of the difficulties of drawing out of the sparse and scattered resources of the NT a fully-rounded appreciation of detail which might otherwise aid understanding of the

¹⁴ Acts 6¹⁻⁸

¹⁵ Witherington, B., The Acts of the Apostles: A Socio-Rhetorical Commentary (Paternoster, Cambridge, 1998) p249

¹⁶ Acts 6⁴

¹⁷ John 13⁵

guidance. Two further examples are illustrative.

The issue of 'Accountability'

1.2.7 Whatever the historical accuracy¹⁹, the author of Acts chose as the first recorded sin within the new community a failure by Ananias and Sapphira to disclose fully their financial dealings.²⁰ While purporting total generosity, this couple retained a private reserve from sale of their property. Their, literally, fatal mistake involved false accounting. The spectacular story taught a stark message, that accountability to God's Spirit, through transparency with others on financial arrangements, was a vital discipline of the Christian way of living. The cautionary warning is undiminished over generations. However, many more details of organisation, circumstances and motives would be needed to provide a framework for Disciplinary procedures in Human Resources manuals for contemporary charities. Peter, as a CEO, would be exceedingly lucky to escape only with allegations of bullying!

The issues of 'Stewardship' and 'Accountability'

1.2.8 The other situation is significantly more complex but leads firmly to the conclusion that Paul also acknowledged the essential of accountability within charitable practice. Throughout his itinerant ministry he sought to collect resources for the "saints" in Jerusalem, from at least sixteen Christian communities elsewhere. An extensive modern literature²¹ has analysed the scattered references to this "Collection" which, because of the need for transportation and due to lapse of time, involved money rather than commodities or services. It shows unmistakably that the difficulties facing those with the oversight of Christian charitable activity are not new.

1.2.9 Motives attributable to Paul for the Collection range between, simply, relieving

¹⁸ 3.2.48-51

¹⁹ Funk, R. W., *The Poetics of Biblical Narrative* (Sonoma, Polebridge, 1988) p296 makes the point that, "it has been difficult to decide whether biblical narratives are about real or fictive events"

²⁰ Acts 5¹⁻¹¹

²¹ Nickle, K. F. *The Collection A Study in Paul's Strategy. Studies in Biblical Theology No 48* (SCM, London, 1966) pp 74-99 is the principal source although many subsequent studies have been

‘The Poor’ (albeit not local “poor”) through to a personal sense of duty to those of specifically Jewish origins (part of complex attitudes to the universality of Christianity). Other possible inspirations include, a wish to provide a tangible prompt to eschatological imminence or to show unity with the church in Jerusalem, especially amid acute tensions over the acceptability of Gentiles as members. Moreover, as Goulder²² points out, the Collection also made the leaders of the highly influential Jerusalem church indebted to Paul, thus affording him potential leverage in disputes which divided Christians from the outset into two Missions. Acts 21¹⁷⁻²⁶ indicates wider concerns were present on Paul’s eventual arrival at Jerusalem and he himself feared that The Collection might not be wholly welcome²³.

1.2.10 Whatever were contemporary perceptions of Paul’s motives among the recipients’ leaders, reassurance was required among donors. Their anxieties could imperil or diminish the project. To boost confidence, representatives were encouraged to accompany donations.²⁴ Enterprisingly, Paul seems to have used these ‘foreign witnesses’ to stimulate generosity.²⁵ But what needed explanation was why Paul was accumulating under his effective control a large sum of money. This was different from his principal activities of debating theology and winning Gentile converts to salvation. He marshalled arguments²⁶ appealing to the common-sense of “completing what was started”; “fairness” and the example of Christ, although without citing the “how” or “when”. Even so, Paul had to do more than provide a verbal defence. He acknowledged management and oversight could not be his alone. Pragmatically, others must be involved in the processes of monitoring the Collection, although Paul personally accompanied delivery as chief sponsor.

produced. Summary in McKnight, S., Dictionary of Paul and his letters (IVP, Leicester, 1993)

²² Goulder, M. A Tale of Two Missions (SCM, London, 1994) pp x & 69. See also 7.2.5 for quotation.

²³ Romans 15³¹

²⁴ 1 Corinthians 16¹⁻⁴; 2 Corinthians 9²⁻⁴

²⁵ 2 Corinthians 9⁵

²⁶ 2 Corinthians 8. Alternatively, and perhaps innovatively, in Romans 15²⁷ he argued that Gentiles owed a material debt to Jewish Christians, recognising spiritual treasure received. An implication of questioned integrity appears in 2 Corinthians 12^{17&18}. This is considered further in Furnish, P. V. 2 Cor (AB Doubleday, New York, 1984) pp433-438 and Betz, H. D. 2 Cor 8&9 (Fortress, Philadelphia, 1985) pp72-82.

1.2.11 These audit/administrative arrangements probably drew on established precedent. Scattered Jewish communities had traditionally supplemented the Temple Tax²⁷. The Jewish authorities had established banking procedures together with monitoring by, “...envoys selected on their merits, from every city those of highest repute.”²⁸ Moreover, Roman authorities could not have been indifferent to substantial shipments of money, communally-collected and religiously-sensitive, passing between provincial boundaries. In accepting the necessity for accountability, Paul was thereby also recognising that sacred activities cannot ignore an over-lapping secular dimension and the legitimacy of imperial interest. Hence, he describes to the Corinthians a determination to do what was right, not only in the eyes of the Lord but also of humans.²⁹

1.2.12 This may seem to conflict with the discreet confidentiality required of donors by injunctions such as, “*Be careful not to parade your religion before others.*”³⁰ But it need not. It is the motives which matter. In the Hebrew bible and NT, there is a recurring emphasis that God in His perfection looks inward³¹ so that Jesus’ reported condemnation of flaunted almsgiving is also an acknowledgement and assurance as to the immanence of God. Seeking public accountability is not the denial of humility nor should claims to modesty be deployed to justify unhelpful secrecy or dissemblance. Christian charitable service includes continually testing motives and achievement, without self-deception. This may now be through group discussion, auricular confession or private prayer. Such accountability is part of a positive process whereby practical charitable activity is refined by imperfect humans in evolutionary ways. Then Christ-like love is present, obliquely but dynamically providing a witness to itself, as

²⁷ Josephus Antiquities 14 2-8/para 190- 216 (Loeb Vol.VII pp549-563)

²⁸ Philo, Special laws I 78 (Loeb, Loeb Vol.VII p145). Sanders, E.P., Jewish Law from Jesus to the Mishnah (Trinity Press International, Philadelphia, 1990)

²⁹ 2 Corinthians 8²¹

³⁰ Matthew 6¹⁻⁸

³¹ 1 Samuel 16⁶ & Psalm 51⁶

required by the new commandment of Jesus³².

Conclusion

1.2.13 It would be possible to speculate much more on Paul's motives and methods with the Collection³³ but, for this study, it must suffice that, within the praxis of Christian Love, two working principles can be established. Firstly, donors have reasonable expectations of independent verification, to confirm that their donations have been applied in accordance with the prospectus. Even with an Apostle as promoter, public accountability is appropriate. Secondly, such checks and arrangements indicate that donation, or renunciation of resources, is not an end of itself. Suitable stewardship of such resources is also a Christian duty.

1.2.14 While these reported vignettes, indicative as they are of concerns over **fairness**; over acceptance of **accountability** and over **stewardship**, are instructive as to both principles and practical application, they are only vignettes. They do not purport to be able to portray anything more than a limited insight as to the pragmatic issues that emerge in attempting to apply the over-riding essential of Christ-like Love, as out-lined in 1.1. While past practice is not necessarily perfect practice, it gives indicators of considered, tried and tested responses to continuing dilemmas. Thus, it is possible to draw from these experiences the received wisdom of individuals subsequently respected as foundational contributors to an understanding of what it is to be 'Christian'.

1.2.15 However, it would be misleading if this study seemed to imply that apart from the narrative of historical incidents, the NT had little else to offer for organisational practice³⁴. Principles can be determined for all walks of life from specified qualities or

³² 1.1.2

³³ Primary sources may be inconclusive but later saints did not hesitate to use the economic power of charitable receipts under their personal control to influence doctrinal decisions (see 4.3.1-2). On financial and theological debates, see 7.2.1-11

³⁴ A number of recent books have sought to assess modern management theory from a particularly Biblical perspectives e.g. Higginson, R, Transforming Leadership, a Christian Approach to Management (SPCK, London, 1996)

attributes of good behaviour. There is not just Jesus' own Sermon on the Mount³⁵, but other discourses as on the fruits of the Spirit in Galatians³⁶; Virtue, as attributed to Peter³⁷, or the Wisdom from above, to James³⁸. Moreover, there are 'house-rules' set out in letters to Timothy³⁹ and Titus⁴⁰, this genre being similar to contemporary lists of duties and responsibilities compiled elsewhere for use by rhetoricians or for general education, as for a king, a general and a midwife⁴¹. Likewise, historically, lists have been constructed, drawing on the "Cardinal Virtues" of Plato⁴² and similar to those identified in both Jewish⁴³ and Roman⁴⁴ pre-Christian sources. Most have subtle differences from others⁴⁵, for the processes of compilation and debate as to concepts and meanings are an essential feature of their practical usefulness.

1.3 A SOLUTION: EXTENDING THE SEARCH TO CURRENT EXPERIENCE

A contemporary checklist

1.3.1 The genre of inspirational checklists of qualities still flourishes, seemingly as a direct descendent of the Classical and NT traditions, whether or not contemporary compilers are aware of the forebears of their craft, or acknowledge religious antecedents. Some may, as for example, in the popular classic of Stephen Covey which contains an unambiguous statement of his own personal belief in a "Creator God"⁴⁶.. The apparent success of its formula as a teaching aid is attested by a claim of over

³⁵ Matthew 5³⁻¹⁰

³⁶ Galatians 5²²⁻²³

³⁷ 2 Peter 1⁵⁻⁹

³⁸ James 3¹⁷

³⁹ I Timothy 3¹⁻⁸

⁴⁰ Titus 1⁶⁻⁹

⁴¹ Easton, B.S., The Pastoral Epistles (SCM, London, 1948) p201 and explored further by MacDonald, M.Y. The Pauline Churches, A Socio-Historical Study of Institutionalization in the Pauline and Deutro-Pauline Writings (OUP, Society of New Testament Studies Monograph 60, Oxford, 1988)

⁴² Plato Republic Book 4, 427D. Σοφη; ανδρεια; σωφον; δικαια.

⁴³ Wisdom 8⁷.

⁴⁴ Cicero, quoted Ambrose, On the Duties of Clergy cited Fergusson, D.A.S. Community, liberalism & Christian Ethics (CUP, Cambridge, 1998) p17.

⁴⁵ However, reference books such as Brewer's Dictionary of Phrases and Fables (Cassel, London, 1995) and Stevenson's Book of Proverbs, Maxims and Familiar Phrases (Routledge, London, 1949) agree on English translations of the Cardinal Virtues.

⁴⁶ Covey, S.R., The Seven Habits of Highly Effective People: Powerful Lessons in Personal Change (Simon & Schuster, London, 1989) p319

10,000,000 copies sold. Given the widespread usage of such types of listings to teach individual conduct in the outwardly secular practices of commercial organisational training⁴⁷, my interest was to try find a list which would follow this style but also claim to be specifically Christian in source. In 1998, during the course of the research, I identified such a list, compiled and published by Murray⁴⁸. He had sought from groups of business people, ethicists and theologians, various descriptions of business principles that might apply in the difficult environment of post-Communist Central Europe.

1.3.2 Replies to the question, “*What are the Christian principles of behaviour which are most relevant to the world of work?*” had been collated into the checklist, **Stewardship, Service, Truth, Interdependence, Justice, Creativity and Consideration**. It is possible to criticise Murray’s approach on a variety of grounds. He acknowledges that he does not raise questions to do with economic systems nor organisational constitutions. He indicates his dislike of theory, unless closely linked with his own preference for a practical involvement and the stimulation of initiatives. There is minimal questioning of the ethical legitimacy of a managerial approach, albeit management is encouraged to show an inclusive style, so that wide involvement of others is commended as a necessary precursor to their lasting commitment. Issues of the moral agency of an organisation itself are not addressed.

1.3.3 Nevertheless, Murray has provided the useful starting point of a checklist which might fit for Christians in many corporate activities. As noted in 1.2.15 the process of compilation is iterative with the personal element of exploration, development and refinement an integral part of the process of validation. Clearly too, for specifically Christian charities, a subtly different list will be more appropriate. Thus, because the activity is undertaken not primarily for remuneration (valid though that might be⁴⁹) or even with hope of any specific reward from others, **Courage** for faith and trust

⁴⁷ Hudczynski, A., *Management Gurus*. (International Thomson Business Press, London, 1996) and Kennedy, C., *Guide to the Management Gurus*, (Century Business, London 1991).

⁴⁸ Murray, D. J. *Ethics in Organizations* (Kogan Page, London, 1997) pp203-5

⁴⁹ See 3.2.14 (note).

becomes a particular necessity. Indeed, in any circumstances, it seems a surprising omission. As Mahoney⁵⁰ points out, moral courage, one of Plato's four Cardinal Virtues⁵¹, has long been recognised as integral to the implementation of sustained ethical conduct in difficult situations, of which those faced in business are no exception. As an ethical attribute, **Courage** transcends generations, cultures and religious affiliations for universal recognition.

1.3.4 Fundamentally, there must be, at the very essence of charitable activity, **Love**, which as noted in 1.1.2, flows from the 'Grace of God'. Its seeming exclusion requires comment. In Murray's view, it was important to express the listed concepts in terms that are "*easily accessible by people who do not share the same faith.*" Hence, while the provenance of his list is specifically acknowledged as Christian, it may explain why in his accompanying analysis, Murray avoids direct reference to the word 'Love'. Instead, it seems covered principally by the combination of 'interdependence' and 'consideration'. These seem inadequately dispassionate words for such a fundamental, profound and emotive force but, in some circumstances the terminology applied is of lesser importance than the practical evidence, especially if by using neutral expressions, similarities of faith rather than differences may helpfully be emphasised. Moreover, in the context of charities, in that Loving is already implicit in the inspiration to charitable action, the combination of 'consideration' and 'interdependence' may be assumed to underlie the individual participation in collective charity. In such circumstances, the requirements of the checklist shift towards more specific manifestations of the all-embracing concept. This, therefore, raises in prominence inherent appreciation of a principle such as **Accountability**, in which, crucially, is implicit the assumption of honest self-awareness and truthfulness to others.

⁵⁰ Mahoney, J., Editorial Adieu: Cultivating Moral Courage in Business, Business Ethics. A European Review. Vol.7, Number 4, October 1998, pp187-192

⁵¹ 1.3.1.

1.3.5 The importance of **Accountability** is not a new discovery. As Paul found⁵², being “responsible, answerable for an outcome”, not just to God, or to self, but to others also is an essential part of relationships. However, it must focus on more than the outcome for,

*“The last temptation is the greatest treason,
To do the right deed for the wrong reason.”*⁵³

So openness to being accountable, frankly, honestly and truthfully for all aspects of life, including motives and hopes, is an essential complement of freedom, the human choice between good and evil. Nevertheless, in that **Accountability** has not been traditionally included in such lists, it will be considered further in 1.4 below.

1.3.6 First, it is useful to summarise the revised list which will be adopted for the purposes of this research. Finding “**Justice**” for others requires “**Service**”, “**Creativity**” and “**Stewardship**”. For these, “**Courage**” is necessary but all are also dependent on “**Accountability**”, as the control by which the loving pursuit of the five others can be monitored.

1.3.7 It is also relevant to note that while such a list was consciously grounded in distinctively Christian principles, the appreciation and application of the attributes therein are not necessarily exclusively Christian. Christ-like Love has given a clear ‘why’ over generations to charitable impulses, even though, for humans, its ‘how’ is still evolving and imperfect. Hence, the aims of the research, as described at 1.1.5, necessitate an examination of the reality of Christian praxis in various situations. In these, most, though not all, of the principal participants would openly claim to be acting both with Christian inspiration and within collective arrangements which have been specifically labelled ‘Christian’ by their founders. Nevertheless, whatever the claims, within these organisations, many human weaknesses and failings have been, and continue to be, exhibited. The highest aspirations of Christianity are not being met and the ethics practised therein may be a poor witness to Christian ideals. Individual participants too will have been influenced by ‘common morality’ just as ‘common

⁵² 1.2.8-14.

morality' has itself been shaped by examples and practice of Christian Love. As outlined in 1.1.4, the discipline of Christian Ethics has traditionally been informed by many and varied insights, accepting continued inspiration. Therefore, beyond their immediate objectives, Christian charities have a role in both helping shape, and simultaneously being shaped by, wider appreciation of ethical concepts. These include the practical awareness of the concept of **Accountability**. Some of the uncertainties and possible influences for its contemporary application, will now be considered.

1.4 A SOLUTION: THE CONCEPT OF ACCOUNTABILITY FOR VOLUNTARY AND PUBLIC SECTOR ACTIVITIES IN RECENT ACADEMIC LITERATURE

Introduction

1.4.1 Both the importance and the difficulties of **Accountability** have been highlighted in 1.2. 7-14 as recognisable at the earliest origins of the Church. Yet, in the index of the most recent (2000) comprehensive review of academic literature on managing religious and faith-based organisations, there are only three references to the subject, one dating from 1957⁵⁴. While the NT could demonstrate its concern through parable or narrative, a possible contemporary deterrent to more widespread discussion may lie in the complexity of finding suitable definitions or common understanding of the scope of what is required. Hence Leat⁵⁵, cites Kramer (1982), *"the popularity of the concept of Accountability is exceeded only by the lack of agreement about its meaning"*, before concluding her own review of the subject with the warning, *"despite the rhetoric of user-empowerment and the role of voluntary organisations in democracy, we are a long way from understanding the principles, the aspirations and the practice of voluntary organisations in making themselves accountable"*.

⁵³ Eliot, T. S., Murder in the Cathedral Act 1 (London, Faber, 1965)

⁵⁴ Harris, M & Torry, M, Managing Religious & Faith-based Organisations: A Guide to the Literature (Aston Business School, Aston, 2000)

⁵⁵ Leat, D., Are Voluntary Organisations Accountable? In Voluntary Agencies: challenges of organisation and management eds. Billis, D and Harris, M.(Macmillan, Basingstoke, 1996) p 77, citing, Kramer, R., From voluntarism to vendorism: an organisational perspective on contracting. PONPO Working Paper No 54, Yale University, Prentice Hall

1.4.2 This thesis, particularly in chapters 7 and 9, identifies and incorporates en passant, discussion from the experience of several forms of organisation but primarily it is seeking to contribute fresh perceptions, recognising the limited availability of recent direct exploration of the concept. Nevertheless, Leat⁵⁶ is helpful in distinguishing three forms. Of these, that deemed the most widespread, is “*responsive accountability*” whereby those that are accountable are required only to take into account or respond to the views or demands of those to whom they are accountable. Subtly more substantive is “*explanatory accountability*”, meaning being required more formally to describe and explain, possibly in the face of adverse criticism or complaint from those who can claim the right to require an account. This process of public criticism may constitute some form of indirect sanction which is otherwise lacking. “*Accountability with sanctions*”, by contrast, gives those with the rights to an account, the ability to impose some form of tangible and immediate pressure ~ loss of office or funding, for example ~ to respond to what they may consider unacceptable actions.

Accountability as more than financial measurement

1.4.3 These distinctions help clarify a central issue ~ the inadequacy of financial measures alone to constitute accountability. Where public services are delivered through contracts, (which, as 9.2.7 describes has become the prevailing norm in the UK) financial penalties may provide effective sanctions against the supplier, and thus in varying degrees impact on its employees. However, financial threats are comparatively less compelling among voluntary organisations. While volunteers may still be attracted by the prospect of funds or coerced through threats of withdrawal, yet, by definition, those who are ‘in-dependent’ are not dependent on the activity as a source of livelihood. Then the balance of power between funder and provider is altered. Internally, any organisation which places significant reliance (if not actual dependence) on individuals who could withdraw without financial loss, cannot use monetary inducements/penalties as a conventional lever of control. It must look to other means of discipline. This creates a cause of complexity in the functioning of voluntary

⁵⁶ *ibid*, p 66

bodies, albeit but one of the many, particularly when mixing volunteers and paid employees⁵⁷. One consequence may be to obscure accountability for this is often linked to financial measures and expressed in financial terms, perhaps largely because the universality and neutrality of ascribed monetary values provide a convenient simplicity and the semblance of objectivity.

1.4.4 However, within any enterprise, assumptions as to the crude power of financial incentives or sanctions to influence a sense of responsibility may be simplistic. Notably, they do not fit directly into any of the five competing conceptions of individual responsibility construed by Bovans⁵⁸ as influential in any bureaucratic entity. Rather these involve,

- a hierarchical conception, emphasising the paramount importance of loyalty to the organisation; obedience to a superior functionary or compliance with orders, rather than personal gain;
- a personal conception, where conscience or personal ethics are paramount;
- a social conception, in which perceived norms of decency or peer pressure prevail;
- a professional conception, where membership of an exclusive body through training and examination has created standards of adherence; and
- a civic conception, where communal values or democratic controls predominate.

Certainly, sanctions may be relevant to any of these but these need not be financial nor singly applied. Instead in any situation, any individual may deem themselves more or less accountable within their own interpretation of expectations of one (or more) of any of these conceptions. In short, considerable complexity is inherent. What is essential is that 'accountability' must not be construed as even implying the ability to exercise control⁵⁹. Rather, accountability, like integrity or independence reflects an attitude of mind.

⁵⁷ see 8.2.43

⁵⁸ Bovans, M., *The Quest for Responsibility, Accountability and Citizenship in Complex Organisations*, (CUP, Cambridge, 1998) p 148-9

⁵⁹ Day, P. and Klein, R. *Accountabilities: Five Public Services* (Tavistock, London, 1987) p227

Accountability and management

1.4.5 The intrusion of the defined contract culture into public services in several countries has raised questions as to accountability within that context. Although the concept must not be linked directly to that of management, the two concepts have an affinity. Criticism is sometimes vociferous that management methods which stipulate primarily monetary tools of measurement and comparability are inadequate and thus the means of accountability focuses on only a subsidiary aspect rather than the essential purpose of the activity⁶⁰. At a deeper level, others, specifically Pattison⁶¹ have argued that concepts of management may be based on inappropriate values and assumptions. In his critiques, Pattison draws on the language of religion suggesting that management is itself a belief system which has received an almost cult-like status of reverence rather than valid questioning. Arguably, in such circumstances proper accountability must perform as the conscience of management.

A shaped and shaping ecclesiastical exemplar

1.4.6 Interestingly in seeking a solution to the dilemmas of accountability within public services, Laughlin⁶² has identified that the systems of accountability which have evolved in the Church of England over generations may be instructive among the 'caring professions' (concerned with education, health and other social services) where there is a potential clash over deep-seated professional values, which stem from the inculcation of the 'rights' of 'higher principals'. The nature and design of an accountability relationship is unavoidably influenced by the need to recognise the individual's sense of awareness of this, be it to God, the Church, professional bodies or personal conscience.

⁶⁰ Lawton, A., Ethical Management for the Public Services (Open University, Buckingham, 1998)

⁶¹ Pattison, S. The Faith of the Managers : When Management becomes Religion (Cassell, London, 1997); Pattison, S., Management and Pastoral Theology, in The Blackwell Reader in Pastoral and Practical Theology eds. Woodward, J. & Pattison, S. (Blackwell, Oxford, 2000)

⁶² Laughlin, R., Principals and Higher Principals : Accounting for Accountability in the Caring Professions, in Accountability: Power, Ethos and the Technologies of Managing, eds Munro, R. and

1.4.7 As Laughlin describes it, the contemporary Church of England has in place a model sensitive to both ‘the rights of the one who holds to account’ and ‘the one who accounts and is held to account’. Superficially, these are principals and agents but both are inherently conscious of mutual responsibility to a ‘higher principal’. In practice therefore a committee structure has developed based around a duality of roles, so that the members perceive themselves as intermediaries or ‘buffers’. Their functions are not so much to check or stop but to defend and support. Within this structure, the role of finance is not there to direct, determine or control but to enable independence and to facilitate the freedom of choice of clergy, as mediators for understanding the wishes of God. The need for this autonomy is understood and acknowledged by all key participants, whose input is inspired by a sacred rather than a secular interest.

1.4.8 While Laughlin outlines the model with seeming approval, he provides no specific evidence as to the opinions of its strengths and weaknesses as derived from among those who are a daily part of it. This subject will be explored further throughout the thesis but particularly in chapter 7, there also drawing on literature of past observations and research relating to several different denominations. There the role of the financial function, as being that of a servant, emerges as a significant theme. Yet, in seeking to evaluate the ethical issues relevant to the practical problems which have emerged from a not dissimilar ‘buffer’ system in the Church of Scotland, it is difficult to avoid the conclusion that the needs of prioritisation and decision-making in respect of ecclesiastical assets can too readily be deferred.

1.4.9 That identifying the problem is easier than tendering solutions is signalled in Laughlin’s conclusion that,

“ A...form of ‘accounts’...exists in relation to satisfying the needs of ‘higher principals’. ...What remains unclear is the actual nature and design of these accounts. This, like so many themes in this paper, must await further research to answer. The important point to note is that to follow the dictates of ‘higher principals’ does not mean that the necessity for ‘accounts’, in an accountability framework, becomes unnecessary. This much is clear.”

Put another way, far from any appeal to ‘sacredness’ absolving individuals from accountability, rather it demands different, but, arguably, what must be higher standards of accountability than those attributable to less complex secular activities which have no communal service element. The thesis therefore attempts, if only tangentially, to contribute to the challenges posed by Leat, Laughlin and others, while mindful of the foundational complexities illustrated by Pattison and Bovans.

1.5 A SOLUTION: A FRAMEWORK FOR REFINING AND TESTING.

The relevance of researching historical exemplars

1.5.1 It would be possible to take the list in 1.3.6 and to proceed directly to discover how it is, or might be, applied through empirical research in contemporary situations. Alternatively, extensive reference could be made to the burgeoning modern literature on ‘Virtue Ethics’⁶³ and its application for Business Ethics⁶⁴. However, that would miss out on a significant refinement, namely the ethical evaluation and testing that has effectively already taken place in Christian history and experience. Just as Paul sought to understand how new groups of converts should act in their changed status of being “Christians” (but as a tiny, often persecuted, minority) so, too, in the post-Constantinian period, Christian leaders had to adapt to a paradigm shift in their outlook when emperors and the institutions of society also sought ‘how’ to be Christ-like in corporate ways.

1.5.2 With the seemingly unalloyed benefits of acceptance as part of the political and economic establishment and increasing wealth and power came both opportunities and threats. The radically changed and changing situation for such Christian leaders is well illustrated by the following description:-

⁶³ As collections such as, Virtue Ethics A Critical Reader, Statman, D., (Edinburgh University Press, Edinburgh, 1997) and Studies in Christian Ethics Vol. 12 No1 1999. On the need for caution, “Eventually, it might be possible to advance to considering the concept of a virtue; with which, I suppose, we should be beginning some sort of a study of ethics” Anscombe, G.E.M., Modern Moral Philosophy first published Philosophy, 33 1958 reproduced Crisp, R., and Slote, M., Virtue Ethics (OUP, Oxford 1997) p40.

⁶⁴ Extending the insights in Jackson, J., An Introduction to Business Ethics (Blackwell, Oxford, 1996).

*“The bishops are paradoxical figures...most...were part of the empire’s privileged “handful”, supported by and generally supportive of a social, economic and political structure oppressive to the vast majority of people, who, overwhelmingly, were dreadfully impoverished. At the same time, the bishops presented themselves as the protectors of the poor....The bishops’ appropriation of the roles of civic patrons and benefactor, institutions essential to the functioning of the cities, was facilitated by the privileges that the imperial government allocated to them, even as the privileges contributed to the bishops’ increasing wealth, power and popularity among the populace”.*⁶⁵

While our contemporary paradoxes may be different, precedents of needing to balance functions are not. By exploring the ethical responses of some of the participants when this seemingly favourable but disturbing situation evolved, so fresh insights may emerge from this further Christian experience of radical adaptation, beyond the pointers of the earliest church described in 1.2. Moreover, by comparison with the NT, from the Fourth and Fifth centuries there is very substantially more material from which to discern the details of their motives and attempts at implementation. It is therefore from that period that the first major research case-study is drawn.

1.5.3 As detailed throughout chapter 3 and in parts of 4, three individuals, two brothers and a cousin, were formative to the processes which were to drive this paradigmatic change for the practice of Christianity. Their frank personal correspondence, frequently exchanged without the intent of a wider readership, provides a rare, if not unique, insight into the individual praxis in collective circumstances of eminent saints. The unwitting nature of this record is particularly informative. All have been venerated by subsequent generations for the depth and clarity of their formal theological expositions, whereas from the medium of their letters comes a depiction of the more confused struggles as they tried to put their theoretical understandings and beliefs into practice.

⁶⁵ Geller, B., *Transitions and Trajectories*, The Oxford History of the Biblical World ed. Coogan, M.D

The importance of letters as primary sources for ethical perceptions

1.5.4 The use of letters in research of contemporary ethics is a theme developed in 2.6. In this historical case-study, the subtly ambiguous messages derived from this set of personal correspondence must be contrasted with the more public sermonizing which has been the prime focus of most commentators. For example, Avila⁶⁶, arguing for wider acceptance of collective ownership of land, concentrates on Basil's many condemnations of excessive wealth. These were indeed frequent and Basil was a doughty champion for 'the poor', but his correspondence reveals that he was simultaneously and unashamedly an intimate part of a web of wealthy patronage⁶⁷. Concurrent with condemning excessive concern with controlling wealth in others, he, personally, was engaged in manipulating friends and colleagues to his side in a protracted, acrimonious and un-forgiving dispute with a neighbouring bishop. As his cousin candidly pointed out, the nub of the problem was who should control a lucrative stream of revenues⁶⁸. Awareness and appreciation of such paradoxes and complexity is fundamental to the aims of this thesis.

1.5.5 Even using the Cappadocians' letters can be misleading if cited out of context. Thus Mullin⁶⁹ presents an overly-idealised picture in quoting approvingly Basil's own description of the hostel/monastery/hospital complex which he founded. He fails to mention that this description exists because Basil was having to defend himself against serious charges of misuse of local resources, levelled by others of his immediate community⁷⁰. Mullin's seeming assumption that this foundation was primarily by Basil as a munificent, independent benefactor ignores the more complex and much richer reality. Basil, additional to all his literary and preaching commitments, had also to

. (OUP, Oxford, 1998) p580.

⁶⁶ Avila, C., *Ownership: Early Christian Teaching* (Sheed and Ward, London, 1983) pp 47-58

⁶⁷ 3.2.38-45 and 4.4

⁶⁸ see 3.2.61

⁶⁹ Mullin, R., *The Wealth of Christians* (Paternoster, Exeter, 1983) p62-3. The supporting reference to Jerome is irrelevant to Basil. Moreover, given the relatively late timing of this project in Basil's life, it would be inconsistent with Basil's undoubted willingness to be generous with his own resources, if he should still have funds singly to fund a major project.

⁷⁰ Described, 3.2.64-68

grapple with complaints and tensions among patrons. He had to cajole, flatter and compromise as part of developing the communal charitable enterprise for which he was Chief Executive, as described at 3.2.61-68. In short, he had to be a leader rather than merely the manager of his own assets. For an observer seeking to understand ethical practice, it is much more informative and instructive that even a saint of Basil's stature could so seriously to have misjudged the mood of his collaborators that, feeling harassed, he then felt the need to offer to square the provincial Governor with the inducement of free accommodation for himself (together with his staff) at an establishment being developed for a very different clientele! An uncritical, laudatory description of a model wealthy Christian, (who on discovery of the new faith frees himself of encumbrance by giving away all but in so doing continues to exercise sole control of the process) fails to credit the depth of Basil's appreciation of the paradoxes of his own position. Indeed, with a more rounded account, Mullin might have made Basil a much more authoritative exemplar for his own concerns with pragmatism. So too, he could have linked more closely past and present experiences.

1.5.6 By being able to focus across the whole of lives and with the hindsight of subsequent history, it is possible to see with clarity that there have always been stresses in the continuous processes of both receiving and giving as part of Christian living. Gonzalez⁷¹ captures Basil's mature outlook with the conclusion that,

"... whatever is made available for the poor should be carefully and expertly managed by specialists. That goal can best be served, not by one magnanimous act of giving away all, but by the much more difficult practice of making all available to respond to whatever needs might arise".

Evaluating generosity only in monetary terms is simplistic and inadequate. Rather personal generosity must involve the tasks of management to best benefit the recipients rather than being concentrated on satisfying the status, or even the conscience, of the rich. The Cappadocians show our age is not unique merely because resources and expectations are now greater.

⁷¹ Gonzalez, J.L., Faith and Wealth, A History of Early Christian Ideas on the Origin, Significance, and Use of Money (Harper & Row, San Francisco, 1990) p185

1.5.7 In drawing on the experience of the Cappadocians, both closer to the world of the NT yet historically far removed from our own, it is also possible to be provoked to think about what today seem fundamental, given ethical standpoints, but which may also involve almost unconscious cultural conditioning. Thus ‘patronage’ and lobbying, which involves special pleading for relatives and friends, at times becoming, literally nepotism, was seen not only as unexceptional but representing proper concerns for others, reflecting inclusiveness not exclusion. While it is possible to be satisfied that our own society’s determined concern with meritocracy; seeking of objectivity and positive discrimination on behalf of strangers, represents progress, it prompts pause for reflection that a determinedly devout man such as Basil should not flinch but see as his demanding duty that he urge the interests of fellow-countrymen and those of his family and class⁷². Relationships and expectations between individuals, their dependents, their families and communities at different levels requires constant re-appraisal.

1.5.8 On examination, it is possible to discern that Basil and his family were alive to the balance needed between ‘polarisation’ and ‘fusion’ of interests and the fundamental tensions in reconciling respect for ‘generosity’ and ‘fairness’⁷³. As with the interplay between mercy and justice, there is a requirement for the exercise of continued judgement, rather than single attributions of right and wrong. Thus, for example, reliance on disclosure rules over ‘conflicts of interest’ might be only one step in understanding, let alone resolving, complex dilemmas. Though subsequent history celebrates Basil for his ‘Rules’, he himself could well appreciate the strengths and limitations of rules as aids to ethical conduct. Hence, while normally following such rules he knew also that periodically too these must be broken. Knowing with confident discernment the ‘when’ and ‘how’ represents a high level of maturity in being ‘Christ-like’⁷⁴.

⁷² 3.2.38ff and 3.2.72

⁷³ 3.2.9

⁷⁴ As in the “Eight Ages of Man”, Kohlberg, L., *Collected Papers on Moral Development* (Harpers, San Francisco, 1976). On Basil and Rules, see 4.5

The Legal Codes

1.5.9 As a further antidote to any uncritical assumption that the collective praxis of charity was ever either without tensions, or could be controlled by rules, there exist the codes of laws compiled on the orders of the emperors Theodosius and Justinian. These document the repeated but futile attempts to use legal means to control the individuals within the burgeoning church bureaucracy. Exploration of these in chapter 4 further assists in placing the praxis of the Cappadocians in the context of the wider Christian society over two centuries. Continuing, conscious, individual responsiveness cannot be subsumed by reliance on collective structural arrangements, whatever the origins of the organisation. Rather qualities, such as described in the checklist at 1.3, are confirmed as a useful ingredient in helping individuals and communities in facing change.

The contemporary field-studies

1.5.10 As a preparation for further evaluation, the thesis thereafter concentrates on the two contemporary studies which form the bulk of the empirical aspects of the research. Of these, one situation seems indicative of a loss of confidence in a church adapting to rapid decline in membership, seemingly incapable of making enterprising decisions. Conversely, the other suffers from rapid growth in activities. The price of such growth is the strain of adopting a new role of being a competitive, corporate service-provider. Being state-funded, as the case-study shows, leads progressively to loss of personal Christian expression and self-determination. In acceding to the pressures for general conformity, it is possible to see that a vital part of its very functionality, as a means of collective Christian charity, is lost. Critically a church-based activity is, and always has been, far more than an entity where success or failure can be measured in merely economic terms⁷⁵. However, that is not a licence for indisciplined self-indulgence. Instead, if reference is made to timeless attributes for individual behaviour these can serve as standards for analysing and measuring performance on a much broader basis.

⁷⁵ The risks of being limited in outlook are demonstrated by the critique of Forrester, D.B., Article Review, A Monetarist Ecclesiology? in *The Scottish Journal of Theology* 34 (1981) pp447-458 on Wolfe, J.N., and Pickford, M., *The Church of Scotland. An Economic Survey* (Geoffrey Chapman, London, 1980)

1.5.11 The research identifies many strands. This is not surprising for the nature of ethics is that principles and activities require concurrent exploration of facts and searching for understanding. While ‘management’, ‘accountability’ or ‘the history of change at charities’ could each be considered discretely, and could be viewed from either a technical or purposefulness perspective, a study of the ethics relevant to these three necessitates a holistic approach. Thus the detailed case-studies help develop, elaborate and test explanations as to how ethics work in practice rather than in theory. In all three case studies, integral to the account of each is a wider and historical review of the context, as well as immediate, closely recorded detail. This is in recognition that no management cultures or organisational ethos can arrive, let alone change, *ex nihilo*. Each case-study will find incidents and imperfect outcomes which no participant would defend as ‘textbook’ practice, nevertheless through active participation and struggling with traditional tensions in modern contexts, the qualities described in Section 1.3 are explored, tested and refined.

1.6 CHAPTER SUMMARY

1.6.1 This chapter has shown that the problem with which the thesis grapples has always been inherent in human attempts to discern how to be Christ-like. The earliest Christian community and church organisation rapidly discovered the needs for **fairness**, **stewardship** and **accountability** to implement other attributes, such as **courageous service** and **creativity**. There are many possible lists of desirable attributes. Although not traditional there is increasing recognition of the importance of accountability. Without a definitive checklist of conduct in the NT, each generation must seek discovery of appropriate ways of ‘being Christ-like’ for themselves. As part of this process, it is instructive to study experience in the Fourth and Fifth centuries. This helps to provide a model with which to compare direct participatory experience of two different contemporary charities when coping with current challenges. The desired outcome is conclusions that can help produce theologically sound and managerially useful guidance not just for those who oversee and manage charities of a Christian foundation but for anyone facing up to change.

CHAPTER 2 : RESEARCH METHODOLOGY

2.1 INTRODUCTION

2.1.1 The fundamental approach of the research has been to develop analytical accounts of the general and specific features of the practice of management at “Christian” charities, grounded on empirical observation and evidence, but concerned with deducing the factors influential to the motivation of participants. The overall study is built around three principal separate case-studies¹, each with accompanying reflection integrated into the account. Within this design, primarily qualitative data collection and analysis techniques were used.

2.1.2 A multi-case design was adopted due to the historical and cultural diversity of the subject matter. Embedded within each of the case-studies are cross referrals to material or independent studies at parallel organisations. These guided the search to explore further avenues and provided essential triangulation of findings.

2.1.3 To explain more fully the reasoning behind, and the workings of, these approaches, this chapter presents a survey of the overall methodology through the following sections:

- outlining the philosophy and overall approach to the empirical research (2.2);
- the advantages and disadvantages of case-study methodology in relation to management studies (2.3);
- addressing potential for participant/observer bias in the two field-studies (2.4);
- descriptions, with timetables, of the methodologies applied in each of the three studies (2.5 to 2.7);

¹ In recent management and accountancy research the term “case study” has been applied usually to the investigation of contemporary, not historical, phenomena. As noted in Remenyi, D., Williams, B., Money, A., & Swartz, E., Doing research in Business and Management, An introduction to Process and Method (Sage, London, 1998) p164, this follows Yin, R.K., Applications of Case study research -- Design and Methods (Sage, London, 1993). However, in this thesis the term “case study” is applied to all of the three main units of the research. The term “field study” is used of the contemporary studies where the direct participation and direct observance was significant.

- the particular emphasis on the use of letters as key documents in all three (2.8);
- brief comments on methods of ethical analysis of case-studies (2.9);
- retrospective comments on responsibilities for Action Researchers (2.10) and
- a chapter Summary (2.11).

2.2 OUTLINING THE PHILOSOPHY AND OVERALL APPROACH

2.2.1 Decisive criteria for determining research methodology must be appropriateness and ability to address the research questions posed of **How?** and **why?** The initial interests of this research were primarily with descriptive and normative ethics rather than metaethics². However, neither a neutral description nor the defence (or otherwise) of judgements would have sufficed. Evaluation of the inspiration and implications of the ethical practices examined was an essential part of its completeness.

2.2.2 From the outset, it was intended that this research should be cross-disciplinary. While centred around the study of ethics in organisations, it would acknowledge the research experience of the literary-focused subjects of Ancient History and New Testament studies, as well as the necessary pragmatism of Practical Theology, Accountancy and Business management. Ethnographic studies also provided a further specialist source of advice on investigating cultural influences in theologically-based institutions³.

2.2.3 Given this range it was necessary to make a number of clear choices about the nature of the research while recognising that research protocols of the diverse disciplines were themselves evolving. Initial guidance was sought from Business Studies where there has been increasingly comprehensive publications on case-study

² 'Descriptive' being a neutral account of individual or group values; 'normative' being more concerned with developing and judgements; and 'metaethics' being with meaning or provability of judgements or comparison of ethical systems and theories.

³ I am grateful to D .A. Dowie for bringing to my notice two authors, Jorgansen, D., Participant Observation: a Methodology for Human Studies (Sage, Newbury Park, 1989) and Hammersley, M, What's wrong with Ethnography? Methodological Explorations (Routledge, London, 1992) and for the advice on Hermeneutics cited in his PhD thesis, "Interpreting Culture in a Scottish Congregation: An Ethnographic and Theological Approach (Edinburgh, 1997)

approaches and techniques⁴. Mahoney⁵ in 1990 had identified the widespread expectation that case-studies should form an essential part of teaching of business ethics. A strictly limited number of in-depth field-studies appeared the appropriate medium for the core of the work -- strictly limited, to allow scope for implications to emerge both across the three years of the research and with full exploration of antecedents. The historical case-study would be treated in a semi-analogous way, allowing longer-term patterns of ethical practice to be identified and evaluated across a wide time frame.

2.2.4 At an early stage it was clear that, while there exists within management studies a specialist sub-set of studies of ecclesiastical entities from an accounting angle, these were relatively few in number⁶. Other recent literature on ecclesiastical management seemed diffused, being more collected essays from many contributors⁷. While stimulating from the breadth of the perspectives incorporated, the material seemed primarily retrospective assessments of experiences.

2.2.5 Research into accounting arrangements in church institutions seemed likely to be particularly pertinent for ethics related to management because of accountancy's contribution to quantified decision-making and evaluation. Articles on research methodology by Laughlin⁸, who has been a leader in this specialism, proved insightful, albeit influenced by an awareness of contrasts he considered that he had found between

⁴ Bruns, W.J. and Kaplan, R.S. Accounting & Management Field Study Perspectives (Harvard, Boston, 1987) was supplemented by Easterly-Smith, M. et al. Management Research. An Introduction (Sage, London, 1991) and subsequently by Remenyi et al (1998) as 2.1.1 (note).

⁵ Mahoney, J., Teaching Business Ethics in the UK, Europe and the USA. A Comparative Study. (Athlone Press, London, 1990) p129

⁶ Notably in a series of articles in Accounting, Auditing & Accountability Journal. (cited 7.2.3) Booth, P., Accounting in Churches: A Research Framework & Agenda AAAJ Vol.6 no 4 pp37-67 (1993) provided a base being subsequently followed by himself (cited 2.3.4). and Parker, L. as described in Chapter 7 (especially 7.2.24-31). Duncan, J.B. et al., Internal control systems in US churches AAAJ Vol.12 no 2 pp142-163 (1999) indicates the continuing relative narrowness of this research field.

⁷ Nelson, J., Management and Ministry (MODEM, Norwich, 1996); subsequently, Harris, M., Organizing God's Work (Macmillan, Basingstoke, 1998)

⁸ Laughlin, R., Methodological Themes. Empirical research in Accounting: alternative approaches a case for "middle range" thinking Accounting, Auditing & Accountability Journal, Vol.8. No1 1996 pp63-87

secular and sacred functions. Notably, he emphasised the importance of Grounding, the finding of empirical evidence from which to develop the theoretical conjecture.

2.2.6 Laughlin identified three areas where there is choice within research, concerned with issues of the nature of 'reality', of society and of the role of the researcher. He recognised that each is problematic because these will be coloured by the researcher's pre-conceptions. The need is therefore for the researcher to show that inevitable choices made over 'theory', 'methodology' and 'change' are both conscious and consistent within a coherent research philosophy .

2.2.7 'Theory' necessitates assumptions about ontology -- nature and reality-- and about epistemology -- what constitutes knowledge and how this is relevant to the investigation. Researchers have to determine an appropriate level of advance theorisation. If high, this will reflect extensive, previously-reported research and conformity with scholarly opinion so that well-informed assumptions can be made. It does not exclude the possibility of variety, more confidence that, overall, high levels of order and generalisation can be extrapolated. Choice of 'Methodology' is a factor of the researcher's perceptions of both the practical possibilities and then the nature of the role to be adopted. 'Change' flows from these, involving questions as to the extent that the role ranges from solely that of independent observer to a determined agent for change.

2.2.8 Such research is therefore an amalgam of objective and subjective. Various facts about the activities and entities studied will form the raw material of the research but these will have been selected, mediated and interpreted by the researcher, who has inevitably been influenced by past experiences and, importantly, will continue to be influenced even by the process of evaluating and communicating the research itself. The research product is therefore neither wholly objective, a literal rendition of all that was seen, heard or read, but nor is it a figment of the imagination. What is critical is that within these processes the researcher should deliberately seek to minimise adverse

influence from pre-conceptions, whether personal, or received wisdom. By adopting a position of “middle-range thinking”, with skeletal theories and a semi-structured methodology, the aim is to produce caveated generalisations, through observation and fresh analysis. In Laughlin’s view, this maximises the prospects for both understanding the status quo and facilitating change.

2.2.9 Such a research process under the aegis of the discipline of Accountancy seemed compatible with ways of developing ethical understanding within the disciplines of New Testament studies; Christian Ethics and Practical Theology, though, as Fergusson⁹ has warned subsequently, when considering ethics such divisions may be more an academic convenience than inherent. It is noteworthy that Laughlin echoes Marxsen’s description of the methods of Paul, the earliest leading exponent of an emerging, specifically Christian ethics¹⁰. Describing him as both “a shaped shaper” and “a shaping shape” Marxsen stresses the iterative process and the reciprocal nature of the means of acquiring understanding particularly concerned with ethics.

2.2.10 McDonald¹¹, describing what he tentatively terms the ‘socio-hermeneutical’, emphasises the importance of the interaction of people as well as ideas and logic in relation to literary-based research on ethics. There is a cycle,

“Interpretation involves ethics; texts raise moral issues; ethics considers the treatment of such issues, in ancient and modern settings; interpreters consider the moral consequences of their interpretations.”

Neither academic scholarship nor the insights of communities are sufficient without each other. The thesis must assimilate both.

2.2.11 Such an approach is advocated too for Practical Theology, with also the need to acknowledge the research experience of disciplines such as Anthropology, as

⁹ Fergusson, D.F (1998) p10. *“Ethics is not compartmentalised in the manner of a modern theological syllabus”*.

¹⁰ Marxsen, W. New Testament Foundations for Christian Ethics tr. Dean, O.C. (T&T Clark, Edinburgh, 1993) pp142-230

¹¹ McDonald, J.I.H., Biblical Interpretation & Christian Ethics (CUP, Cambridge, 1993) p244

exemplified by Mudge & Poling,¹²

“We are called to begin with a ‘humble’ -- that is [a] watchful and listening hermeneutic which can expectantly approach the signs each community of faith generates in its own setting. For this purpose it is indispensable that members of the faith community think, speak for themselves and receive a hearing. Their ‘inner’ appropriation of the ‘objective’ situation is important. It is important too that the element of suspicion does not enter before the hearing and the seeing are complete. Perhaps the best model is that of the anthropologist who seeks to understand a community’s culturally coded messages through a process of participant observation before imposing analytical categories which originate in the anthropologist’s own academic culture”

2.2.12 In short, across the range of disciplines relevant to this study, there appeared common approval of participation and observation within case-studies as a means of qualitative research. However, there was also a common, fundamental warning that to produce valid material the language and literature of all participants must be enabled to speak for themselves without being swamped by the researcher/interpreter.

2.2.13 Opting for a methodology of qualitative case-studies also satisfied a further, personal requirement of the research that it should have an educational potential. The importance of case-studies for education on organisation, business and management was re-emphasised by Kitson & Campbell in 1996¹³. It seems assumed also in the 1999 IBE Survey of the Teaching of Business Ethics, although, it is noted that the UK and European case-study material in use, is widely rated as inadequate¹⁴. It was therefore a longer-term aspiration that the three case-studies would provide material both theologically sound and managerially useful for future guidance on organisational and ethical practice.

¹² Mudge, L & Poling, J. “Thinking in the Community of Faith: toward an ecclesial hermeneutic” in Formation and Reflection: the Promise of Practical Theology (Fortress, Philadelphia, 1987) p159

¹³ Kitson, A., & Campbell, R. The Ethical Organisation. Ethical theory and Corporate Behaviour. (Macmillan, Basingstoke, 1996)

¹⁴ Cummins, J., The teaching of Business Ethics at undergraduate, postgraduate & professional levels in the UK (Institute of Business Ethics, London, 1999)

2.3 ADVANTAGES AND DISADVANTAGES OF CASE-STUDY METHODOLOGIES

2.3.1 Before proceeding further a working definition of “case study” is necessary for which Schramm¹⁵ in 1971, seems most helpful, namely,

“that it tries to illuminate a decision or set of decisions, why they were taken, how they were implemented and with what result. This more focused view of the case study goes beyond the notion of it as an evidence-collection approach, as it also attempts to illustrate or explain the decisions and motivations that underlie the observed processes and is more suggestive of a phenomenological rather than a positivistic strategy”.

2.3.2 However, this definition, while developed for management studies, presents a problem in relation to ethics, namely the difficulty of measuring, “what result”. The language and practice of ethics guides the way all members of a community control their individual impulses and moderate demands in order that these can be reconciled as far as possible with those of their fellow humans. Independent aims and wills are thus enmeshed into those of a group. The impact and implications may only become apparent over time, if ever. The comparative success or failure of these processes is singularly unsuited to objective measurement in the short-term, although the fundamental importance of agreed fairness in measurements for the development of trust is a theme discussed at 7.2.

2.3.3 By contrast, most other issues of management results, outcomes of success or failure, can be measured to some extent, statistically. Commercial management can be judged, for example, by reference to sustained or increased profitability. A charity’s management too might be judged by many performance indicators, such as the relative sums disbursed by reference to administrative costs or, as for ARK, by the increase in the number of projects or persons supported. Whether these have been achieved with suitable efficiency can often be assessed by reference to sector benchmarks through accounting techniques. Yet ethics has no such readily available markers beyond, perhaps, perceptions of public opinion. There issues of qualitative rather than

¹⁵ cited Remenyi et al (1998) p165

quantitative judgement remain a major, unresolved factor.

2.3.4 While conscious of this important difficulty, nevertheless it is appropriate to rehearse the comparative strengths and weaknesses of the case-study approach to other management studies. First their attributes need to be summarised. Drawing from Booth¹⁶, these include that,

- the study is not merely a narrative but has *significance to the theory* or thesis being explored;
- The exploration is of a phenomenon which requires to be *examined in some detail* and depth in its *real-life context*;
- Inevitably this requires a compromise between depth and breadth but involves recognition that neither discussion of antecedents nor variables alone would be adequate without understanding that the phenomenon examined is *embedded, intertwined, in its own context*.
- Nevertheless the study must have *boundaries*, although the multi-sourcing of data is usually essential;
- Time is a factor also with most case-studies involving a *longitudinal analysis* recognising the progressive nature of revelation about the phenomenon.

2.3.5 These advantages lie primarily in the holistic approach which allows a combination of depth and flexibility. The key feature is that the occurrence of the phenomenon, as it manifests itself, guides the progress and direction of the research in order to focus on a range of variables. In consequence, the case-study design must encourage a responsiveness to questions and answers as they emerge. The inability to pre-determine or dictate results means that the research is less controllable but the eventual outcome is likely to be both richer and more valid.

2.3.6 The disadvantages cluster around this loosened control and the difficulties of

¹⁶ Booth, P. Management Control in a Voluntary Organisation: Accounting and Accountants in Organisational Context (Garland, London, 1995) p73-75

testing internal validity. Maintaining a “control model” may prove impossible and subsequent replication may be limited such that comparability for either single or multi-case designs is illusory. In consequence, representativeness may be unknowable. These disadvantages may appear exacerbated by the increased risks of researcher bias where selectivity can seriously effect qualitative methods. However, within quantitative methods too, bias cannot be eliminated.

2.3.7 The necessity is for the research design to require that the consequent analysis attempts to minimise the inevitable risks associated with bias, including potentially excess attempts to counterbalance. As indicated above, this is neither a novel discovery nor conclusion, instead different disciplines discourse about a common problem. Within theological traditions, “hermeneutical awareness” has been an essential precursor to any attempted translation or interpretation of texts. The word “hermeneutics” itself is derived from the name that the ancient Greeks gave to the god of scholars, but also thieves! Whatever the discipline, specific techniques for minimising bias should be applied appropriate to the specific circumstances of any case study. However, for the study of ethics, given the difficulties of providing objective measurements described in 2.3.2 and 2.3.3, these particularly need recognition and explanation.

2.4 ADDRESSING PARTICIPANT/OBSERVER BIAS IN THIS RESEARCH

2.4.1 Remenyi et al. note that it is rarely easy for researchers at PhD level to gain access to organisations as participant researchers¹⁷. Jorgansen acknowledges the need for opportunism.¹⁸ Hence at the outset of the research, the parallel invitations to be the chairperson of one field-study and to act as a general/financial convenor within the other, appeared highly valuable for the wider study of ethics of organisations. Risks of a contaminated account of the actual experiences, through undue defence of personal actions, might be offset by the benefits of actual experience. Moreover, within the

¹⁷ Remenyi et al (1998) p177

¹⁸ Jorgansen (1989) p41.

sources for obtaining the opportunities lay also the steps for protective solutions. These steps include:-

- disclosure of personal background and interests (2.4.2 to 2.4.4);
- absence of remuneration for the posts held during the research, while the roles undertaken were seen as useful to the purposes of the entities (2.4.5);
- supplementing the field-studies with triangulating observations drawn from parallel situations and independently researched studies (2.4.6);
- the historical context of one case-study as a control (2.4.7);
- maximum use of written material as evidence, particularly of correspondence (2.4.8).

It is appropriate to comment briefly on each of these five.

2.4.2 With the first, to enable transparency of material factors and espoused values, I shall now describe key influences on myself as researcher/participant/observer. Foremost among these have been five distinctive phases of academic and practical training:-

- firstly as a Classics scholar, so gaining a graduate knowledge of Greek and Latin language as well as a broader knowledge of ancient history and literature, before acquiring an interest in Patristics;
- then, for seventeen years, as a professional auditor in the UK and in Africa, with a particular emphasis on forensic investigation and pragmatic evaluation of a wide variety of evidence on which third parties might base substantive decisions. This evidence also required evaluation of varied organisational contexts and business situations;
- then, returning as an undergraduate student of the New Testament but with joint honours also in Christian Ethics & Practical Theology;
- service in a voluntary capacity with various non-profit organisations including the Territorial Army; as chair of a communally-owned gardens; as a pension trustee; as a director of a housing co-operative; as a member of various local church committees of different denominations; and as a director of a long-established and well-endowed medical charity;

- concurrently, with the research, as a church assistant-minister concerned with pastoral needs and counselling.

2.4.3 Within these five, an auditor's requirement to state whether or not financial information, as presented, shows a "true and fair view" is among the most salient. This places a high premium on judging evidence. Even where there can be pretensions to numerical accuracy, there is always, within auditing, the requirement for the exercise of judgement for even the simplest reporting. Assessing the nature of evidence, its sufficiency, relevance and reliability is an integral part of the discipline. For six years, while a partner in the UK's then largest firm of Chartered Accountants, awareness of the penalty of unlimited financial liability for inappropriate opinions was a constant and substantial incentive to practice the habit of systematic assessment. Thus a sense of professional **Scepticism**, while acknowledging the need for decisiveness, was a major formative preparation for independent research into questions of ethics.

2.4.4 However, allied to that scepticism there is also a Christian sense of Hope. Such optimism acts as a counter to any preference for deferral which might otherwise accompany scepticism. Optimism negates the risk that since case-studies often seem to present irresolvable dilemmas, arguably there might seem to be little to be gained from seeking ways of resolution. Rather, I believe, there is a Christian imperative to engage with such problems in all their complexity, refining theories by reference to their actual applications. By illustrating the deficiencies and inadequacies of a theory tested against a described, or hypothetical, situation, it is possible to learn and refine. Perfection may be impossible but that does not preclude improvement. On a spiritual level, admittance of error, as in confession, is the essential first step towards improved solutions. I believe that Divine Grace enables and encourages confidence, so that despair can be overcome, despite human imperfection. There are no spiritual or rational reasons not to admit error for admitted errors are forgiven and honest self-appraisal increases understanding.

2.4.5 A second means of minimising bias came from the fact that my role was voluntary, hence unremunerated. This provided not only a perception of independence but gave no grounds for comparison over conditions or pay, hence simultaneously minimising the risk of antagonism from other participants. It was possible to share fully with many who had a similar status to myself without undue conflicts of interest. The presence of a volunteer was unremarkable. For most people my research was incidental to my involvement so that I had no sense of feeling out-of-place. As will be described further with discussion on the use of letters¹⁹, there was widespread willingness among all participants, whether in a voluntary or a paid capacity, to contribute to the research. As a volunteer, I had the freedom, had it ever been necessary, to opt to minimise my internal political involvement declining any assignment potentially prejudicial to the research.

2.4.6 Thirdly, it proved possible to compare research findings with external reports. These were not only academic articles, published and unpublished²⁰. At the start of one field-study, and at the middle and end of the other, the management problems were such as to prompt criticisms from regulators or independent authorities. In this regard, I was fortunate that Scottish Homes and the Church of Scotland placed into a wider public domain material which served to triangulate research findings. Facts about the issues I had identified, or were still exploring, were openly acknowledged thus removing any potential inhibitions over confidentiality. At the boundaries of one field-study there emerged some significant tensions when relationships between some employees became emotionally frayed. Without jeopardising the field-work, it proved entirely possible to remain separate from these aspects and to take no side in what was a protracted dispute. If my research ever vexed anyone, I was never made aware of this, indeed the fiercest critic of the Sea of Galilee Centre's development contributed enthusiastically, seemingly appreciating the opportunity for informed analysis²¹.

¹⁹ 2.8.1-7.

²⁰ Particularly chapters 7 and 9.

2.4.7 Fourthly, the decision that a third of the research should cover an era remote in time and geography from the two field-studies provided further scope for independence. It not only acted as a control but had immediate benefits during the course of the field-study research. Citing instances of management problems encountered by Cappadocian bishops allowed the opportunity to discuss ethical issues in an ecclesiastical context but without appearing provocative. It also provided research activity and interest during times of comparative inactivity during field-studies, removing any temptation to force the pace of participation.

2.4.8 Fifthly, as the field-studies progressed, the potential for correspondence as a significant source to complement formal meeting minutes and interviews became apparent. Because this feature became a part of the research techniques, it will be described at 2.8, once each case-study has been outlined.

2.5 CASE STUDY ON THE EARLY CAPPADOCIAN BISHOPS.

Aims & Design criteria

2.5.1 For the research as a whole it seemed valuable to have a model which could be widely accepted as constituting an example "Christian charitable activity". To be widely representative this needed to describe the practice of universally acknowledged exemplars of Christian faith. To have acquired such authority, such exemplars must be historical figures, preferably, significantly pre-Reformation. However, for practical purposes there needed to be relatively ready access to factual data of their management performance and a record of the motivation and perceptions of the individual(s) in their leadership and managerial roles. To counter-balance any unmediated hagiography there required also to exist reliable independent sources for objective assessment of the challenges faced.

2.5.2 The process of identifying and selecting the Cappadocian Fathers, with a particular emphasis on Basil, as a suitable model is informative as to the research

²¹ Letter to researcher 19/5/99

methodology subsequently adopted. Over many years prior to embarking on the research, I had started to explore the subject of the accumulation of wealth by the early church in the post-Constantinian period. This was undertaken from the perspective of a social historian before having gained any special interest in management or ethical issues. It involved general reading of early church history, complemented by speed-reading through extensive source material of the period, including translations of letters, sermons, treatises or histories by Ambrose, Athanasius, Augustine, the Cappadocians, Eusebius, Gregory the Great, Jerome, Julian the Apostate, Leo, Paulinus of Nola, Sidonius, Socrates Scholasticus, Sozomen and Theodoret.

2.5.3 Time precluded reading these authors' works for their primary attributes, namely theological or general historical revelation. Rather the research product was several card indices of specific references to financial developments recorded by the original writers, or as noted by later editors. The ecclesiastical statutes of the Theodosian Code; a selection from that of Justinian and Canon laws were similarly reviewed providing further references.

2.5.4 As these indices grew it became increasingly apparent that the material was too diffuse, geographically and historically, to be readily useful for a coherent single study without extensive explanations. Moreover, my own interests had been changing with experience as a chartered accountant, including work with contemporary charities. The financial facts had become of lesser interest than the motives, deliberate or otherwise, behind the phenomena. Nevertheless, as researched material, my record of these incidents and concerns provided a valuable pointer to the possibilities for more specific further research. Several features from this period were clear,

- the complexity of the dilemmas and the challenges faced by individuals were no less than those in present-day institutions;
- the high quality of the material available;
- the human appeal in the struggles and lack of consistency in the actions of different "saints";

- the under-researched potential of the Theodosian/Justinian Codes to act as a broader contextual critique.

2.5.5 However, the extensive reading had emphasised the necessity of focusing on a very few individuals, or a sub-group, if the lessons from this crucial formative period for the Church were not to be dissipated. From the band of possible exemplars, the Cappadocians stood out as combining a spread of views; ample material and determined personalities facing pragmatic demands in the tasks they faced in a period of paradigm change.

Research techniques

2.5.6 With selection made, this case-study was primarily a historical/literary exercise. In adapting the previously researched material to the specific purposes of this study, further reading was undertaken of recent biographies and articles. The corpus of letters was re-read. The reference material was re-collated and grouped under topics, such as are relevant to modern consideration of organisational ethics.

Timing

2.5.7 While essentially library-based, timing of this study was designed to interact with the more participative contemporary field studies. Chapter 3 (focused almost exclusively on Basil and the Gregories) was first drafted simultaneously with the period at ARK when the nature of the domineering chief executive as social entrepreneur was most to the fore (chapter 8). Chapter 4 was written when the second round of difficulties with the subsequent CEO at ARK were most pronounced and developments relating to Israel were moving slowly (chapters 10 and 6). The issues encountered in the field-studies, therefore helped to shape the identification of the topics within the historical experience, thus linking enduring difficulties of directing charities, both past and present, in changing times. Chapters 3 and 4 were then extensively reviewed and modified after the conclusion of active involvement in both field-studies, coinciding with the particularly reflective period for each.

2.6 CASE-STUDY ON THE SEA OF GALILEE CENTRE ["SGC"]

Aim & Design Criteria

2.6.1 The aim in selecting this case was to gain field-work material from a traditional area of Christian charitable activity, i.e. within a church-based bureaucracy. The approaching necessity for substantial change at SGC was clearly apparent in the quasi-commercial nature of the activities. The overseas base for the project and the long history of the ownership of the asset were valuable features for they could be expected (and did) add to the complexity of the issues faced.

2.6.2 In terms of methodology, it was a field-study where the researcher, in contrast with being a leading participant, as at ARK, could be more observer, concurrent with a general financial advisory role. This distancing was predictable for the governing body of the overseeing organisation, the Board of World Mission ["BWM"], alone consisted, (at the start of the study) of over eighty persons together with some twenty employed in various direct or indirect management positions relevant thereto. It was not difficult to be one of a crowd.

2.6.3 Before the commencement of the research in October 1996, the general existence of management weaknesses within BWM had been identified through service as a co-opted member of its Finance Committee since September 1995. The breadth and depth of these weaknesses did not become fully apparent until 1997, when, unrelated to this research, criticisms were expressed at the General Assembly ["Assembly"] of the Church of Scotland ["CofS"], precipitating official investigations. While this situation might have forestalled the research, instead, given the now raised profile of the problems, official, parallel investigations were to prove helpful and complementary. Firstly, they provided substantive factual triangulation of field-study findings, in widely available, published form. Secondly, by addressing adjacent areas of concern, these investigations set essential boundaries for this case-study. Thirdly, heightened awareness of internal unrest may have raised the significance of ethical issues among participants, so encouraging their consideration.

Research techniques

2.6.4 As noted above, a singular feature of the SGC field-study was the large numbers of participants individually involved, in varied ways and times, in management and governance aspects of the development of SGC. To collect comprehensively information and ethical perceptions, six possible sources of case-study data, were used, namely,

- contemporary documentation -- including, inter alia, minutes of various bodies, meeting papers, business plan, an architect's brief and a presentational video;
- archival material -- history of the mission;
- interviews -- structured, semi-structured and informal;
- inspection of physical artefacts -- visits to the buildings and site in Israel;
- direct participation -- in many types of meeting and through submission of letters and papers for discussion; and
- direct observation -- at many types of meeting from the initial briefing of the architect to successive Assemblies.

2.6.5 Additionally, as a dynamic part of the case-study process, an '**Ethical Analysis**' of the situation was prepared. After a series of direct discussions with those most closely involved, this was circulated to all eighty-three members of the Board for comment. Although written responses were requested, none were received. However, as it also formed a Board paper for a two-hour debate which was observed, it proved possible to gauge that the 'Ethical Analysis' was seen as comprehensive. A later, revised edition²² was sent to another, wider grouping, including the most senior legal and financial postholders in the CofS, who attested in writing their agreement to both its usefulness and comprehensiveness.

Triangulation

2.6.6 During the course of the field-work, parallel situations were identified through wider reading, progressively producing so many relevant similarities as to warrant a separate

chapter²³ and reduction of direct reporting from the field-work

Timings

2.6.7 The pace and extent of the study was determined by the progression of events. The 61 principal, relevant formal meetings in the period are listed in Appendix A to Chapter 6. Set out below is a chart of the involvement:-

<u>Key Month/Year</u>	<u>Research Methods & Activities</u>	<u>Significant Events</u>
October 1996	Visit to SGC/ Israel. Possible parameters of Study established. Semi- structured interviews with then key participants.	Establishment of interest groups in UK and Israel. Architect chosen and briefed.
on-going	Reasearch outline discussed with various parties. Observed meetings/ reviewed documentation and archive material	
September 1997	Research proposals agreed with BWM senior representatives	Initiatives renewed with new Field Secretary
November 1997	re-visited SGC/Israel. Meetings Semi- structured interviews Correspondence generated	New Financial adviser introduced Preparation of Business Plan agreed
on-going	Participated/observed meetings, directly and indirectly related. Review of documentation	1st Special Commission's judgement critical of BWM creates internal reviews and portends personnel changes
March to June 1998	'Ethical Analysis' drafted, circulated and discussed	Assembly notified of outline proposals. Board debated issues. Approved SGC

²² As used in 5.3.8-27.

²³ Chapter 7

		development subject to extensive further work
Ongoing	Revised 'Ethical Analysis' Participated/observed meetings Preparation of discussion paper relating to revised governance/management arrangements	Personnel problems, (subsequently discussed at length at 1999 Assembly)
November 1998	re-visited SGC/Israel participated at meetings further interviews and correspondence	External marketing study presented
December 1998	Observed meetings, correspondence, informal interviews	Board approval for full development, subject to financing
Ongoing	re-presented 'Ethical Analysis' to different groups	Other CofS groups engaged with issues.
May 1999	Observed/participated at meetings	Overwhelming endorsement of the General Assembly
Ongoing	Collated material	Participated as new management entities established
May/June 2000	Formal acknowledgement concluding the Research	2nd Special Commission to the Assembly

2.7 CASE STUDY ON ARK H.A. ["ARK"]

Aim and Design Criteria

2.7.1 The selection of ARK for the third case-study was influenced by the need to find a charitable activity which had grown outwith the organisational structure of an established church and with a field situation subject to both internal and external change. Experience of ARK's Management Committee ["MC"] since 1992 had provided a background awareness of management difficulties, arousing frustration and curiosity as to the root causes of the apparent contradictions between the determinedly-

claimed Christian philosophy and perplexing dysfunctional elements of practice. In designing the research, the aim was to find ways of discerning what factors were systemic or personal and to ascertain, by experience, some of the barriers to changing an organisational culture.

2.7.2 The invitation to take on the role of volunteer chair was an unusual opportunity to participate at a level not often available to researchers, as Remenyi et al. note²⁴. Despite the risks of bias, it seemed a means to penetrate beyond superficialities. Moreover, while the open-ended time commitment did create personal difficulties, the length of the study (two and a half years) allowed completely unpredictable dilemmas to emerge. How to respond to these uncertainties in ways specifically ethical, could then be recorded and tested.

Research techniques

2.7.3 Within the ARK case-study, an understanding at the start of the field-work of the development of the ethos was critical because of the demands for prompt action and change. Because of the distinctive management issues and the time span of change, the use of archival material was far more necessary at ARK than at SGC. In October 1996, the researcher identified at ARK's Head Office eleven medium-sized boxes of documentation relating to past management activities. Before despatch to store, these were reviewed by the researcher and key documents relevant to the ethos, governance and management issues were retained on files. For the purposes of this thesis, this has been classified as "**ARK archive**", along with the statutory records and documentation generated subsequent to the commencement of the field-study, which the researcher has retained. This latter documentation was either distributed by ARK (as to all other MC members); generated as part of the Chair's duties or this research.

2.7.4 Other sources of data covered the range referred to in 2.6.4 although, with the greater level of participation, the interview styles adopted were more varied. As an

²⁴ 2.4.1.

early part of the familiarisation process, a series of structured, formal interviews were undertaken with the Directors of Social Work Departments [“SWDs”] at the major local authorities with which ARK has contracts, and with senior staff. However, specific structured interviews were not envisaged as being other than a small part of the research. There was always the danger that with ARK’s staff these would be seen as ‘led’, with the interviewee perceiving these not as part of objective research but with the interlocutor either acting as chair or some form of ethical arbiter. Therefore, emphasis was on a much less formal basis for interviews. However, to compensate for the lack of structure where there seemed to be matters of direct relevance to the research subject, significant informal interview/conversations were invariably summarised by letter and sent to the other party to allow the opportunity for change or reflection²⁵.

Triangulation

2.7.5 In that ARK is but one of many housing associations, published material on social context was more readily available than for a church-based entity. This is referred to within the narrative. The suitability of L’Arche as a parallel operation was apparent both from initial, indirect linkage of the two organisations and the availability of published material by both its founder and independent commentators.

Timetable

2.7.6 The pace and timing of the involvement was influenced by events and is shown in the following chart.

<u>Key Month/Year</u>	<u>Research Methods & Activities</u>	<u>Significant Events</u>
October 1996	Appointed Chair. Research approved by MC	Resignation of depute Director
On-going	Evaluated situation (after critical external report) interviews, generated,	Debate over response to external criticism

²⁵ Discussed 2.8.

correspondence and memos

January 1997		Founder/Director retires
On-going	Study of archives. Interviews with Directors of SWDs and senior staff Participation/observer at meetings. CEO recruited.	1st. interim CEO appointed. Substantial changes to documentation and procedures, including 'Equal opportunities'
November 1997		New CEO takes up post
January/February 1998	Correspondence on issues of Discrimination	
On-going	Participation/observer at meetings	
May/ June 1998	Management issues related to performance appraisal. Discussion paper on governance/management	
July/December 1998	Terms of ethical conduct for management crisis drafted. Extensive participation, interviews and correspondence relating to management crisis	CEO on sick leave. Widespread senior staff disaffection. Local Committee conference. 2nd. Interim CEO.
January 1999	Participation/observer at meetings	CEO resigns
February 1999	Correspondence/interviews with staff/MC on future strategy	References to "Christian" in ARK's statement of Philosophy, formally removed
March 1999	Interview with former CEO	Recruitment for next CEO decided
On-going	Collating material	Next CEO appointed July 1999

2.8 ROLE OF LETTERS IN EVIDENCING ORGANISATIONAL ETHICS

2.8.1 The research aimed to gain access to the ways participants look at management issues rather than to introduce pre-formulated categories or requirements. To this end, it was intended that interviews would be non-directive with open-ended questions. In practice, the role of formal interviews became limited, being necessary only at the outset of field-studies to establish parameters or subsequently to gain triangulation from individuals not participating directly in field-studies. Experience at an early interview prompted careful consideration of the means of data collection within the study of ethics.

2.8.2 One early interviewee, at SGC, commented that he preferred the interview not to be audio-recorded but offered to write down his thoughts in the form of a letter, once a 'preliminary interview' had taken place to outline the range of issues relevant to the organisation. The explanation given was that the discipline and process of writing would produce a more coherent formulation of his reactions and thoughts than a discursive conversation. This influenced subsequent research techniques. While scratch notes of interviews were made, it became my habit also in acknowledging by letter an interviewee's time and trouble given (as a matter of courtesy after formal or semi-formal interviews) to give a very brief summary of the key, or unusual, points made. In three significant instances at SGC, offers were made (and accepted) for such contributions to be made way of letters. In each instance these were provided by individuals who were closely concerned with aspects of the subject being researched. Their letters formed open-ended responses after preliminary discussion. In each instance they were also followed by an informal interview for clarifications.

2.8.3 This prompted consideration of "letters" as particularly reliable, sufficient and relevant evidence for the study of ethics in practice. As will be seen within the case-study of the Cappadocians and their era, the combination of letters and laws proved more indicative of both objective practice and subjective thought than either histories, biographies or sermons of the period. Letters, whether personal or official, are perhaps

the most accurate means of access to the conceptual substance of an ethos.

2.8.4 In the historical aspects of the study of ARK (Chapter 8), letters and memos of the period were essential supplements to minutes and reports, giving personal views but in a more formal way than casual conversation or vague thought. Therefore, in writing-up the contemporary field studies, wherever possible, references to minutes of discussions, decisions and actions have been supported by letters from individuals where these help illustrate the ethical considerations. Such letters proved substantive, triangulating evidence for they went beyond observations or possible surmises of an observing researcher, representing considered reflections by other participants.

2.8.5 It seems appropriate to comment briefly on the advantages and disadvantages of letters as research evidence in ethical studies. The advantages are:-

- in dealing with ethical dilemmas of any substance, the factors and related arguments may be complex. A letter enables literate participants to express these, together with their own conclusions, in more structured and coherent ways than at oral interviews;
- the process of composing a letter enables the opportunity for further reflection by the writer/interviewee. Time pressures or distractions are avoided (at the later stages of a long interview, the interviewee may be concerned about a previous answer). The information given is therefore likely to be more carefully considered;
- a “written interview” process is more open-ended in eliciting the interviewee’s responses, being uninfluenced by any possible physical signals from an interviewer. Although the “interviewee” may, when framing the letter, imagine (correctly or otherwise) reactions of the reader/interviewer, determining the substance of the document is predominantly that of the writer alone. If the writer does compare their own instinctive and reflective reactions for compatibility with those presumed of others, that is part of the processes of ethical evaluation;
- words may be used more frugally and, by being more closely weighed, prove more succinct in encapsulating a position or argument;

- letters, or e-mails, are a mixture between formal and informal means of communication, so are well-suited to dealing with subjective subjects;
- a letter forms a contemporary record, with less possibility for ambiguity than either interview notes, or even transcripts.

2.8.6 The disadvantages, together with comments, are:-

- a letter is less of a participative process than an oral interview. Challenges offered or points explored are limited by the writer's ability to imagine the questions of the interviewer.

However, a letter-writer's exploration of the subject can have been stimulated through the preparatory discussion/preliminary interview before the letter is written, or questioned in subsequent discussion;

- the researcher must have already won the confidence of the prospective writer, otherwise, the letter could be relatively superficial, or overly concerned with background information.

A sensitive letter-writer will draft appropriate to the reader's assumed ability to understand. Unless there is to be an on-going exchange of correspondence, a researcher's request for a letter is probably a tool for later stages of research. Once the researcher has already demonstrated a significant knowledge of the context, if not necessarily the ethical issues, a writer can re-act accordingly;

- the letter-writer may be unduly secretive or cautious in expressing views in writing.

There should be little theoretical difference between a letter and any 'on the record' oral interview. For the purposes of academic research, the assumption must be that all material is obtained fairly and so 'on the record'. This distinction is therefore not of major significance. In contrast, because opinions are written, it may be that the writer will be more willing to defend these than any expressed orally;

- the tool can best be used where those interviewed/writing already have some experience/facility with expressing their own opinions on ethical concerns; can do so

articulately and have time to write²⁶.

Where this situation exists, it is the requirement of the researcher to provide the motivation, outline the broad areas of interest, then to collate the responses.

- there may be significant lead-times between seeking the letter and receipt. However, qualitatively, the product may represent a parallel assessment likely to be of as much, if not greater, validity as the observer/participant's own;
- the stated ethical position may not accord with observed practice. This problem could exist in any set of circumstances but the researcher can explore this in pre and post discussions

2.8.7 The fact that the documentation has been initiated by the researcher will make it abnormally focused on ethical issues. To that extent such a letter may be a poor indicator as to the actual depth of general concern felt. Therefore the researcher will need to exercise judgement on any conclusions to be drawn thereon. Clearly, too, such initiated letters may be very different in both style and content from correspondence between third parties but selected by the researcher, (while reviewing past, or monitoring present, decision-making) as relevant to ethical concerns. Contents are different but the messages of neither are invalidated thereby.

2.8.8 Where such disadvantages can be substantially overcome, the benefit of letters for the research is contributions where the informants have consciously supplemented the researcher as self-editors, concentrating on what they see as being of particular importance. Thus the research will have "listened to the language and literature" of other participants" (2.2.12.). The requested act of writing may have crystallised previously only vague thoughts. It becomes a contention of this thesis, as a contribution to debate of the methodology of ethics research, that letters in their different capacities are potentially a particularly flexible and valuable means of obtaining ethical insights.

²⁶ Clergy may be particularly suited to this, as is demonstrated by their over-representation among the quality newspaper letter-writing population [The Times, 8/1/01]. The specific statistics of 3.7% in

2.9 ANALYSING CASE-STUDY MATERIAL

2.9.1 The first aim of the research was to concentrate on ascertaining what were the significant ethical issues relating to change that had been, or were being, faced by the organisations studied. It also recorded procedures for coping with these and some reactions and responses among participants. Of particular interest were those qualities which might be important to participants in acting in ways which could be termed “Christian”. This latter prompted consideration as to what might be attributed as normative to a “Christian”. Such analysis is described in the relevant chapters as “reflection” with the aim of providing leads into the final, concluding chapter.

2.9.2 Before undertaking this, investigation was undertaken of different analytical processes which might be applied to ethical case-studies. As Kitson & Campbell (1996)²⁷ identified, there are three main means, as follows:-

1. **the rational approach.** This is essentially utilitarian, assuming a systematic and positivistic explanation to organisational behaviour and the evaluation of alternative solutions applying cost-benefit calculations;
2. **the transrational approach.** Drawing on Aristotelian principles and essentially person-based, this explores the predicament by reference to the ‘Causes’ which constitute the organisation where this occurs. Its contemporary exponents, Malloy & Lang²⁸ argue that it provides a much wider and more holistic analysis than the more limited perceptions of organisational reality implicit in the rational approach.
3. **The Goodpaster approach.**²⁹ This seeks to apply a relatively elaborate framework for every situation being considered and requires within the approach the evaluation of three alternative approaches, utilitarian, contractarian and plural, asking what action or policy reflects the stronger duty. The manager of an organisation must be

2000 and 4.2% in 1999 were cited by Rev.M.Johnson [The Times, Letter, 8/1/10]

²⁷ see 2.2.13. pp 22-25

²⁸ Malloy, D.C. & Lang, D.L. ‘An Aristotelian Approach to Case study Analysis’ *Journal of Business Ethics*, 1993, Vol 12, pp511-516.

²⁹ Goodpaster, K.E. ‘Some Avenues for Ethical Analysis in General Management’, Harvard Business School, case 9-383-007.

sensitive to both the organisation's external role as a moral agent and internally to provide for the well-being and freedom of its own members. The manager should then explore a series of questions before seeking to converge the outcomes supported by each outlook. If/where there is divergence, the ethical decision is then focused around which avenue should prevail.

2.9.3 None of these possibilities were rejected. Rather the intention has been to be able to bring to the Concluding chapter, after completion of the three case-studies, strands of experience and thinking which develop a further understanding of qualities essential to implementing each, or any, of these approaches to the fullest extent possible.

2.10 RETROSPECTIVE COMMENT ON THE RESPONSIBILITIES OF THE ACTION RESEARCHER

Introduction

2.10.1 Some four and a half years after commencement of the action research, it is possible to comment reflectively on lessons discernible from the methodological processes relating to action research. Principal findings are inter-linked but can be categorised as follows:

1. the unpredictable nature of 'events' may create substantially bigger studies than expected. By intimate participation, very large volumes of detailed data may be both generated, or received, thus potentially altering the intended balance of the research;
2. the need for 'responsible confidentiality', so that, despite receipt of privileged permission to research, reports thereon respect reasonable privacy for the organisation and participating individuals, particularly about events which were unforeseen when the permission was given;
3. the difficulties of disengaging appropriately from active involvement, once sufficient research material has been gathered; and

4. the challenge of finding the most helpful and effective means to share critical findings. This notes the prospect of using alternative forms for wider reporting of 'Action Research', including increased interest in the potential role of narrative than hitherto for Social Science academic research studies in accounting and management.

These have common features, not least for the ethical responsibilities which they invoke. Point 1 is essentially about responsibility to be consistent to the researcher's intent, while sensitive to obligations to academic and wider communities to provide useful coverage of findings. Factors of balance, lapsed time and capacity are relevant. Point 2 is concerned with the privileged researcher's responsibility to participants respecting the spirit of permitted access. Point 3 is concerned with both time and participants, together with the researcher's responsibility to respect the needs of the organisation which has provided the privilege of access. It requires using the opportunity afforded for more than the prime convenience of the researcher. Point 4 is concerned with the obligation to share research findings, recognising the breadth of possible interest ~ democratisation as Greenwood & Levin³⁰ describe it. However, this must not conflict with Point 2 and the sensitivity of individuals to findings. This section now comments briefly on each issue.

Responding to events while retaining the original balance of the research

2.10.2 At the outset of this action research, there was no means of predicting what would happen in either field-study. Selection of the two had come from a hunch, a sensitivity that, despite the high ideals of each of the two entities, there seemed a prevailing sense of foreboding, coupled with my own curiosity to understand why. In the middle of this action research, there needed to be a high regard for flexibility, with attention switching between literary/historical pursuit and field-studies in response to varied events but conforming to the timetables of the latter. At the end of this action

³⁰ Greenwood, D.J., & Levin, M., Introduction to Action Research: Social Research for Social Change (Sage, London, 1998) passim but particularly pp175-9

research, when writing-up, the pressure has been to present a neat, succinct and orderly account of a wide variety of occurrences over a three-year timeframe. A simple problem with so doing has been that the major events of interest to the research (and particularly responses to them) did not happen in neat or orderly ways. For example, the departures of the two CEO's in the period covered were very uncertain affairs, yet the clearest possible manifestations of change for the management and accountability of ARK.

2.10.3 As Jardine³¹ points out, while the unpredictable may be disconcerting for a carefully constructed research programme, it should be welcomed as positive rather than negative. Encouragingly, he points out that many major advances in science, (from Archimedes, through Newton, to Crick & Watson) have come from researchers' openness to informal discoveries out of the unexpected. Enthusiastic responses to the unforeseen may be of much greater importance than strict compliance with pre-determined methodologies. Possible academic distaste with the essentially isolated nature of such occurrences (because they are problematic for their absence of external validation) should be balanced by the prospect of enhanced knowledge.

2.10.4 While respecting this view, indeed having accepted that the course of the research must go on much longer than intended, nevertheless the temptation was resisted to allow the unexpected and seemingly dramatic events emerging from this action research to take over the whole thesis. To maintain the intended balance between historical and contemporary, meant very hard editing, minimising within the submitted thesis document what, in a study restricted solely to, say, ARK or / and SGC alone, might have been seen as of over-riding significance.

2.10.5 This was a particular problem in covering the ethical issues relevant to the protracted illness of the second CEO. Although the twists, turns and nuances had been

³¹ Jardine, L., Ingenious Pursuits, Building the Scientific Revolution (Little, Brown & Company, London, 1999)

noted in a diary, sequenced and documented in intricate detail from May 1998 to January 1999, yet this is described primarily in just thirty paragraphs of Chapter 10. Arguably, such summarised reporting distorts what was a salient and fundamental test of ethics, for even these paragraphs focus as much on strategic approaches as on the daily issues. This could be misleading, as a brief consideration of the reality in 2.10.6 shows.

2.10.6 Sustaining consistency in the detailed responses to events over many months was arguably the major ethical challenge for the MC and Chair in the period covered by this action research. The eventual solution that emerged was an amalgam of a large number of tactical decisions arising through consultation with many people, and each with different levels of understanding of the nature of the problems. This was a very repetitive and uncertain process, as it were grappling with putting together a jig-saw, where pieces became available in a random fashion; with no clear model of the final picture; of when it might be ready, or even whether it would ever be complete. By contrast, it had proved relatively easy to set out the goals ~ as in the Ethical Approach at Appendix B ~ which had been drafted by one person in the space of a train journey from Glasgow to Aberdeen. This, almost theoretical, task was important but the more interesting discovery for this action research was the reality of the agonising, day-to-day, grind of attempted application, mindful of the deeply serious implications for the 'real people' involved.

2.10.7 For a researcher seeking to report the circumstances outlined in 2.10.6, the compressed phraseology of a PhD thesis provides scope for only a partial account, particularly when only one aspect of a whole which ranges broadly across issues which span different entities and different era. Possibly a solution might have been that the whole programme of research itself should have been altered to concentrate in more detail on what had occurred. It might have produced a far richer reported research if that period at ARK, and related analysis, had been re-constituted to form the major and most significant part of the whole study. Perhaps, the controversies at ARK and

BWM, confined in time only to 1996 and 2000, could have constituted the findings of the thesis. However, to do so would have meant jettisoning much other material, in whole or in part, such as the Cappadocians, the legal Codes or the historical aspects of SGC and ARK. This would have been despite that fact that these had been specifically chosen at the outset as likely to provide a measure of comparability, precisely through not being 'Action Research'.

2.10.8 In this way I might also have recorded more of my own personal development from the experiences of this action research but I remain unconvinced that this would have been appropriate. While 'Action Research' may be able to justify loss of comparability or external validation as the price for its greater depth, nevertheless, I believe that where 'Action Research' can also be coupled with wider reading and wider experience, there is an obligation on the researcher to undertake and include these. Indeed, I would suggest that where a combination is possible, it potentially strengthens the whole reputation of 'Action Research' for it reduces the risk of an unbalanced, egocentric perception of the results. Rather, the historical perspective of authoritative thinkers/practitioners (be they a Basil, a Calvin or a Thomas Chalmers) enables researchers to see their own experiences or opinions in a better proportion. Moreover, the observed material remains for possible wider publication, perhaps in a different format. Some factors relevant to how that might be, will be addressed indirectly and directly in the rest of this section.

Responding to events while retaining the original balance of the research

2.10.9 Relevant to Point 1 is another consideration. Although appropriate permissions had been obtained at the outset, I had not anticipated how intimate would be the nature of some of the discussions and interviews during this action research. The detailed, active involvement with the organisational issues brought an appreciation of how, quite properly, individuals will be very deeply and emotionally engaged with their work, be it paid or voluntary. Auditing had prepared me for dispassionate data collection and appraisal thereof. However, it rapidly became apparent that despite a certain level of

objective detachment, 'people' must cease to be viewed as 'mere participants' if a holistic understanding of their input is to be achieved. Moreover, their willingness to share their views, however unusual or self-serving these may seem, must be respected.

2.10.10 Based on my sustained observations and interviews, it would have been possible to have included more judgmental quotations or critical analysis of revealed motives and, possibly, to have justified this on grounds of objectivity. However, I concluded that to maintain its ethical credibility, this example of 'Action Research' must be wary of falling into a trap of some journalism whereby a interviewer may elicit revealing comments; quite legitimately publish these; then move on, remote from the consequences for the interviewee. It might make good 'copy' or provide 'rich' quotes but this would risk being contrary to the spirit of the involvement. Thus, while I received a variety of very frank views, I decided that while these should inform my overall conclusions, the thesis should not include trenchant quotes about other, potentially recognisable, individuals. I decided it was the researcher's responsibility that no participant without a right of reply should, subsequently, feel personally belittled by what might be disclosed in the thesis. There was enough material by far without having to resort to extremes or sensational criticisms of one individual of another. While the existence of extremes might be relevant, the exercise of such filters seems an essential, ethical component of 'Action Research.' Unavoidably, it requires an element of trust by the academic community on the appropriate selectivity of the reported results, but this pertains to any research or researcher.

The conflicting pressures to end action research but to continue involvement

2.10.11 My eventual tenure of the post of Chair at ARK, up to September 2001, will be five years, the maximum constitutionally allowed. The original intention was three. This reflects, in part, because no one else has been persuaded to take on the post (for reasons considered in chapter 10). Equally, there are other factors, including that implementing change has been far slower than anticipated. Moreover, I have a natural wish to see matters to their conclusion and to try to implement the changes which had

been widely identified as desirable.

2.10.12 An extension of the lesson outlined in 2.10.2 is that an organisation's and an action researcher's timetables do not necessarily coincide. Finding an appropriate exit may be unexpectedly difficult, especially given the informal obligations which may have developed. That the exit should be at a time and in a way that respects the organisation researched, seems a fundamental ethical obligation on the researcher, while also recognising, perhaps particularly with voluntary organisations, that excessive dependence may itself have a serious ethical dimension³².

2.10.13 Non-the-less, a research benefit of continued involvement, both at ARK and in respect of BWM, is that I have covered a far longer cycle. Consequently, beyond the reported research, a proportionately clearer perspective has been possible on the issues which emerged. Most notable, at ARK has been the seemingly intractable nature of some recurring problems, hence an increased awareness of the need for compromise in order to make any form of progress. Relationships between senior staff seem to have continued to be unsettled, as if the malign cycle of some issues from pre-1998 cannot be broken. A prevailing sense of introversion, combined with financial pressures, have encouraged the exploration of a co-operative partnership, or merger, with another housing association. This may eventually see the complete end of ARK as a separate and distinct entity. Such a final outcome might further influence the tentative conclusions already drawn, as reflections continue to mature with time and distance.

2.10.14 At BWM, during Autumn 2000, there has been a substantial study and report on Departmental change undertaken, pro bono, by consultants, McKinsey & Company³³. In many areas this has served to highlight points made in the thesis and to chart a route for extensive changes embracing Board and Department beyond SGC. It has been most valuable in providing an alternative source of advice to the leading

³² Harris, M., Organizing God's Work : Challenges for Churches and Synagogues (Macmillan, Basingstoke, 1998) Chapter 6 pp108-127

participants without excessive demands on the researcher, albeit I have continued as Convenor of BWM's Finance Committee and served on its Israel Centres' Committee. At SGC and Tiberias, the eruption in Autumn 2000 of a renewed infitada in Israel / Palestine has re-opened evaluation of the sustained CofS presence in that Region, while jeopardising short- and medium-term prospects for the increased utilisation of the site and its funding through tourism. Questions on the wisdom, or otherwise, from a commercial standpoint, of developing the site will again need to be answered, at the General Assembly of 2001. Revised proposals may be adopted, as with ARK in conjunction with new partners. Such a possible outcome firmly re-emphasises the critical importance of the Ethical Analysis (Chapter 5) which established that there were manifold and complex criteria involved, so that the decisions to proceed with the investment at SGC had to be made on many more grounds than those of simple economics.

Sharing critical findings and the potential importance of Narrative.

2.10.15 As noted in 2.10.2-8, the writing up of the thesis document has involved compromises and curtailment consistent with the intention to undertake more than 'Action Research'. Confidentiality has required restraint, as described in 2.10.9-10. The deferral of disengagement described in 2.10.11-14 has extended knowledge and helped resolve satisfactorily a potentially difficult dilemma of how to share the benefits of the research in practical ways. Co-incidentally, another emerging personal discovery has been that accounting, management and general Social Science research are increasingly interested in the use of 'narrativity' as a means of communicating the ideas and findings from their respective subjects for practical benefit.

2.10.16 The advantages of Narrative are a far from new discovery for the discipline of theology, the traditional source of thought, reflection, teaching and training on ethical matters. Wider recognition of what inter-disciplinary sharing of reporting

³³ McKinsey & Company, A New Way of Working for the Board of World Mission, December 2000

methodologies might give is shown in recent writings, such as those of Llewellyn³⁴, on the potential of narrative, and Roberts³⁵, linking theology and the Social Sciences. Such ideas raise the exciting challenge of finding more appropriate means of sharing the benefits and results of academic research among many interested parties (such as volunteers) in ways that may be innovative for 'Action Research' at organisations.

2.10.17 Imaginative use of narrative appears a possible practical method whereby the democratization of results can be achieved, as urged by Greenwood & Levin³⁶. Such a goal may require a radical re-consideration as to the most accessible means to represent the research material used in this thesis document and otherwise unused. What might constitute such a novel format is beyond the scope of this section, indeed of the thesis itself. Suffice to note that a conscious effort has been made for the descriptions of each case-study to unfold, as much as possible, in ways which have told stories. Moreover, if a narrative tailored to introduce and expand the checklist of attributes does prove a suitable medium to allow the issues arising from ethical and 'Action Research' to be more fully explored and more widely disseminated, it would be no more than a continuation of methods such as deployed in the biblical use of parables or the Platonic tradition of discursive dialogue³⁷.

2.11 CHAPTER SUMMARY

2.11.1 This chapter has addressed a number of interrelated tasks:-

- the justification of the case-study method as a research strategy and consideration of the precautions required by it;
- disclosure of the attempts made to address issues of researcher bias;
- an outline description of the designs and data collection methods used in each of the

³⁴ Llewellyn, S., Narratives in accounting and management research, Accounting, Auditing and Accountability Journal, Vol.11. No2, (1999) pp 220-236

³⁵ Roberts, R.H., Theology and the Social Sciences, in Ford, D., The Modern Theologians (Blackwell, Oxford, 1997)

³⁶ see 2.10.2

³⁷ A combination successfully used by Jacobs (1993) to present her theories on Guardian and Commercial moral syndromes. Cited 4.1.6 and 6.1.4.

three case-studies;

- the emphasis on seeking evidence that is relevant, reliable and sufficient and the suitability of letters for this;
- a summary of analytical approaches which can contribute to constructive conclusions;
- a retrospective review of the researcher's role and responsibilities in 'Action Research'.

CHAPTER 3: THE CONDUCT OF THE EARLY CAPPADOCIAN BISHOPS AS RESOURCE MANAGERS

3.1 INTRODUCTION

Themes and format of Chapters 3 and 4

3.1.1 The aims of chapters 3 & 4 are to discern through a series of vignettes and reflections how the founding Fathers of the immediately post-Constantinian Church implemented their interpretation of the injunction, “it is more blessed to give than to receive”. The form adopted in this, the historical, case-study parallels that of the two contemporary case-studies, namely considering some detailed occurrences and reviewing change across decades. In Chapter 1, section 1.5 outlines the significance of the material in Chapters 3 and 4 to the overall study, as a link informing both biblical and contemporary insights. As well as providing a varied range of examples of praxis, it illustrates the importance for every generation of the processes of re-examination and adaptation of the workings of the fundamental Christian principle of Love ~ charity. This is particularly so when Christian communities face radical new challenges as to their use of resources, power, expectations and status, and the period of the fourth and fifth centuries can be seen, in retrospect, as one of paradigmatic change.

3.1.2 Within this chapter, 3.2 describes specifics, drawing primarily from incidents recorded, and opinions expressed, in the letters, homilies and sermons of St. Basil, of his brother, St. Gregory, and of his cousin, another St. Gregory, collectively known as the ‘Cappadocian Fathers’, as they established charitable functions within their roles as bishops. Because of the nature of these sources, the single passages quoted may often cover several aspects of ethical practice, thus complicating how topics can be drawn out for analysis. The solution adopted has been to use headings and an immediate commentary to indicate the relevance to the wider study. The main features thus identified are summarised briefly in 3.3, together with comment on the personal and communal ethical framework within which all three, but Basil in particular, appear to have operated.

3.1.3 However, this picture would be incomplete without wider evaluation. Simply to take the witness of a few individuals of one generation (howsoever eminent but confined to one geographical area) would be misleading for a broader study of Christian charitable and ethical traditions. In Chapter 4, there is a sweep through developments across two centuries. This places the Cappadocians in context and also teases out some of the ethical consequences of the changes in which they were pioneers. Within the developments over the two centuries there is an increasing sense of differentiation between “secular” and “sacred”, “Imperium” and “Sacerdotium”. Basil was aware of the importance of this relationship which impinges on many management issues within communal service. Its examination at this significant formative stage provides insights for later case-studies.

3.1.4 In Chapter 4 the history of the changing relationship is set out in three sections. 4.2 and 4.3 cover, respectively, the years from the death of Constantine to the end of the Fourth century and then of the Fifth. 4.4 reverts to Basil, setting out his views on this specific topic. Two key values, **liberality** and **fairness** can be identified as the underlying influences on the practices which have been described. 4.5 then draws conclusions from both chapters. This involves cross-referring individual attributes found among the Cappadocians with these two values, and then considering these in the context of the changing management relationships and developments across the period.

3.1.5 Chapter 3 quotes and interprets passages from letters and other, generally the more personal, works of the Cappadocian Fathers. These have been selected as illustrative of their attitudes and actions in the management of resources under their control, including their time. The emphasis is on the cumulative messages that can be derived from the texts relating to this specific subject. In consequence, there is no discussion of textual variations or the wider theological insights these bishops have provided to later generations and relatively few to subsequent secondary sources.

Translations used are cited in Bibliography 'A' of Ancient Authors¹.

3.2 EXPERIENCES, PRACTICES & VALUES

Background

3.2.1 All three correspondents are "major" saints, whom later generations judged influential theological thinkers². Hence, Gregory of Nyssa ["Gregory(Nys)"] (c.330-c395) is cited as an authoritative spiritual writer twice in the 1993 Papal encyclical, "Veritatis Splendor".³ His older brother, Basil the Great ["Basil"] (c330-379), was probably the most dominant of the three during their lifetimes, combining with his energetic administration of a diocesan bishopric, the role of monastic founder and Christian apologist. Gregory of Nazianzus ["Gregory(Naz)"] (329-389) was more the scholar, loathing ecclesiastical politics. On being called to Constantinople as the Orthodox champion to combat Arianism, he produced a series of expository sermons on the Trinity formative to subsequent understanding thereof. His intellectual honesty shines through in his sometimes candid assessments of his saintly colleagues' real motives. All came from Cappadocia, in today's central Turkey, a region which had for centuries drawn from, and contributed to, Greek and Roman culture⁴. From there they travelled, each receiving, to the highest contemporary standards, a traditional, classical education which influenced their personal approaches to Judaeo-Christian scriptures, however much they sought to promote the latter at the expense of the former⁵.

3.2.2 Fortunately, the formidable theological reputation of the three secured the preservation of almost all their writings, including general correspondence. Inter alia these contain references to their personal, practical experience of trying to apply the

¹ For Basil, the Loeb Classical Library translation has been used except where stated.

² Meredith, A., The Cappadocians (Geoffrey Chapman, London, 1995) is the first general treatment in English to bring the three together. His Gregory of Nyssa (Routledge, London, 1999) provides a background commentary.

³ Veritatis Splendor, paras 38 and 71

⁴ A Roman province until 294 AD, when it became a Region. Atlas of the Early Christian World (Nelson, London, 1958) p189.

gospel that they were so eloquently enunciating. Thus they provide a microcosm of the dilemmas and ethical responses of men struggling to apply their Faith in new and unprecedented circumstances, as opportunities for Christian charitable activity unfolded. The fact that some letters would have been expected to be private, assists in revealing a clearer perspective of their personal ethical conduct, its sentiments and motives.

3.2.3 The three were of the next generation after the changes in status and recognition of Christianity by Constantine. They came from the curial class, or juridical order⁶. Membership of this required free birth in specified locations but most importantly a property qualification, usually of land, that being the major form of wealth. Socially and economically the class covered a wide range, although all members enjoyed the same privileges and were subject to similar obligations. The impact of these obligations, and increasing attempts to evade them, are a recurring theme in the histories of the Fourth and Fifth centuries as the transition between state-sponsored to Church-based responsibility for communal social functions gained momentum⁷. Letters and legislation reveal these changes as contentious.

3.2.4 For church communities, after centuries of intermittent persecution, change initially can only have appeared broadly positive. Men of curial background, having been attracted by a combination of genuine piety and/or financial advantage brought not only leadership, respectability and learning but resources on an unprecedented

⁵ On the tensions, De Mendieta, E.M. The Official Attitude of Basil of Caesarea as a Christian bishop towards Greek philosophy and Science, in The Orthodox Churches and the West. Baker, D. (Blackwell, Oxford, 1976) pp25-49

⁶ Jones, A. H. M., The Later Roman Empire 284-602 (Blackwell, Oxford, 1964) remains a core work on this period. Circumstances of the curials discussed in Volume II, pp 737-57. p925 offers the opinion that *"to judge by the bulk of the imperial legislation on the subject the great majority of the clergy were drawn from the curial order."*

Kopecek, T., The Social Class of the Cappadocian Fathers, Church History Vol.42, pp453-466 (1973) covers a range of speculation on their origins.

⁷ The technicalities of the immunities are outwith the scope of this study but are considered in Elliott, T.G., The Tax Exemptions granted to clerics by Constantine and Constantius II Phoenix 32 (1978) pp326-36

scale. Inherent with this was the opportunity for innovation. Once potential donors had found an imperially-inspired interest in churches, they could adopt the Christian teachings of “love, care and concern” for others and interweave these naturally into those of patronage which had long been recognised at all levels of society within the Roman Empire.

3.2.5 Patronage was more than merely financial convenience, more a way of life, involving an intimate relationship and interchange of duties between giver and receiver⁸. Except when politically expedient, as with the urban proletariats of Rome or Constantinople, the “poor” as a category were often ignored by Emperors, state officials and rich alike. However, there were traditional obligations on Roman local officials that they should spend large sums on religious festivals, public spectacles buildings or bridges for public approval⁹. Moreover, individual relationships in communities were built up on principles of mutual support. While services or gifts-in-kind may have been less than formally accounted for, they were part of a web of expectation, obligations and status. Accountability was exercised through the perceptions and memory of the community.

3.2.6 A significant result of Constantine’s conversion was, therefore, not only his personal lavish benefactions and subsequent legal/tax favouring for the Christian communities. Imperial endorsement encouraged similar sponsorship by wealthy families of their local churches/Christian communities, in both cities and villages. With the confidence of respectability, these families could now re-direct traditional energies orientating these towards Christian practices. The effectiveness of the Christian diversion of these customs into charitable activity was to be acknowledged by the apostate emperor, Julian, in his subsequent attempts at imitation for pagan

⁸ The “Satires” of Juvenal provide contemporary description of the endemic and elaborate relationships between the levels of society in Rome between 100-130. Frank, T, Aspects of Social Behaviour in Ancient Rome (New York, 1951). Millar, F., Empire and City, Augustus to Julian: Obligations, Excuses, and Status, Journal of Roman Studies 73 (1983). pp76-96.

institutions¹⁰.

3.2.7 Space precludes trying fully to address the vast and diffuse subject of the development and impact of Christianity on Late Antiquity and vice versa¹¹. Suffice to note that, post-Constantine, the role of the Christian Church became of a more embracing nature, no longer forced to minister primarily to the community of believers but to a wider parish. In so doing, it not only took on substantial new responsibilities but was unavoidably cross-fertilised by the traditional attitudes and ethics of its new leaders. Even if the changes are now viewed as detrimental¹², for contemporaries the opportunities would have appeared, at worst, ambiguous, at best, providential. As they sought to apply the Gospels to their charitable activities through churches as institutions, this was a longer-term change on a large scale, with a paradigm shift of responsibilities and resources.

3.2.8 The state's emphasis on tax exemptions being allowed for clergy and their family possessions, rather than concentrated on the churches' own property (other than decorative and non-productive items used in worship) requires some brief, initial comment. From a historical perspective, dissension seems an inevitable product of the lack of clear distinctions. Possible explanations are many and are an aspect of Chapter 4. However, suffice to note that churches' property-assets were only being accumulated over generations. Following classical traditions, even the most enlightened benefactors, such as the Younger Pliny, gave from income rather than made capital transfers of the estates that generated that income.¹³

⁹ Duncan-Jones, R., The Economy of the Roman Empire (Cambridge University Press, Cambridge, 1974) lists costs of these different enterprises in different provinces, pp 90-99,102-109,157-162,171-209,218-223.

¹⁰ 4.2.9.

¹¹ Macmullen, R., Christianizing the Roman empire (AD 100-400) (New Haven, Yale, 1984)) p5 "*the boundaries around my subject are in danger of dissolving completely*" notes the scale of the topic.

¹² On the ambiguity with which the impact of Constantine may be viewed see Kee, A.A., Constantine versus Christ, The Triumph of Ideology (SCM, London, 1982).

¹³ Hands, A.R., Charities and Social Aid in Greece and Rome (Thames & Hudson, London, 1968) p75.

3.2.9 Moreover, distinguishing between personal and corporate was simply less pronounced. Although guilds and co-operatives to look after the mutual interests of their members and their families had long existed, and individuals had given bequests of buildings or goods to cities or colleagues, the concept of “third-party” charities existing in perpetuity as separate legal persona did not exist. At this time ‘Christian giving’ was for many wealthy families a new experience. If being a cleric meant sharing some of the income from your own inherited wealth with others, it will have placed more emphasis on ‘fusion of interests’. Arguably, this is more positive than the focus on avoiding ‘conflicts of interests’ prevalent in current attempts to enforce ethical conduct¹⁴.

Church Leaders as men of Independent Means

3.2.10 Expectations of the general ability of church leaders to be financially independent without recourse to congregations may have been a significant change in this era. Yet there is some evidence that Cappadocia (and the adjoining district of Pontus) had already experienced a few clerics from eminent and wealthy families. Early in the third century, Alexander, Bishop of Jerusalem, had served in similar role in his native Cappadocia before translation. Since his education had included a period in Alexandria, it can be assumed that his family had at least moderate private resources. Firmilian, the Bishop of Caesarea in 232, had also received a Greek education and was probably by birth a curial¹⁵. However, they seem to have been noteworthy as exceptions.

3.2.11 By contrast, despite their intellectual capacity and educational achievements the two Gregories served as bishops of small towns, Nyssa and Sasima¹⁶. Although

¹⁴ 8.2.72

¹⁵ Eusebius, 6:11; 6:39 on Alexander and 6:26,27 on Firmilian.

¹⁶ On Sasima, Gregory(Naz) Poem concerning his own life, 439ff, “Midway along the road through Cappadocia, where the road divides into three, there is a stopping place. It’s without water or vegetation, not quite civilised, a thoroughly deplorable and cramped little village. There’s dust all around the place, the din of wagons, laments, groans, tax officials, implements of torture, public stocks. The population consists of casuals and vagrants. Such was my church at Sasima”. However, a deacon at Nazianzus, George, was sufficiently rich to sustain heavy losses (Letters 14 and 22)

both had specific reasons for reticence, it appears that there were, increasingly, no serious shortages of moderately able and competent colleagues to hold ecclesiastical posts in larger communities. The exception had started to become the norm, so that higher economic and social status, and the chance of independence which this gives, was becoming perceived as an appropriate, if not actually necessary, attribute of those who might lead churches/charitable activities. Neither the artisan status of Jesus himself nor humility seems to have inhibited class-conscious sneers at heretics when opportunities appeared.

3.2.12 For example, Gregory(Nys) describes the father of a rival, Eunomius, as the farmer of a small holding with...*“a very honest and respectable life, certainly, but one full of laborious penury and full of countless toils.”*¹⁷ No credit is given for the son’s hard work in training himself to become a tutor. Aetius, his mentor, was alleged to have been of servile origins before becoming a

“...tinker [who] had this grimy trade of a mechanic quite at his fingers end, sitting under a goat’s-hair tent with a small hammer, and a diminutive anvil, and so earned a precarious and laborious livelihood.”

3.2.13 A further taunt about *“the man who has made the championship of a tenet a source of income.”*¹⁸ demonstrates some confidence in Gregory(Nys) that no such allegations could be made against himself and his party, despite the fact that speaking and writing were his own major pre-occupations. As will be considered later¹⁹ Eunomius had provoked this riposte by mocking Orthodox clergy as having adopted roles like petty state functionaries carrying out menial tasks such as shield- or spear-carrying.

3.2.14 The implication is that Gregory’s audience would concur, even at this relatively early developmental stage, that their religious leaders should not be in need of sources of income, other than from their private means. While the contentious nature

¹⁷ Gregory (Nys) Against Eunomius 1.6

¹⁸ Ibid 1.10.

of payment of preachers had been known to the very earliest church²⁰, the assumption recurs that financial independence was, unspecifically, beneficial for the Christian volunteer in charitable activity. However, financial independence is not necessarily conducive to awareness of the need for accountability. Hence, later case-studies will allude to the potential tensions where financially-independent ‘amateurs’, with socially-orientated motives, contrast with ‘professionals’, arguably more conscious of satisfying the demands of those who control their payment²¹. This verbal exchange confirms that argument as to the respective positions of paid and unpaid stakeholders is not a new phenomenon. Nor, given Eunomius’ attack, are the difficulties for church officials in balancing what some may differentiate as “God’s” or “Caesar’s”, in tasks that involve agency for both.

3.2.15 Financial independence did have its benefits in crises. Meletius, bishop of Antioch, recipient of several letters from Basil²², had, in 371, already spent seven years in exile at his country estate. In 381, Gregory(Naz) on leaving the intrigue and disputes of Constantinople for scholarly contemplation, could find solace in Cappadocia whereas in not dissimilar circumstances, twenty-two years later, John Chrysostom was dependent on the wealthy widow, Olympias²³. Independently-minded, even just consistently-minded, bishops faced exile as an occupational hazard so such assets would seem a facility which indeed assisted their individual Christian service²⁴.

Forms of giving by church leaders

3.2.16 However, the independent circumstances of the clergy had a greater impact, and was less directly self-interested, for the communities to which they belonged. The

¹⁹ 3.2.68.

²⁰ Paul, I Cor 9 and 2 Cor 11-12 affirms the right to receive payment while so declining. The Didache, para 13, Early Christian Writings tr. Staniforth, M. (Penguin, London, 1968) gives both approval and warning.

²¹ 6.2.15 on the difficulties of attracting active Board members at BWM. At ARK, tensions between paid and unpaid participants are referred to at 8.2.43; 9.2.12-15; 10.4.14 and 10.5.5.

²² Basil Letters 57, 89, 99.

²³ On the circumstances of Gregory(Naz) and John Chrysostom at Constantinople, Chadwick H., The Early Church (Penguin, London, 1967) pp148-50 & 184-91

close identification of personal wealth with the role and function of the church, and charitable activity, is well illustrated in Gregory(Naz)'s biographic oration on his father (confusingly yet another Gregory and his predecessor as bishop at Nazianzus). Cutting through the excessive eulogistic style, beloved of Greek and Roman panegyric and epideictic encomia, it is possible to distinguish that the donations to "his" church, in "his" see took two forms²⁵.

3.2.17 The most substantial, and visible, donation by Gregory was of a physical building, for worship. It was intended for communal use yet seems in direct contrast with the existing provision, for he had, "*received a woodland and rustic church*". From its description, Gregory's new edifice with pillars, porticoes and statues was far more elaborate than necessary for the township, although there may have been some cost-cutting, for the son is defensive over the use of local stone. Nevertheless, the change reflected the difference between the new bishop and his predecessor, who was described as, "*a man of admirable and angelic character but simpler in heart than our present rulers of the people.*" The impact of association of a wealthy man and his family with the previously "simple" Christian community was clearly dramatic. The building constituted a personal statement to the general townspeople of faith and of commitment to the sect.

3.2.18 However, it was an individual creation. There appears no expectation that other members of the Christian community would have contributed financially. Moreover, the on-going services of a priest could only be provided through the endowment made by the benefactor himself. Even this seems to have been less than

²⁴ see also 4.2.4.

²⁵ Gregory(Naz) Oration 18 "on the Death of his Father" 16, 20 &39. This was not a biography but a formal funeral oration. The conventions of the genre, which was an inevitably common feature of any society with a high level of mortality, would have been widely understood. The historian Polybius (10:21) distinguished between history and encomia which emphasised only the good in the deceased. The orator Quintilian (3:7) listed the necessary points for epideictic rendition.

fully successful. Albeit through a dutiful son's hyperbole rather than an objective account, the impression is of a local landowner, who having accepted the appointment of bishop, decides unilaterally to impose onto the Christian community in his location not only a building but the future organisation necessary to maintain it.

3.2.19 However, the task was such that implementation was not a totally individual practice, more a family concern. The bishop's wife, Nonna, who was entrusted with co-ordinating much of the giving, used, "*the property which they originally possessed and what accrued to them later*". That their son should eventually become episcopal successor and that 'family' should come to control the religious administrative arrangements, making decisions as they saw fit, becomes a logical extension. This was not so much a 'social business' as a family way of life. This situation is in marked contrast with the perceptions of the Regulators for ARK, where the involvement of one spouse in a charitable activity managed by the other was strongly criticised as risking unacceptable conflicts of interest²⁶.

3.2.20 If the local community did resent or question any aspect of this paternalistic control, it is not recorded, but the ongoing nature of his donations may have discouraged popular complaint, "*for he treated his own property as if it were another's, of which he was but the steward, relieving poverty as he could and expending not only his superfluities but his necessities.*" The de facto position seems to have been that the church and its charitable activities in Nazianzus were financed out of the inherited resources of the bishop and his family as an informal, additional need. "Additional" for despite the statement of complete willingness to transfer all, the fact remains that finance was available for protracted education. The estate itself remained in the family²⁷.

3.2.21 The possible implications of such patronage was symptomatic of an emerging

²⁶ 8.2.71.

²⁷ See 3.2.8-9.

pattern²⁸, one which was to generate disquiet even among Gregory(Naz) himself who in a later oration sarcastically declared, “*they seek not for priests, but for orators, not for stewards of souls, but for treasurers of money, not for pure offerors of the sacrifice but for powerful patrons.*”²⁹. The “model” for communities was not to elect on the basis of moral or spiritual meritocracy but choose an independently wealthy bishop.³⁰

Legacies

3.2.22 Generally, the very rich do not have a distinguished record in their giving³¹. Far from sharing in times of famine there was deliberate hoarding to raise prices and increased seizure of land from the destitute. Basil condemned their nominal Christianity, of praying, fasting and performing acts of piety provided that these cost nothing, rather than providing tangible help. To supplement his urgings, that greed should be lessened and giving encouraged, Basil’s preaching emphasised the shortness of life and the uselessness of possessions when “three cubits only of earth” await each person. Giving should be expedited quickly not deferred. How much the Christian churches and charities should promote giving out of fear, or promises, is clearly a moot point³².

3.2.23 It is, however, noteworthy that Basil in his preaching was critical of ‘comfortable giving’ through legacies. He noted that wealthy individuals would promise bequests in wills, claiming Christian-inspired generosity but deferred until after their deaths, thereby benefiting fully from the security of their earthly assets. Whatever the practical fund-raising benefits for the churches as institutions of this approach, Basil was very scathing of reliance on legacies, whereas by the end of the Fifth century it had become the source of the very substantial ecclesiastical growth. This was a change of

²⁸ Basil Letter 49, early in his own episcopate, wrote to another bishop, Arcadius (see unknown) congratulating his building of a church at his own expense. Basil offered him some martyrs’ bones as relics but did not imply this bishop’s initiative was unusual.

²⁹ Gregory(Naz) Oration 42 “on leaving Constantinople” 24

³⁰ Theme also cited 3.2.57

³¹ Basil attacked the avarice of the very rich in Homilies 6-8.

³² 4.3.11 on the insidious nature of the exploitation of legacies and the restraining statutory provision required.

which Basil seemed wary, perceptively so³³.

Tax Exemptions

3.2.24 The assumption by the clergy of the type of responsibility, which provided practical community support and relief at a local level, helps explain the persistence of ongoing battles for tax exemption, as concerned with much more than exploiting tax loopholes. The disputes which figure throughout the Theodosian Code and the letters of Basil were not necessarily being fought by men seeking merely to minimise their personal obligations and taxes. Rather, for some, their aims may have included applying locally-generated revenues in ways that they personally saw as needed to benefit their immediate communities. Such battles would typify the tension found in many societies and activities where centralised decision-makers and their locally-based counter-parts conflict as to who are the most appropriate deployers of resources. The claim of religious commitment could re-inforce demands for local decision-making.

Stewardship -- financial efficiency preferred to communal involvement.

3.2.25 The extent to which grandiose edifices are an appropriate use of resources was, and remains, a question among each generation. The Cappadocians were aware of issues of efficiency and rationing in their management of resources. An informative account of how much expense and work was required in the construction of a church building forms a letter of Gregory(Nys)³⁴. On his own, or probably as part of a group, (referred to as 'we') he had planned a "martyrium"³⁵ but had run into an unforeseen difficulty. A contract had secured the services of thirty workmen, for "a stater plus rations", to dress the stonework, but as the project got underway, the material to be used was changed to clay bricks. Their skills were not needed. It is possible that design changes were made not wholly for reasons of economy but could reflect, say, a regional

³³ 4.2.20; 4.3.11.

³⁴ Gregory(Nys) Letter 16. (N&P-NF)

³⁵ It is unclear whether this was to be a private chapel or community church. The word martyrium is used by Gregory in Letter 18 for the main religious building in a village yet as in Letter 20 where what is described is attached to a house. Krautheimer, R., Early Christian and Byzantine Architecture

shortage of timber and the need for different materials.

3.2.26 Whatever the reason, Gregory wrote to an Amphilochius (probably his cousin and bishop of Iconium) requesting that he find alternative labourers in his district. The instructions were that once Amphilochius had negotiated with them a less expensive contract, he should send them to Gregory to complete the work. To enable Amphilochius to assess requirements a full description is given of a small, domed octagonal structure with four arms projecting crosswise. Although small it is still quite elaborate, necessitating at least one skilled sculptor to undertake the improvements of eight pillars, base mouldings and the carving of capitals.

3.2.27 Because of its size and shape, this may have been a private chapel rather than a community church. It may even have subsequently been the grounds for charges of financial irregularity against Gregory(Nys) ³⁶. Nevertheless, Iconium was over 150 miles from Nyssa in a straight line and much further by roads, which were in a poor state of repair. Clearly, for this project good **stewardship** in the form of cost-control, outweighed local accountability. There was no over-riding requirement that the local workforce should have some form of stake, or priority of involvement, in the building such as might inspire a sense of personal religious zeal or engender pride of association when finished. Gregory felt able to be frank with his cousin (?) writing....

“ I know that so far as skill and fairness in the matter of wages are concerned, the workmen in your neighbourhood are better for our purpose than those who follow the trade here.”

Hence the impression is of a showpiece being built for the satisfaction of the donor(s), rather than to provide a meeting place for local Christian fellowship, in the manner of the church buildings of two generations before.³⁷

3.2.28 Gregory was conscious that what he was doing would be unpopular and that he

(Penguin, Harmondsworth, 1965) pp12-15 & 120ff considers the type of church described as a common style in Lycaonia and Cappadocia rather than special.

³⁶ 3.2.48.

might appear to be excessively anxious over money. He concluded,

"I know that we shall appear to most people to be niggardly in being so particular about the contracts, but I beg you to forgive me. That Mammon about whom I have so often said such hard things, has at last departed from me as far as he can possibly go, being disgusted, I suppose, at the nonsense that is constantly talked against him, and has fortified himself against me by an impassable gulf -- to wit, Poverty -- so that neither can he come to me, nor can I pass to him. This is why I make a point of the fairness of the workmen, to the end that we may be able to fulfil the task before us, and not be hindered by poverty -- that laudable and desirable evil. Well, in all of this there is an admixture of jest!"

Thus, with self-mocking humour and parody of Luke 16²⁶, can be glimpsed a self-realisation behind the many sermons castigating wealth and lauding poverty, which are a feature of the age.³⁸ Perceptions of "Poverty" are situational, as the Cappadocian bishops would acknowledge to the privacy of their own circle.

3.2.29 Yet Gregory(Nys)'s position merits sympathy. Firstly, there had already been considerable outgoings. Even for a Christian-motivated dedication, pragmatism might prevail allowing a cheaper deal with imported labour. Liberality may be tempered by prudence. As a deployer of resources, Gregory(Nys) showed a proprietorial instinct to maximise "value-for-money" in what he (and friends) were donating. Local loyalties or stakeholders could not be allowed to interfere with this. Secondly, he clearly considers that the local workmen are being 'unfair' and thus deserve to be outflanked and challenged.

Basil's Experience and solutions

3.2.30 Awareness of complexity, if not inevitable ambiguity, in personal financial matters was a recurrent concern for Basil. Thus Gregory(Naz) could sarcastically tease Basil of his boasts about experiencing poverty whereas, in reality, he and companions were,

³⁷ 3.2.17

³⁸ e.g. Basil, see 3.2.22. While Jerome took wealth and poverty as central themes, his private correspondence reveals that his family owned at least one villa in which he continued to retain an interest (Letter 66 (14)) and he enjoyed the company of wealthy patrons (e.g. Letters, 38,45, and 108).

*“quickly delivered by that great supporter of the poor -- I mean your mother -- who appeared opportunely”*³⁹

The importance of working out practical solutions seems to have been fundamental to his attempts to understand his own status, progressively combining elements of three distinct categories of experience, hereditary land-owning; monasticism and pastoral leadership as bishop. He found a workable resolution in that “asceticism”, does not necessarily exclude retaining personal control of property, rather it requires self-discipline to ensure concentration on spiritual matters and life-essentials only. Exercising liberality and pursuing fairness may be an essential part of that life-style. By contrast, “Monasticism”, as a specialist form of asceticism, requires common ownership to be explicitly exercised. It involves more than a willingness to share, for it accepts the ceding of control of one’s personal assets to another without reservation.

3.2.31 Basil’s research was a life-time’s experience. In 357/8 he visited Syria, then Egypt, before returning through Palestine, Syria and Mesopotamia. His purpose was to gain a direct impression of monasticism, as a guide to the perfect way of life. Basil was not unique, rather one of the pioneers, for he acknowledged the influence of Eustathius of Sebaste (where there was a family property)⁴⁰. Basil’s principal achievement was to reduce the personal distractions of having power and control over property and wealth, by devising practical guidance. These ‘rules’ -- more ‘Guidance’ through questions and answers -- were accompanied by much teaching, trying to illustrate what was required, not as a theoretical exercise, but as a pragmatic concern for wealthy contemporaries⁴¹.

³⁹ Gregory(Naz) Letter 5

⁴⁰ Basil Letters 1 & 223 and Sozomen 3 14 & 27. Eustathius spent much time in discourse with Basil during his formative years at his mother’s house. Sozomen even suggests that Eustathius was the author of the works on Asceticism attributed to Basil, despite the fact that Basil was a hero of Orthodoxy whereas Eustathius was a suspect heretic.

⁴¹ The Rules were passed down in two versions, the Longer containing 55 precepts were drawn up in question and answer format, supported by scriptural quotation. The 313 rules of the Shorter version were more prescriptive, specifically detailed to monastic life. Their significance is discussed by Gould, G., Basil of Caesarea and the problem of Wealth of Monasteries in The Church and Wealth. Papers of meetings of the Ecclesiastical History Society (Blackwell, Oxford, 1987) pp15-24. See also 7.3.11.

3.2.32 Basil's reputation was that he practised what he preached⁴² yet renunciation seems never to have been total, despite Gregory(Naz), in his funerary oration, claiming that he gave away all the riches that he possessed, save for his clothes⁴³. In 358, at the start of a retreat to Pontus, Basil had written to a governor over damage to some of his property by "*one of his servants*", requesting that the servant be imprisoned in order to give Basil and his property protection. Basil, in a letter of before 370 requests cancellation of an increased tax assessment on a property mentioning his own subsistence from it, possibly through his foster-parents. In 373 he wrote to another, newly-appointed governor, Antipater, asking that he "*may fittingly arrange the affairs of my own house*" then referring to some disturbance at the home of, "*our most revered mother*" Palladia, an old friend and possibly relative. Basil, in seeking the favour, implies the house is his own. It is possible that his is simply an exaggeration, to suggest the importance to him of the occupant, but on the straight reading it would appear a sort of grace and favour home, owned by himself and used by a relative at his discretion.⁴⁴

3.2.33 In short the appearance is that even though Basil gave away much of his personal inheritance, he continued to receive an income from his share of the family property. This could not be readily relinquished, in part, for others were involved. Clearly Basil could, and did, donate from this income when he considered this to be appropriate. This is the type of solution recommended for others⁴⁵. One argument for retaining control was that, alternatively, other relatives might re-divide the monk's share and appropriate this amongst themselves. To Basil this was not merely unjust but a sacrilege. The potential for self-interest and dubiety of relatives being masked by false piety in such circumstances is illustrated by Basil's outrage that virgins under the age of sixteen were being consecrated for "*the object of friends was simply to provide*

⁴² Gregory(Nys) Against Eunomius 1 10

⁴³ Gregory(Naz) Oration 43 "Panegyric on Basil" 60. On conventions for funerary orations refer 3.2.16.

⁴⁴ Basil Letters 3,137,37 & 86.

⁴⁵ Basil Shorter Rules 187

for themselves” through the opportunity to exclude them from wills⁴⁶. Thus the distinction between capital and income was identified as a matter for careful consideration. Simple abandonment of personal resources in pursuit of personal poverty for its own sake was not, for Basil, appropriate conduct.⁴⁷

3.2.34 Basil recognised there were a diversity of other possibilities. Each set of circumstances was to be assessed and managed accordingly. Hence a friend (who appears relatively inexperienced) intending to enter a monastery was indeed advised to have no contact with any money, even when offered to him for re-distribution to the poor but to *“advise the owner to ... himself give it to his less fortunate brethren, lest your conscience be defiled by receiving his money”*⁴⁸. In a letter of 373, The Acts of the Apostles was used as authority for the view that the person wishing to give away his possessions should transfer the responsibility to someone appointed for that purpose and for the management of the affairs of the poor.⁴⁹ Such a policy was to be followed initially also for the income. Clearly the monasteries themselves might expect to be the beneficiaries of their own individual member’s income but Basil was alive to the risk of one monk appearing as superior, whereas at an early stage the emphasis must be for self-sufficiency and support from external gifts. A framework of broad principles and detailed guidance has similarities with modern professional ethical codes⁵⁰. Basil’s primary concern was that individuals should be alert to the real dangers of conflicts of interest, then without being overly prescriptive, each can find appropriate solutions. In this, the ability to identify the potential problem is the pre-requisite rather than receiving pre-scribed solutions.

⁴⁶ Basil Letter 199

⁴⁷ Letters of Paulinus of Nola are indicative of how a near contemporary (355-431), having been Governor of Campania in his twenties, was to devote the rest of his life and resources to the progressive establishment of a monastic house near Naples. Jerome, however, dismisses arguments for retaining property in order to obtain better prices, urging immediate disposal (Letter 53 and Against Vigilantius 140)

⁴⁸ Basil Letter 42 3

⁴⁹ Basil Letter 150 3, citing Acts 4³⁵. The official appointed as steward was to be a senior man and in the Shorter Rules is referred to at 87, 91, 100 & 101.

⁵⁰ e.g. Guide to Professional Ethics, The Institute of Chartered Accountants of Scotland (September 1997)

3.2.35 A major complication for both monks and clergy lay in the relationship of their land to the requirements of secular duties and taxation. Despite the wish for flexibility, for monks, in these instances, Basil's rules were strict. Where property had been retained, then full tax settlement must be paid, otherwise responsibility for protracted dispute must rest with the other relatives/owners. Basil was concerned that persons engaged in external cares and legal wrangles could not concentrate properly on spiritual pursuits⁵¹. Nevertheless, as the volume of correspondence shows, Basil accepted for himself frequently to be so distracted. His principal justification for this hinges on the fact that in seeking fairness in a frustrating and ambiguous world, it is necessary, to be liberal with one's time and talents to plead that any moneys taken from the revenues would be a direct loss to the poor⁵². This required a willingness to fight. There is a clear sense that Basil relished the challenge.

3.2.36 Seemingly typical of such intervention is Basil's request of the Prefect's accountant that he, "*... have the kindness to inspect the home for the poor in the district under his care and to exempt it entirely from taxation*" reinforcing this with the fact that "*...it has already pleased your colleague also to make the small property of the poor immune from assessment.*"⁵³ Yet, this exemption was allowed many decades before the first extant constitution ordering such with imperial authority.⁵⁴ Arguably **Creativity** and **courage** can be applauded in such individual initiative whereby, "to him that asks shall be given"⁵⁵, but there seems a degree of ambiguity in the time and effort involved in the asking. Perhaps for the clergy, with their expected lesser degree of commitment to that of monks, there was an expected greater willingness to appeal against duties and taxes.

3.2.37 Basil's attitude to taxes is one of reluctant compliance with the necessity while complaining, "*everything nowadays is full of taxes demanded and called in....*".

⁵¹ Basil Shorter Rules 94 &107

⁵² Basil Letter 284

⁵³ Basil Letter 142

⁵⁴ See 4.3.8.

So, in a realistic mood he accepted that, *“We do not cease protesting at every synod and urging in private conferences this matter, that in the case of public taxes, collectors must not exact oaths of farmers”*⁵⁶. While not constituting a Clintonesque defence of perjury (and specified for husbandmen, if not for clerics) it is clear that Basil considered a “right to silence”, if not actually to deceive, could transcend the state’s right in seeking of full disclosure. While seemingly a throwaway remark, it nevertheless constitutes a noteworthy limitation on absolutes in relationships between individual and state. Basil resented that fear of God was being misused by officials to police the state’s financial requirements⁵⁷.

Appeals, Patronage and Lobbying.

3.2.38 Championing the destitute seems an unquestionably Christian use of time and energy. As is clear from Gregory(Nys)⁵⁸, Basil’s circle saw poverty in relative terms, nevertheless requiring action. So, despite his recommendations to others not to be distracted, Basil was willing to devote of his own time to support the protests of propertied colleagues, who would not necessarily pass this on directly for the poor⁵⁹. In Letters 35 and 318, probably of the 360’s and 370’s respectively, he indicated to a willingness to write on behalf of a large number of such persons, specifying that he would do so because they were kinsmen of his. Hence such appeals were carried out in conjunction with other Cappadocians⁶⁰. Moreover, he may refer to an indirect pecuniary interest himself, for he wrote,

“No one is dearer to me, nor able to give me relief by his prosperity, than my most revered brother, Leontius. So treat his household as if you were coming to me myself not in the state of poverty in which I now am with God, but as though I had obtained some wealth and was possessed of lands. For it is evident you would not make me a poor man, but would guard my present possessions, or even augment my

⁵⁵ Matthew 7⁷ & Luke 11⁹

⁵⁶ Basil Letters 21 & 85 (tr. Way)

⁵⁷ see also 4.3.11.

⁵⁸ 3.2.28.

⁵⁹ e.g. Basil Letters 35, 37 & 86.

⁶⁰ Treucker, B., A Note on Basil’s Letters of Recommendation in, Basil of Caesarea, Christian Humanist, Ascetic ed. Fenwick, P.J. (Pontifical Institute of Medieval Studies, Toronto, 1981) pp 405-410

*wealth. This, then, we entreat you to do in the case of the aforementioned man.*⁶¹

Thus while conflicts of interest were to be guarded against in the confines of the monastic community, a much freer rein seems permitted in his own relations with the wider, secular society.

3.2.39 However, the same letter is equally interesting because of how it continues,

“And for this you will receive from me the customary reward (sic)-- a prayer to the holy God for your labours -- a reward for your honesty and goodness and forestalling care of those in need.”

After he became bishop this type of appeal continued, and with more force,

*“it is, I think only my duty to remind your excellency that in hope of the requital God will give, you should show yourself such a character as to win a memory that cannot die, and be made an inheritor of the everlasting.”*⁶²

In this case, the person whose interests Basil had taken under his care was mentioned only as “my friend”, this being sufficient recommendation. Sometimes it was just a straight request without any episcopal favours offered as inducement, as to the Prefect, Modestus, addressee of six extant letters⁶³, perhaps, because Modestus had already attributed earlier recovery from illness to Basil’s prayers and thus needed no further coaxing.

3.2.40 There seems a contradiction. Although the state could be criticised for using an implied divine threat in oaths over taxes (3.2.37), Basil seems to have had no qualms about deploying divine inducements in reverse. The risk was that “Prayers in exchange for favours” would become a devalued currency, for Basil was not the only practitioner of this in Cappadocia. Gregory(Naz) admits that offers of prayers were not always treated with respect saying, *“and in return for all of this you shall receive from me not only the matter of my prayers, which I know you do not, like so many men despise...”*.

⁶¹ Basil Letters 35, It is noteworthy that there were no references to any legal rights that Leontius might claim, or even that he supported ‘the poor’, other than Basil.

⁶² Basil Letter 83 (Dated 372)

In Letter 317 Basil complains at the lack of response his letters had received. Perhaps this is why, in 382, Gregory(Naz) offered a variant when submitting a request on behalf of a widow Philumena. He suggested to a Prefect that one of the rewards of God for past kindness was the opportunity to render further help during office.⁶⁴

3.2.41 Ethically this is an ambiguous area. Without knowing the precise detail, it appears that these prayers went not only well beyond objectivity (e.g. seeking that government officials would allocate taxes impartially) but, if only by implication, rather that performance of the official would accord with the relevant bishop's views of justice. Perhaps, on one level, the Cappadocians were merely following a new convention with prayers offered as polite necessity in such correspondence. More insidiously, others may have deduced that by employing a combination of personal influence and promised episcopal prayer, compensation was available for the power and control foregone by following a clerical rather than secular career. Gregory(Naz)'s acknowledgement of the widespread cynicism suggests many already on a slippery slope, with self-interest being covered by a veneer of piety -- the offer of intangible spiritual benefit in exchange for positive worldly advantage. Whatever the cause, sometimes Basil's obsequiousness seems excessive. For example, when, having been asked by the local townspeople at his Pontus retreat to seek considerate treatment on their behalf from the Imperial Administrator, he complied stating,

*"In fact we regard it as an exceptional advantage to have the opportunity of addressing your peerless Honour, and we prayed to the holy God that we might continue to take delight in your growing favour with Him and in your continuing earthly renown, and also that we might rejoice with those favoured by your patronage"*⁶⁵.

3.2.42 Overall, what is clear is that Basil saw lobbying as acceptable for Christians. By contrast, at ARK, promoting aggressively the interests of one specific group draws criticism⁶⁶. Despite the impressions, the very extent of Basil's lobbying suggests an

⁶³ Basil Letter 110, others are 104, 111, 279, 280, 281.

⁶⁴ Gregory(Naz) Letters 146 and 104

⁶⁵ Basil Letter 15 (tr. Way)

⁶⁶ 9.2.9-10

integrity of intent, a blending of generosity of compassion with a real concern for justice for all classes. He was concerned with the corruption of the junior officials of the Comes Privatorum, and railed in letter and sermon against a “malevolent” tax on mares. At another time he truncated a sermon as a symbolic protest to allow the handicraft workers not to be kept from earning their meagre wages.⁶⁷ He did not restrict his efforts to help only individuals. Rather, as bishop, he became a patron for a spread of communities, hence his businesslike letter to Modestus sought relief for the rural population of Mt. Taurus who were unable to meet their payments on the local tax of iron. Elsewhere he commended to yet other officials the people of Capralis and Ariarathia. In 372, he wrote trying to arrange deferment of collection of a different tax for a different district⁶⁸.

3.2.43 His determination to achieve what he saw as “fair” was apparent also in wider lobbying, beyond exemptions and taxes. The case of Julitta, a widow related to him, provides a suitable example. Her problems were not those of poverty but reflected her wealth and status. Basil wrote to her giving the details of the action that he proposed to take to relieve the financial pressure on her from the guardian of her heirs. He then wrote to that individual, rebuking him for failure to show a promised generosity and referring to a previous interview with Basil on the subject. A third to Helladius, “of the household of the prefect” sought to bring pressure to bear from Basil’s wider contacts.⁶⁹

3.2.44 There is therefore no evidence that Basil discriminated in his pleas seeking direct material benefit personally, for his diocese, or projects. Rather the provision of lobbying assistance in financial matters for those asking seems to have been seen by him as a natural part of his post. There is then a paradox. For all his sensitivity to temptations and conflicts of interest over directly-controlled physical assets, Basil seems singularly unconcerned at the appearances of self-interest which his own special

⁶⁷ Basil Letter 303 & Homily 3.1

⁶⁸ Basil Letters 15, 110, 308, 310 & 88.

pleading might give. Thus he even went so far to describe as his own, a property at Chamanene belonging to a friend, arguing that a friend's possessions were as his own, and so seeking from an assessor a reduced taxable rating. He offered to meet to discuss the issue with more details, yet again suggesting at very least, generosity with his time spent on learning these.⁷⁰

3.2.45 His justification for allowing such occupation of his time is explored further in chapter 4 but came with his recognition of a deep mutuality of interest between what might be perceived as secular and sacred to be mirrored in civil and ecclesiastical co-operation. Thus Basil's arguments for concessions was in dual form, which reflects a common business ethical position, namely "what's good for reputation is also good for business".⁷¹ Of a sought-for concession, he wrote,

"This will not only keep the glory of the good deeds of your great Lordship immortal, but it will also increase the number of those who pray for the Imperial House, and will confer a great benefit even upon the public revenues, since we give the relief which is derived from our immunities from taxation, not altogether to the clergy but to those who are at any time in distress..."

To this he added a claim to transparency, concluding, "*indeed this is just what we do when we are free to do so, as anyone who wishes may find out*"⁷².

Specialist skills and accountability

3.2.46 This last phrase is instructive. It acknowledges that concessions and exemptions necessitate accountability. The simple, perhaps simplistically idealised, personal, self-accountable involvement assumed of the father and family of Gregory(Naz) at Nazianzus was inadequate⁷³. Earlier the same letter indicates how, with churches' officials being drawn increasingly into the administration of financial interests, new moral dilemmas emerged. When a new census list was drawn up including the names of clerics who had hitherto been immune, Basil suggested to Modestus that this be

⁶⁹ Basil Letters 107,108,109. This may be the Helladius who became Basil's successor (3.2.69)

⁷⁰ Basil Letter 83

⁷¹ Discussed 11.2.10-11.

⁷² Basil Letter 104

changed. He accepted that the exemptions should be given not to named persons, as individuals (who might pass the exemption to heirs), but for specific clerical appointments. He further suggested eligibility should be at the direction of the stewards of the central Church authorities. He was positively encouraging clergy to accept the distraction from other tasks to challenge the lists. Legal entitlements to exemptions might be a cause of much confusion, but they were such a major attraction for Basil that he was unwilling to see the clergy forced to forego these. Both state and church arrangements must be adapted to secure this. Evidence about the various roles of church financial officials is diffuse, but it appears this proposal introduced innovations. Not only did it allow clerical stewards to input into the affairs of what was primarily a state matter but potentially also gave them considerable internal influence, as managers within their immediate communities.

3.2.47 While the argument in Basil's letter⁷⁴ suggests that the property of clerics was still expected to be a principal source of funding for activities associated with churches, concurrently the need for designated stewards reflected also growing inflows of funds from elsewhere. Such giving was expected to include a portion for the area beyond the immediate village or town. This is attested by references in Gregory(Naz)'s "spontaneous Oration at a time of disaster" in 373⁷⁵. The scale, means and application of religious taxation are outwith this study, save to note that it was a matter of rising interest.⁷⁶ Hence, in a letter, of around 393, Gregory(Nys) wrote enigmatically and defensively,

*"But what about revenues? he will say. I would rather not be obliged to speak of this in his case. This much only will suffice to say that our own were so much at the beginning and is so much now; and to leave it to others to enquire into the causes of this increase of our revenue, nursed as it is up to now, and growing almost daily by the means of noble undertakings".*⁷⁷

⁷³ 3.2.18

⁷⁴ 3.2.45.

⁷⁵ Gregory(Naz) Oration 16 17-19

⁷⁶ Gregory(Naz) Letter 61 proposed a "succession tax" for the churches, a formalisation of legacies and a precursor of Inheritance Tax.

3.2.48 Such expansion heightened the importance of specialist functionaries with responsibilities for these collective resources. Dramatically, their importance for accountability was made clear by Basil in defence of his brother. In 375, Demosthenes, Vicar of Pontus, summoned a council of semi-Arians, secured the arrest and imprisonment of Gregory(Nys) on charges of embezzlement so that in 376 he was deposed from Nyssa and banished. Basil protested, *“But if the discussion is about money that it was wasted, the treasurers of the Church funds are here ready to give an account to anyone who so wishes”*⁷⁸. In this instance, no definition was given of these persons or of their posts, as to whether they were archdeacons, deacons or ‘oekonomi’, although their status has practical ethical implications.

3.2.49 In 376, writing to Amphilochius, Basil seems to imply that such appointments must be clerical because of the problematic nature of the tasks. Discussing wealth, he writes,

*“the just man neither turns his mind to his wealth when he has it nor seeks it when he does not; he is not devoted to the enjoyment of what has been given to him, but to its administration. And no one who has any sense is eager for the business of distributing others’ possessions, unless he looks to the praise of the many who admire and envy those who are established in any office of power. Moreover the just accept sickness as a conflict, awaiting their crowns made great because of their patience. For someone else to be appointed for the administration of these things is not only absurd, but also impious.”*⁷⁹

This somewhat convoluted justification for giving clerics a monopoly of administration may have been novel then but it is concerned with a deep and recurring paradox.

3.2.50 The logic of the argument seems to be “give the task to those who least want it, then they will be least tempted to abuse the powers inherent with it”. This policy seems doubly dangerous. Firstly, there are increased risks of malaise through incompetence or lack of interest. Secondly, the individual may change. Then, amid complacency of relying on presumed indifference, the risks of temptation may become far higher as

⁷⁷ Gregory(Nys) Letter 18

⁷⁸ Basil Letter 225

inadequate financial systems lack the supervisory controls which discourage individuals from succumbing. The intentions and hope are admirable, of finding individuals where there is a willingness to acquire and exercise significant financial expertise while subordinating this to spiritual concern. But maintaining this requires a continuity of discipline. As will be seen at the CofS and elsewhere, some attitudes of ambivalence, determined lack of interest, even disdain, for finance have caused not so much a liberating experience as major distraction⁸⁰.

3.2.51 Possibly the dangers were recognised. Later, Basil commended an un-named official as having “*the watchful care of the property matters*” (of our church)⁸¹ although it is not clear as to whether the concern is with on-going management, administration or distribution. Perhaps the distinction does not matter. Basil’s intention was to relieve the senior clergy of an increasing burden while at the same time isolating the majority of clergy from the distractions and temptations. But the temptations were too great not to employ a mature and committed cleric. This arrangement would seem to parallel how those entering a monastery should transfer the responsibilities to one monk selected for that purpose. Thus an independent lay overview seems an acknowledged means of accountability.

Clerical Remuneration and perks

3.2.52 Remuneration for services was a vexed issue. While Basil and fellow curials might themselves have had little need for any additional emoluments, for others of humbler birth and in the lower grades of clergy, the possibilities of receiving donated remuneration for the work itself had an attraction. For their own upkeep, clerics were generally expected to have some alternative, independent employment.⁸² There was strong disapproval expressed by Basil of one Glycerius who on being ordained deacon

⁷⁹ Basil Letter 236 (tr. Way)

⁸⁰ 6.2.21-22; 6.2.34; 7.1.4; 7.1.12; 7.1.25-31; 7.2.1-11 and 7.3 passim.

⁸¹ Basil Letter 285

⁸² Basil Letter 198 speaks of clerics being used to sedentary crafts. Tasks suitable for monks included shoemaking, building, carpentry, metal work and especially agriculture (Shorter Rules 3).

gave up his trade and sought to make his sole means of livelihood as a cleric.⁸³ Gregory too, on his return to Nazianzus from Pontus, complained of his discovery of growing numbers of the clergy who,

*“lay claim to the [priesthood] and push and thrust around the holy table as if they think this order to be a means of livelihood...in fact they are become almost more in number than those whom they govern (Sic).”*⁸⁴

While this may be exaggerated, it is indicative of both attitudes and the emerging scale of a problem with growth in numbers. Whatever motivated their predecessors, there was a clear disquiet among the Cappadocians at the contemporary inability to sustain ideals of service without consideration of the reward.

3.2.53 At the beginning of his episcopate, Basil wrote in strong terms to his suffragans expressing a mix of disbelief, outrage and threats at the rumours to the effect that they were receiving bribes in order to ordain curial candidates. Whether these sought direct “employment” or tax-evasion is not clear.⁸⁵ As if in contrast, Basil when recommending one Hermogenes as a successor to a distant bishop, described effusively his self-induced poverty and his willingness to work physically alongside others. The description makes him seem an exception. But it has significance for it seems that only one from an educated (and therefore wealthy) background who had **voluntarily** given it up, could appear above suspicion of having motives other than spiritual in his vocation.⁸⁶ Cappadocian clergy displayed a surprising lack of mutual trust with suspicions as to financially-driven, ulterior motives even among the Orthodox.

3.2.54 The bitterness was exacerbated by recriminations over heresies when, even the seemingly innocent activity of exchanging letters and gifts between bishops could be denounced as abuse of resources meant for the poor. Basil complained that among the Arian heresy, ambitious men rushed into the higher posts of the church then were, *“ever squandering the sums collected for the poor on their own pleasures and for*

⁸³ Basil Letter 169 on Glycerius.

⁸⁴ Gregory(Naz) Oration 2 8

⁸⁵ Basil Letter 53

⁸⁶ Basil Letter 81

distribution of gifts”⁸⁷. Ironically, this criticism was in a letter being sent to bishops in the faraway provinces of Italy and Gaul! Maybe the Orthodox Basil was particularly conscious of the temptation himself. Gregory(Nys) referred to treatises (i.e. extended letters) as a type of gift to be exchanged between individuals⁸⁸. Intriguingly, Gregory(Naz) received a gift at Easter 382, from Theodore, who replaced Basil’s great rival at Tyana.⁸⁹

3.2.55 Basil’s identification of this “perks for the prelates” may seem simply to illustrate that criticism of others reflects a personal familiarity with the practices directly criticised. Yet access to privileged facilities and powers of office are attractive benefits. Like the opportunities for travel, they require sensitivity to public opinion. Small exchanged gifts may seem trivial, with free use of imperial postal facilities a minor benefit. Yet, as will be noted under the constraints of the churches introduced by the pagan emperor Julian, radically reducing episcopal use of the imperial post curbed a perceived abuse⁹⁰. Seemingly innocent in isolation, such practices cumulatively may constitute self-indulgence. As observed at BWM, the issue of clerical travel at BWM aroused disproportionate antagonism⁹¹.

‘Self’ or ‘State’ regulation of churches administration.

3.2.56 The combined effect of enlarged revenues for churches; separate financial officials and the ordination of men from families used to formal responsibilities was to foster a system of ecclesiastical government parallel with that of the state. The chief privilege, in terms of the transfer of specific rights, was the allowance of judiciary powers to bishops. Granted by Constantine during the Donatist schism; it was confirmed in 318 and 333 but probably cancelled by Julian.⁹² Its use in Cappadocia

⁸⁷ Basil Letter 92

⁸⁸ Gregory(Nys) Letter 1

⁸⁹ Gregory(Naz) Letter 121. On Basil’s relations with Anthimus, see 3.2.61.

⁹⁰ 4.2.13.

⁹¹ 6.2.17.

⁹² Eusebius 10 5 18-20 describes judicial powers granted by Constantine over the Donatist schism which The Theodosian Code shows as confirmed in 318 (CT 1 27 1). Assuming they were cancelled by the emperor Julian, the Code shows they had been restored by 376 (CT 16 2 23). See 3.2.6.

during the Fourth century seems accepted, for Gregory(Naz) protested over the sending of bishop Bosporio for trial in a civil court.⁹³ Basil too asked the superintendent of prisons to hand over to “us” for judgement and flogging, men caught stealing some items of clothing in a church building. His argument centred on the fact that the arrests were carried out by “*those with responsibility for church discipline*”. The only possible complication, that those arrested were not church functionaries merely on church premises when their crime (not even alleged) was committed, is brushed over by the assertion of Basil that it was “proper” for “us” and not civil judges to be concerned with such matters⁹⁴. Extending, as well as maintaining, “self regulation” remains a prize for which professions have continued to fight, arguing on the grounds that practitioners are best able to judge fellow practitioners, thereby enhancing justice. For Basil too, it was also an issue of differentiation and control.

3.2.57 Self-regulation may be a mixed blessing. As early as 374, Gregory(Naz) was warning of the implications of independence and associated powers, urging that ecclesiastical posts should belong to men of the sanctuary, if not entirely then as much as possible,

“(so the Church would be free from harm) instead of to the most opulent and powerful or the violent and unreasonable portion of the people, and especially the most corrupt of them.”

Such was his disillusionment with developments that he added,

*“Indeed I am almost inclined to believe that the civil government is more orderly than ours, to which the divine grace is attributed, and that such matters are better regulated by fear than by reason”*⁹⁵

3.2.58 Concerned with widespread corruption and malpractice, Basil complained about state officials and their conduct in taking grain intended for relief of the poor from a cleric⁹⁶. Elsewhere he records the stealing of funds collected for the starving

⁹³ Gregory(Naz) Letters 184 & 185 (dated c383)

⁹⁴ Basil Letter 286

⁹⁵ Gregory(Naz) Oration 18 “on the death of his father” 35

⁹⁶ Basil Letter 86 & 87 on conduct of officials.

and its application in the pursuit of pleasure and gifts. But it is not clear that many of the clergy were on a significantly higher plane, for Basil raged that,

“although there are many numbered as subdeacons in every village, yet there is not one worthy to conduct the service at the altar.”

The blame he laid squarely on the chorepiscopi, of which his diocese had around 50, who,

*“becoming careless have allowed the priests and deacons, selecting whomsoever they please, without reference or examination of the lives that they lead, through motives of partiality based either upon kinship or upon some other friendly relationship to introduce to the church unworthy men.”*⁹⁷

Young men seeking to evade military service would be willing either to offer direct bribes to the chorepiscopi or, more subtly, would attempt to provide evidence of suitability by way of donations and through undertaking alternative charitable work. To those without particular scruples, this may have seemed all alike broadly beneficial to the institutional churches.

3.2.59 Basil’s objection to this was on scriptural and moral grounds not at the financial cost to the churches (even though there were several subdeacons for each village) for these clergy were expected to be self-maintaining⁹⁸. Nor were they necessarily being criticised for lack of attendance at church services. Under a less demanding bishop they could have been seen as a positive source of revenue, and of capital -- for many of those criticised may have justified their positions by building, or improving, their local churches. Whatever the motives, the institution of “the local church” seems to have been growing and drawing in the talented and interested “middle class” able to help the very poor and support the efforts of humbler artisans. Parallel with this, new issues relating to how informal and diversified activities could, and should, be managed did evoke keen contemporary interest.

⁹⁷ Letters 53 & 54 on that of clergy. Gregory(Naz) Poem concerning his own life 445 refers to numbers of chorepiscopi

⁹⁸ 3.2.49.

3.2.60 Perhaps because the elections of bishops were for life and, in theory at least open to election, these claimed more attention than the regular, limited appointments of civil posts⁹⁹. Battles, literally involving riots, over appointments, and political skirmishing at major metropolitan sees were mirrored in the manoeuvrings and disturbances in Caesarea and even smaller centres¹⁰⁰. Gregory(Naz)'s complaint (3.2.57) seems symptomatic of how powerful an executive a bishop, such as Basil, had now become.

A bishop as Chief Executive Officer

3.2.61 An indicator that the role of bishops was about the accumulation and management of resources and power is well illustrated by a dispute over territorial boundaries between the metropolitan sees of Basil and Anthimus of Tyana. In 371, for financial reasons, the emperor Valens had divided Cappadocia into two provinces making Tyana capital of Cappadocia Secunda. Anthimus, arguing that the ecclesiastical division should follow that of the civil, therefore claimed that all the churches of that region should come under his jurisdiction¹⁰¹. The newly appointed Basil disagreed. Pride, perhaps the determination of a new bishop making his mark, might seem the root causes of this very open episcopal spat. However, the not disinterested Gregory(Naz), assigned to the unhealthy border town of Sasima as a pawn in the feud, was explicit as to his saintly relative's motives stating,

*“the pretext was souls but in fact it was the desire for control; control, I hesitate to say, of taxes and contributions which have the whole world in a state of miserable commotion”*¹⁰²

In his panegyric, some ten years later, he had not changed his opinion, although in this adulatory context, subtly he blamed Basil's opponent saying,

“what enraged him [Anthimus] most was that the revenues of the Taurus which had passed along before his eyes, accrued to his rival, as also the offerings of St.

⁹⁹ Basil Letters 227-9 sought to justify the transfer of a bishop against popular protest.

¹⁰⁰ see 3.2.15. Socrates Scholasticus 2 12-14.

¹⁰¹ Ruether, R Gregory of Nazianzus (OUP, Oxford, 1969) p35 n6

¹⁰² Gregory(Naz) Poem concerning his own life 460-2. Gregory(Naz) in contemporary Letter 48 asked, “*why should I fight for sucking pig and fowls...as though for souls and canons?*”

Orestes, of which he was greatly desirous to reap the first fruits".¹⁰³

3.2.62 Temptations on senior clergy might not yet include direct control of capital assets (churches' hereditary estates) for these had not been separately amassed but there was nevertheless already the opportunity of controlling substantial collected contributions and tithes¹⁰⁴. The donors, still alive, might be expected to exercise some restraint by seeking accountability for the ultimate distribution. They could protest at any persistent misuse of their giving. However, despite the internal passion, the technicalities of ecclesiastical administration, as in this case, were probably not of wide external concern. Where accountability controls were not necessarily robust, the temptations will have been encouraged. The major risk for churches was no longer that some might seek clerical status for the negative, but limited, personal ambitions of tax evasion, but for the material power and patronage that came with episcopal appointment. Increasingly non-spiritual qualifications and skills could be expected of those aspiring to leadership of institutions originally established to support spiritual growth. In turn the "ordinary people" with pride in their personal involvement, came to expect the aggrandisement of "their see" through prestigious edifices and the wherewithal or ability to keep them established. Thus, while Gregory(Nys) thought it necessary to advise the church of Nicomedia that wealth and rank were not essentials of any episcopal candidate, the sheer length of his discourse suggests that he was targeting a live problem.¹⁰⁵

3.2.63 Within the processes of centralisation and assimilating of patterns of patronage on a large scale, Basil was not unique but an archetype. He was an exemplar for a new style of career -- an "entrepreneurial ecclesiastical CEO", much as chapters 8 and 10 will be concerned with the new breed of social entrepreneur. Although not from senatorial standards of wealth and privilege, nevertheless his pedigree included men

¹⁰³ Gregory(Naz) Oration 43 58

¹⁰⁴ e.g. John Chrysostom Homily on Matthew 544 urged that individuals should give at least a third of income with a half not excessive. Augustine Sermon 85 was more realistic and Sermon 9.12 acknowledged Zacchaeus as an ideal.

¹⁰⁵ Gregory(Nys) Letter 13

who had held generalships and judicial posts.¹⁰⁶ He could have aspired likewise. In his earlier years, Basil had pursued the initial stages of a secular career before serving as a member of the lower clerical orders. He rose relatively quickly to a position of responsibility. However, when it came, his election was contested, even though he had held effective office for his infirm predecessor. In the circumstances Basil resorted to trickery and deceit. Feeling he needed every possible vote at synod, he wrote to his friend, Gregory(Naz), claiming falsely to be ill and needing his company at Caesarea. For Basil there seems to have been no absolute need for veracity. In this case he felt the end justified the means. Gregory(Naz) was clearly disgusted by a ruse to get him to register when he was otherwise unwilling to make the journey¹⁰⁷.

3.2.64 Once installed, Basil, as much an entrepreneur as a guardian, set to work with vigour extending his influence, and concurrently that of his see, by using to the full the network of contacts which his office made available. His enthusiasm for this task is evident, not least from the volume and variety of his correspondence. While his giving to the poor had indeed been such that he could lament no longer being able to afford a good copy secretary,¹⁰⁸ he felt the need for a contribution which would be durable, in the building of a hospice¹⁰⁹ complex, which was subsequently called after him¹¹⁰. It seems that the start may have pre-dated his bishopric, for as early as 372 the buildings were sufficiently completed for there to be concern over running costs in the light of experience¹¹¹. Whatever his motivation, his description is full of personal interest, a proprietorial attitude to what was intended for collective use. There are echoes of the family pride of the elder Gregory at Nazianzus¹¹² but, with this, far larger project, the bishop was using communal, not exclusively family, funds.

¹⁰⁶ Gregory(Naz) Oration 43 3; His mother's family, despite losing land in the persecutions, eventually owned estates in Pontus and Armenia as well as in Cappadocia, Gregory(Naz) "Life of Macrina"

¹⁰⁷ Gregory(Naz) Letter 40. T Kopecek (1973) p465 n80.

¹⁰⁸ Basil Letter 135.

¹⁰⁹ Basil Letter 94 gives its three functions as, entertainment of travellers; care for the sick and a place for training.

¹¹⁰ Sozomen 6.34.

¹¹¹ Basil Letter 94 (tr.Way)

¹¹² 3.2.17.

3.2.65 Energetic, autocratic and at times pugnacious, Basil seized opportunities and drove change, seemingly confident in his own judgements. However, there were, it appears, shackles on the exercise of executive decision making by Basil alone. Influential critics attacked his grandiose scheme such that he felt it necessary to answer¹¹³ vehemently to the provincial Governor, Elias, with the rhetorical questions,

“What depreciation is suffered by any public interests, be they small or great by my administration of the churches? ” and “Whom do we wrong by building inns for guests, both those visiting us on their journey and those needing some treatment in their illnesses, and by appointing for them the necessary comforts-- nurses, doctors, beasts of burden and escorts?”

3.2.66 Having addressed the theoretical, Basil then revealed his operational methods. Having referred to,

“a magnificently constructed house of prayer, and around it a dwelling, a stately residence reserved for the bishop and inferior quarters assigned to the servants of God according to rank...”,

He then added,

“...moreover, the use of these is free (sic) to you, the officials and to your followers.”

Basil’s pragmatic diplomacy meant that the “charity” was not confined for the benefit of the poor alone. Not only does this letter reveal that his own residence would be “stately” but the facilities would be offered to the most wealthy and influential in society also. Most significantly, it would be without cost. Where expedient, compromise for the greater good, might -- to adapt the phraseology of his brother on Poverty¹¹⁴ -- be “that laudable and desirable evil”. For Basil clearly the judgement was not whether to compromise but when.

¹¹³ Basil Letter 94. Deferrari (Loeb) translates as “a house of prayer built in magnificent fashion, and, grouped about it, a residence, one portion being a generous home reserved for the bishop, and, the rest subordinate quarters for the servants of God’s worship arranged in order -- access to all of which is alike free to you magistrates yourselves and to your retinue”

¹¹⁴ 3.2.28.

3.2.67 Hospitality from personal resources might have been a private matter but there is no defence that what is admitted to be a grandiose complex was funded exclusively by Basil. At least one of the subsequent inmates, Heraclitus, had been a barrister and so able to contribute and Caesarea was a comparatively wealthy city¹¹⁵. Hence, although Basil calls the complainants “slanderers” they may have been substantial contributors or, as local citizen’s, justifiably “interested-parties”, clearly unconvinced with his management of the project. Inevitably, having exercised human judgement Basil had stimulated questioning. Their inherent question seems valid, namely “how far should this one person’s vision for the deployment of community resources go unchallenged?” Basil’s response is one that may reverberate still, namely that the civil authorities were already too over-burdened and,

“for this reason, it seems to me, our great emperor, when he learned of our bustling activity, allowed us to govern the churches by ourselves”.

As will be noted at 10.6, voluntary movements and social businesses in the twentieth century, such as ARK, still need to argue for a balance in regulation by their funders, lest their innovation should not be stifled by excess accountability.

3.2.68 However, Basil’s defence exposed another flank. Heretics found grounds for criticism of such (self-admitted) bustle, in supplementing the services of the state. Gregory(Nys)’s riposte on the social and economic status of Eunomius¹¹⁶ was a counter to the contemptuous description that Orthodox clergy were acting like minor state functionaries. This raises valid questions about the extent to which there are respective duties for Church and State officials and this relationship will be considered further in chapter 4.

¹¹⁵ Sozomen 5 4.

¹¹⁶ Gregory(Nys) *Against Eunomius* cites him as describing the orthodox clergy as, “*shieldbearers, beadles, (or court attendants) and spear-carriers (or escorts)*” The lowliness of such tasks may have been deemed as every bit as offensive as the suggestion that the clerics were acting as paid state functionaries. Refer also 3.2.13.

Succession arrangements

3.2.69 It seems Basil's developments, on completion, enhanced the amenities and the reputation of the city and the see. Precisely how the pattern continued in Caesarea is conjecture but Basil's successor, called Helladius, was sufficiently assertive of his high social status to irritate Gregory(Naz) and arouse envy in fellow bishops¹¹⁷. This would make a convenient identification with a close friend of Basil's who had asked the bishop for assistance in persuading the Praetorian Prefect to release him from the duties of the post of Tax assessor, unpopular as it involved residence outside the province. If this is indeed the same man, it is noteworthy that at the time of the election he could not have been long a cleric, if at all, for Basil had made no attempt to use clerical status to support his appeal, other than to describe him as "*the chief man in the community*"¹¹⁸.

3.2.70 Nazianzus too continued as the see of a bishop of independent means. Gregory(Naz)'s successor was his cousin, Eulalius, who as a younger man had lost money on a disastrous property deal¹¹⁹. When he had entered upon the venture, he was already a cleric, so too was a fellow investor, Bishop Amphilochius¹²⁰. Gregory(Naz) had sought financial support for them by petitioning another close relative, Caesarius, who had very successfully pursued a career as treasurer to two emperors, anti-Christian Julian then for the Arian Valens.

3.2.71 Their situations are instructive in three ways:-

- the purpose of the disastrous development was to provide the partners both with a place suitable for their "retirement" and capable of producing for them "some means of living". Fears about their financial future situation clearly exercised those embarking on a clerical career although the level of the losses make clear that the

¹¹⁷ Gregory(Naz) Letter 249.

¹¹⁸ Basil Letter 281. Gregory(Naz) Oration 18 33 tells how Basil's predecessor had been raised directly to the episcopate, so this was not without precedent. Basil himself had been lector and presbyter before becoming bishop according to Oration 43 24-25.

¹¹⁹ Gregory(Naz) Letters 14, 22, 23.

¹²⁰ The correspondent of Gregory(Naz) 3.2.26 and Basil 3.2.49.

property was not intended as a simple agricultural plot for ascetics.

- the unmarried Caesarius eventually bequeathed his entire property, and his residue from Gregory the Elder, to “the poor”¹²¹. This may be indicative of a growing trend which involved the wealthy giving to the poor with church officers as administrators.
- much of this estate was misappropriated, stimulating indignation at the rapacity of servants¹²². However, the break-up of estates bequeathed to churches, which earlier would have been kept in wider family ownership, may have had serious ramifications for senior servants. Fearful for the continuity of their livelihood and of issues relating to future ownership, stewards may have taken the initiative in securing their own futures. Gregory(Naz) had already acceded, perhaps too readily, to the demands of many unsubstantiated creditors. “The Church”, with its uncertain sense of proprietorial ownership, may have already appeared as a less attractive employer than a benevolent, if sometimes remote, paternalist. The complaints seem indicative of seemingly inherent management weaknesses within the churches’ administrative arrangements which failed to establish secure procedures and accountability¹²³.

3.2.72 Gregory(Naz) also wrote a number of requests for exemption from duties, such as the care of the Imperial post, for Nicobulos, a nephew through marriage and scion of a rich, aristocratic family.¹²⁴ Although Nicobulos died at an early age, he was already leader/manager of a monastery, seemingly an example of the younger generation of “ecclesiastical” families continuing commitment to what was a family enterprise. Notably such men were choosing these appointments in preference to traditional alternative activities for the landed classes. A new tradition with its own practices and own values was being established.

¹²¹ Gregory(Naz) Oration 7 20

¹²² Basil Letter 32 on behalf of Gregory(Naz), an executor, sought the assistance of an old school companion, Sophronius against creditors. Gregory(Naz)Letter 29

¹²³ In this instance Basil appears to admit incompetence, pleading “*because of our inexperience in world affairs we are ignorant in this case*”. 4.4.13 notes that the inability to pay taxes may be because some ecclesiastical estates were poorly managed, being peripheral to church activities.

3.3 SUMMARY OF DETAILED FINDINGS AND COMMENT

Finding coherent themes amid the diversity

3.3.1 From the foregoing various major patterns emerge of what, to the Cappadocians, seem acceptable practices. These can be summarised as follows:-

- The senior cleric/charitable administrator should have a means of livelihood financially independent from the donated resources which he controls. This should be from current work or access to income from inherited wealth.
- In that the senior cleric/administrator is giving time and resources (frequently derived from privately held estates) some reciprocation by the state is necessary, not as a reward per se but to recognise the value to society. Hence it was fair that reliefs from taxation and civil obligations were allowed for clergy.
- The clerical donor does not have to cede control of the properties, and may continue in a position to retain control of decisions relevant to the use of the income. By contrast a monk will cede control as part of communal living. Given the use to which the income from the property will henceforth be put, exemptions by the state ought to be available in these circumstances also.
- Those with control of resources should exercise good stewardship. This should be measured in financial terms rather than necessarily looking to the wider effect on other stakeholders, such as the local community.
- However, lobbying, seeking to persuade government officials to favour certain individuals, communities or causes, even at the expense of others, is not only permitted but in some instances an obligation.
- Perhaps in similar vein, succession arrangements for senior clerical/administrator posts may involve nepotism, seeming to favour those with close family and friendship ties for (among the relatively limited numbers of educated candidates) they are known and can be trusted. Nevertheless episcopal elections were hotly contested.
- Control of resources should involve specialists as necessary. These should be

¹²⁴ Gregory(Naz) Letters 126 & 21; also seven letters on the training of Nicobulos as a boy.

accountable to those who can be both independent and spiritually-motivated.

- Self-regulation in ecclesiastical matters is highly desirable, presumably because evaluation of motives is best performed by those best able to judge but also to maintain internal control.
- Compromise of scruples is sometimes necessary within church politics. Hence Basil was prepared to deceive or manoeuvre Gregory(Naz) to achieve his ends, such as for his election and in his dispute with Anthimus¹²⁵. So too, it was acceptable, to attempt to influence the state governor by offering him free accommodation at a place being built for the poor, although heretic bishops using resources to send each other gifts were to be criticised¹²⁶.

3.3.2 There appears a certain lack of logical consistency in this list and throughout the various instances cited above. No readily replicable framework of principles emerge as a model for the future. Rather the model appears one of an eclectic pragmatism responding to opportunities or problems. The most recent biography of Basil by Rousseau¹²⁷, and drawing from all his works, in many ways seems to confirm this picture commenting,

*“It could be argued that Basil was faced with a hopeless task, attempting to build a new ecclesial structure in the face of enduring social patterns inimical to the venture. Indeed he may have been struggling against social conservatism in himself.”*¹²⁸

As Rousseau also points out, his cousin praised, *“his independence toward magistrates and the most powerful men in the city”*¹²⁹ while his brother describes him as, *“closely associated with Prefects, often in the company of generals, on easy terms with Emperors”*.¹³⁰

¹²⁵ 3.2.61

¹²⁶ 3.2.66 and 3.2.54.

¹²⁷ Rousseau, P., Basil of Caesarea (University of California Press, Berkeley, 1994)

¹²⁸ Ibid p158

¹²⁹ Gregory(Naz) Oration 43 34

¹³⁰ Gregory(Nys) “In Praise of his Brother Basil”

The reality was that Basil could achieve both. The situation was one of opportunity as well as risks of compromised freedom. What is impressive, is that despite the contradictions, and what a biographer may now criticise as personal weaknesses, Basil drove change. He was imaginative with new initiatives -- the hospice, the Rules -- simultaneously trusting to his judgement yet deeply interested to find authoritative scriptural guidance. While searching, he seems to have revelled in, and exploited, the freedom and independence of the loose framework in which he operated.

3.3.3 In looking at his personal ethos there is a constructive paradox. He is celebrated for the rules of conduct which he drew up, particularly for monks, although undoubtedly intending to learn from the process himself. Nevertheless, from his letters it appears that pragmatic, personal relationships in all their complexity, were at the heart of his own activities. He was responsive and adaptive. Indeed his letters may not be representative of the full extent of his intercessions for they do not record those made in person, his preferred *modus operandi*¹³¹. Nevertheless they confirm the wide range of his concerns extending to cover the interests of slaves through to deposed governors. They cover strangers as well as relatives, friends, exiled bishops, towns and regions.

3.3.4 In preparing rules it seems that Basil recognised that any nascent institution needed its collective ethos to be prescribed. In essence, any institutional ethos can only express the intentions, and habitual propensity of its participants, as they attempt to promote their own virtues and values through an organisational culture. Basil's rules were the product of his Biblical study and practical experience, to form at least, a starting point. As his personal example would have shown to contemporaries, they were not intended to inhibit individual initiative, rather the reverse. Paradoxically, by setting boundaries, rules provide the stability for dynamism and change.

3.3.5 Following exclusive codes (or rules not meant for universal application), while

¹³¹ Basil Letter 112. He was inhibited by ill-health, see 4.4.15.

beneficial to individual development, may lead to a sense of differentiation, thence to a sense of personal superiority and pride, potentially damaging to others. Basil himself, as Rousseau points out, while encouraging the withdrawal and exclusiveness of a monastery, simultaneously he did not cease,

*“to value the traditional features and values of city life. The development of crafts and skills, involvement in public affairs, the acquisition of property, travel from place to place -- all were part of God's plan, part of the goodness of creation, a basis for optimism in life”.*¹³²

As a result, *“Accepted social categories could stand as models for the virtues expected of a Christian”*. However, Basil was prepared for his actions to be tested within wider society.

3.3.6 Rousseau concludes that Basil produced no single coherent theory about the nature of Christian community, the terms of its destiny or about authority within it. He suggests that Basil's struggles with his own frustrations and failures, over a period of several years, reflect two sets of tensions. The first was between the imperfections of civic society and, *“the ultimately desirable community that one might label ‘Church’.*” The second was between,

*“the corporate ideal, which talk of ‘Church’ might seem to suggest, and which certainly encouraged in Basil a social morality, and the feeling that salvation was ultimately an individual experience, striven for often in the face of social circumstance, and enjoyed most tangibly within the confines of one's own ‘soul’.*¹³³

3.3.7 However, Basil's very experience of coping with these tensions is itself instructive as to his practice of ethics. The processes and examples may indeed lack consistency but, contrary to Rousseau, there is a personal vibrancy which transcends the frustrations. Two underlying values, those of liberality and fairness, do provide a coherence. These become apparent through study of his observations on the relationship between ‘Imperium’ and ‘Sacerdotium’, (the material and spiritual dimensions in individuals and in society). So before the ethics of Basil and his circle

¹³² Rousseau (1994) p163

¹³³ Ibid p188-9

can be evaluated further, it is necessary to collate Basil's views and also to look at other perceptions of the changing relationship on issues of 'Imperium' and 'Sacerdotium' in the period immediately before, and subsequent to, the Cappadocians. That is the primary role of chapter 4.

CHAPTER 4: THE WIDER CONTEXT AND EVALUATION OF ISSUES FOR THE EARLY FATHERS

4.1. INTRODUCTION

Linkage of Chapters 3 and 4

“All the people of the East know that during the time of my episcopate I have not acquired a house, not a piece of ground, not an obol, not a tomb but of my own accord have embraced poverty, after distributing, at the death of my parents, the whole property which I inherited from them”.¹

“Five and twenty years I so lived that I was never summoned to trial by anyone nor ever brought accusation against any. Not one of the pious clergy who were under me ever frequented a court. In so many years, I never took an obol or a garment from anyone. Not one of my domestics ever received a loaf or an egg. I could not endure the thought of possessing anything save the rags I wore. From the revenues of my see, I erected public porticoes; I built two large bridges; I looked after the public baths. On finding that the city was not watered by the river running by it, I built the conduit and supplied the dry town with water. But not to mention these matters, I led eight villages of the Marcionists with their neighbourhoods into the way of truth.... etc.”²

Thus, Theodoret, bishop of Cyrus, when writing to Leo, bishop of Rome, in 449, some two generations after the Cappadocians, differentiated his reputation from that of corrupt contemporary bishops, by emphasising his poverty, as proof of piety. Yet in the same year, writing to the Consul Nomus, he could not resist cataloguing the second dimension to his situation. He may have believed that, by personal poverty, he had avoided the sin of gain through “selling Christ”, the crime of which he roundly accused others³, but his building activities and references to domestic staff display the substance, if not the theoretical form, of his poverty.

4.1.2 In reality, while he had given away his personal, temporal assets and was not a direct owner, nevertheless he himself had been able to enjoy many of the practical benefits and exercise the duties of a wealthy landowner. Moreover, as bishop, not only did he control church resources, through patronage and prestige he would have been in a position to influence collective spending by others⁴. While it seems legitimate pride that he had sought projects that would give benefit across

¹ Theodoret, Letter 113

² Theodoret, Letter 81

³ Theodoret, Letter 168

⁴ Perhaps as Basil and his hospital, 3.2.65-67

the whole of his community, Theodoret's paradoxical claims succinctly demonstrate the tensions inherent in the management of a charitable enterprise -- the need to control power and authority without being controlled by them, to have resources and yet to dispose of them. At a deeper level, the juxtaposition illustrates something of the complications inherent in the underlying theme of this study, the Christian search for the practice of **Liberality** and **Fairness** as guiding principles.

4.1.3 The purpose of citing Theodoret's situation, like this chapter as a whole, is to put into a wider historical and geographical context the developments apparent in the study of the Cappadocians' charitable practice, as described in chapter 3. Basil and his circle show that it would never be simple to reconcile Christ's clear example of self-denial in matters of temporal power and authority with the opportunities which, post-Constantine, were becoming increasingly available to church leaders.

4.1.4 Extending beyond insights of one group of individuals, this chapter explores something of the variety of solutions found elsewhere and the broad managerial consequences of the enthusiastic embrace of changes which imperial endorsement of Christianity had allowed. The financial resources perspective illuminates the search for an appropriate relationship between the emerging "church" and the established "state" at a time when the distinctions were first becoming important to both parties. The concept of separation itself is anachronistic⁵. Wariness, born of experience, embodied in the first sentence of the US Bill of Rights, "*Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof*" was still in its infancy within the history of ideas.

4.1.5 As noted in 3.2.7, the subject's potential source material is vast. Sources used are primarily legal codes and the letters of the apostate emperor Julian, or occasionally of other bishops. These constitute a, relatively objective record, or immediate critique, of those problems felt to be serious by contemporary civil

⁵ The first emperor, Augustus, had seen the office of Pontifex Maximus as hereditary and lifelong. From 12 BC it was pre-eminent among his titles, even though it gave no direct powers. For

authorities, in managing change relative to Christian activities. However, the full picture is unknown. Succinct imperial decrees were only the end product of a process of consultation, representation, debate and episcopal/political decision-making. Moreover, even as such, they are of themselves, only very partial indicators of actual practice and informal procedures. Nevertheless, they do serve, in this instance, to help identify what were the problem areas⁶ and to provide a non-clerical perspective.

4.1.6 This chapter's structure is initially historical. 4.2 is concerned with the Fourth century, drawing particularly on the sections of the Theodosian Code⁷, relevant to ecclesiastical administration. This illustrates the situation immediately prior to and contemporary with the Cappadocians' activities. The criticisms, specified and implied, by Julian in reversing pro-Christian privileges, act as counterbalance to the viewpoint of Christian apologists of this era. 4.3 identifies the tensions within Church/State relationships over the ecclesiastical management of resources in the Fifth century, again from legal developments including also the Justinian Code⁸, but supplemented by brief references to other prominent churchmen. With the benefits of hindsight, it describes the culmination of previous trends and consequences which flow from earlier decisions. 4.4 reverts to the Cappadocians and particularly to Basil. It explores his perceptions of "Sacerdotium" and "Imperium" and summarises his attempts to find a *modus vivendi* between the two. This relationship has implications for any sustained charitable activity beyond that between related individuals. Basil, among the first Christian officials to operate openly on the borderline between Guardian and Commercial⁹ moral syndromes, progressively pursued two key "virtues", those of '**liberality**' and a '**sense of fairness**'. 4.5 provides an ethical evaluation and

subsequent Roman emperors, religion was to be managed as an aspect of secular government. Jones, A.H.M. *Augustus* (Chatto & Windus, London, 1970) pp 32,60,67.

⁶ On the nature of the source, Harries, J., & Wood, I., eds. *The Theodosian Code* (Cornell University Press, New York, 1993) especially Part II and Hunt, D., *Christianising the Roman Empire: the evidence of the Code* pp143-158

⁷ *The Theodosian Code*, tr. by Pharr, C. (Princeton University Press, Princeton, 1952). All references as "CT" with attributed year in brackets.

⁸ *The Justinian Code*. Translations of selected statutes, Coleman-Norton, P.R., *Roman State & Christian Church: A Collection of Legal Documents to AD 535* (London, SPCK, 1966). All references as "CJ" with attributed year in brackets.

⁹ This distinction is considered further in Jacobs, J. *Systems for Survival - a dialogue on the Moral Foundations of Commerce and Politics*. (Hodder & Stoughton, London, 1993) passim. See 6.1.4 ff.

overall conclusions for chapters 3 and 4. It considers the six qualities identified in the Introduction¹⁰ by reference to Basil's experience and values. It notes that whereas the Codes show the difficulties of enforcement through a remote, imperative, legislative regime, Basil's rules were more grounded in an indicative framework which came from an appeal to spiritual motivation. Detailed points emerge which are traceable in various guises to the subsequent case-studies. 1.5 introduced the context and major themes are included in Conclusions at chapter 11.

4.2 ASPECTS OF THE CHANGING RELATIONSHIP BETWEEN 'IMPERIUM' & 'SACERDOTIUM' IN THE FOURTH CENTURY

Emerging conflicts of interests

4.2.1 In the decades subsequent to Constantine's death in 337, legislation relevant to clerical and ecclesiastical property showed no substantial innovative change, albeit with frequent variants and back-tracking, as well as geographical inconsistencies. Given the difficulties of communication, inconsistency will have been inevitable across the vast spread of the empire, especially since general acceptance of a wide diversity of religious practice had been, for centuries, a feature of the empire.

4.2.2 Although Christian activities were becoming more overtly corporate, there was no clear differentiation separating entitlements and incentives for the clergy from those of directly owned, ecclesiastical land.¹¹ It is the property of the clerics themselves which features as excused from liability to new collations; extraordinary superindiction; payments on trade and industry; contributions for the up-keep of the army; public works and the other requirements placed on curials. In addition, clerics' wives and children were exempt, perhaps to encourage a principle, found in other professions, that sons should follow in hereditary succession¹². This was not made compulsory, even though it would have been simpler and financially beneficial for governmental administrators to restrict the number of families with access to exemptions. Had there been either compulsion

¹⁰ 1.3.4

¹¹ CT16 2 9 (349). The use of "in ecclesia" seems to denote a corporate entity but 'The Church' would be an anachronism. CT16 2 10 (probably 353) confirmed exemptions for clergy.

¹² Jones A H M, (1964) p1049 notes that social regimentation required the sons of soldiers, miners, agricultural workers and employees of the public post to follow their fathers' professions.

or restriction, clearly this would have radically interfered with any sense of personal vocation. Instead the juristic inability to determine between spiritual and material motives for seeking clerical appointments, with linked tax exemptions, became a recurring source of friction.

4.2.3 A sense of distrust of the role of professional clergy is apparent. Paid employment, additional to being a cleric, was to be encouraged, for in legislation of 343 exemptions were granted with the stated purpose of assisting clerics to obtain a livelihood should they so wish¹³. One implication is that there was not yet, for many, sufficient support from congregations. Another, more significant for this study, is the absence of prohibitions, that activities like commercial trade, craft-work or farming were intrinsically inconsistent with the office of Christian cleric. The sensitivity of this topic to some is evidenced in that Basil chose to emphasise that the majority of “his” clergy earned their living, albeit from external employment in work of a sedentary nature¹⁴. Overall, the prime intentions of the state in granting tax exemptions were twofold, namely to recognise the important general benefits to society from clerical activities and to encourage productive secular activity by the great mass of their number to secure staple necessities in turbulent times.

4.2.4 On this, the preamble to one decree is illustrative¹⁵. It was addressed to Felix, a former archdeacon, who was Bishop of Rome between 355 and 358 until his predecessor was re-instated and he was exiled.¹⁶ It states,

“Clerics shall be firmly protected from every injustice of an undue suit and from every wrong of an unjust exaction, and they shall not be summoned to compulsory service of a menial nature. Moreover, when tradesmen are summoned to some legally prescribed tax payment, all clerics shall cease to be affected by such a disturbance; for if they have accumulated anything by thrift, foresight, or trading, but still in accordance with honesty, this must be administered for the use of the poor and needy, and whatever they have been able to acquire and collect from their workshops and stalls they shall regard as having been collected for the profit of religion”

¹³ CT16.2.8 (343) This is consistent with the Biblical injunction that if a man does not work neither shall he eat.

¹⁴ Basil Letter 198 (375)

¹⁵ CT16 2 14 (356 or 357), as also CT16 2 11 (356 or 342)

Simultaneously, instructions went to Leontius, the civil governor,

*“We command that the privileges granted to the Church of the City of Rome and to its clerics shall be firmly guarded”*¹⁷ This seems to have covered all clerics, including bishops and, potentially large scale operations for it continues, *“Moreover with respect to their (sic) men who are employed in trade, the statutes of [Constantine] provided with manifold regulations that the aforesaid clerics should abound with numerous privileges.”*

Despite this, the Code over the next century bears witness that, in trying to implement the simple intentions, a further plethora of regulations was spawned.

4.2.5 Although subsequent concessions over trading activities were granted specifically on the grounds of an altruistic purpose for clergy in the maintenance of “the poor”, in 360, once this had developed into larger scale of activity, an attempt was made to revert to the original position. A strict limitation was placed on the size and purposes of the trade,

“but clergymen and those whom recent usage has begun to call gravediggers ought to be made immune from public services and from contribution of taxes, if by very small commercial activities they shall seek for themselves meagre food and vesture. The rest however, whose names are included in the register of tradesmen at the time when the tax payments were officially made, shall assume the duties and tax payments of tradesmen, inasmuch as they have later joined the company of clerics”.¹⁸

One interpretation might be that entrepreneurial clerics had moved their nascent “not-for-profits” to a point where these had become a drain on the Treasury, perhaps also aggravated as the number and size of church congregations grew. However, there is a more sinister problem. Enterprising traders were seizing opportunities for tax avoidance. In the same legislation, is the closure of another loophole whereby clerics facilitated tax evasion through acceptance of the nominal transference of ownership of landed estates. Evasion is a recurring theme and, in this instance, it was decreed that landowning-clerics were to undertake all the obligations that went with their estates relating to public services and the maintenance of imperial transportation¹⁹.

¹⁶ Indicative of the generally turbulent span of senior clerical appointments which added to instability. Refer 3.2.15 and 4.2.7.

¹⁷ CT16 2 13 (356 or 357)

¹⁸ CT16.2.15(360)

¹⁹ CT16 2 15 (360)

4.2.6 The statute ends with a geographical spread of bishops who considered it “very just” suggesting an attempt to get a uniform agreement on what should constitute ‘**fairness**’. Yet the frequent nature of such legislation, with local variants and re-statements in subtly different form, suggests the continuing frustrations of seeking to create a universally respected, workable practice. For example, CT12 1 49 (361) made bishop’s entire assets automatically immune, whereas those of other clergy immune only if the local Governor and Senate concurred, or else two-thirds should be transferred to relatives. CT8 4 7 (361) imposed penalties on “*those stealing into the Church by clandestine trickery*”, presumably something possible only with the connivance of the ordaining bishops.²⁰

4.2.7 It cannot have helped that the infrastructure of empire was in some disarray, encouraging local ecclesiastics and civil governors to fashion regional interpretations. These set diverse precedents, as well as varied measures of “faithfulness” -- or lack of it. A complicating factor within faithfulness was the doctrinal clashes between Arianism and Orthodoxy, hence competing definitions as to which churches should qualify for state privileges. Constantine had recognised disunity among churches had political overtones²¹. As with the edict to Felix²², there is an underlying sense that the suspension, or restoration, of privileges, was a powerful tool for deliberate, or spontaneous, coercion. But essentially, everywhere the aim seems consistent ~ in **fairness** to genuine clerics, to re-apportion the burden of general public service, in recognition of contributions to public welfare already being made in response to private, spiritual motives. However, in **fairness** to other landowners, this must be proportionate. Perhaps, in absolutist terms, clerics should have been willing to fulfil first all the state demands, and then have further fulfilled all those of conscience. In practice some form of compromise seems widely recognised as necessary, especially where contributions of time would have been involved which could not be duplicated.

²⁰ Legislated on the same day but in different sections.

²¹ Hence Constantine’s determination that, while openly deferring to the authority of bishops on matters of faith, at the end of debate and Councils (e.g. Nicaea) he wanted definitive conclusions.

²² see 4.2.4.

Demands for civic and religious duties were simultaneously competitive, distinctive yet interlinked²³.

Criticisms by Julian the Apostate

4.2.8 Arrangements such as making the churches' properties akin to those of the imperial estates²⁴ might have provided a solution. It would have created clearer qualifications for exemptions between landed property irrevocably donated to, and thence corporately owned by, churches and that of the accumulated, inherited wealth of clergy and their families. The absence of such a solution perhaps reflects recognition that expecting outright gifts, requiring loss of control, would have radically reduced clerical contributions²⁵. However, issues of exempting churches only, rather than the clergy, were submerged by the revocation of all Christian-favouring legislation in the brief but energetic reign of the pagan emperor Julian (361-363). The Code supplies the simple command, "[Curials] *who evade their compulsory public services on the grounds that they are Christians shall be recalled*"²⁶. In his letters, Julian states that those senators who had, "*abandoned themselves to the Galilean superstition or have devised some other method to avoid the municipal senate*"²⁷ had been required to resume in full their obligations. Additionally, grants and imperial largesse to churches ceased. The effective period of the cuts may have been too brief to create serious hardship but the hiatus created an occasion for re-assessment and further change. It is noteworthy that although Gregory(Naz) has two tirades against Julian, there is no account of wealthy Christians rushing to commit themselves to fill the breaches.

4.2.9 Despite the excoriation of Julian's memory by subsequent church historians, his attempts at reform appear moderate, aiming to create, over a longer-term, a neutral regime rather than provoking a violent, short-term reaction by attempting to crush the churches. Instead, he expressed²⁸ some satisfaction that bishops -- tyrannical and argumentative -- were no longer, "*permitted to act as judges and*

²³ On continued competing demands, 10.3.16.

²⁴ CT11 1 1 (dated 360, though possibly 315)

²⁵ On traditions of giving, 3.2.8-9.

²⁶ CT12 1 50 (362)

²⁷ Julian *Letters* 380D - 381A (Loeb Vol. III p125)

²⁸ Julian *Letters* 435D-438C (Vol. III p131) This does not state that he banned Christians from leaving legacies only that he prohibited clerical facilitation of such.

write wills and appropriate for themselves others' inheritances and assign everything to themselves" while regretting that out of pique they promoted social disharmony. It would be unrealistic to assume that Julian's antagonism was purely personal prejudice. Implicitly he acknowledged the "good" that churches did by promoting similar foundations for the destitute as part of pagan worship. In Galatia, for instance, priests became responsible for the distribution of substantial quantities of wine and corn and Julian hoped to stimulate relief efforts among non-Christians.²⁹

4.2.10 Elsewhere, Julian adopted a subtle stance that sought seemingly to favour no single Christian party above another. He expressed satisfaction that the clerics were exasperated at his mildness and irritated at not being able to continue their feuds and politics.³⁰ Conversely the church historian, Sozomen, complained that this practice allowed bitter internal divisions between sects within Christian communities to create opportunities for disintegration.³¹

4.2.11 One example, that of Cyzicus on the Hellespont³² is instructive as to how the local orthodox bishop, Eleusis, sought to manage the changed circumstances. He was probably a man of some substance for when, subsequently, threatened by Valens (364 -378) he assented to the Arian faith, "*terrified with threats of banishment and confiscation of property*".³³ Under Julian, Eleusis was ordered to re-build a church for the Novatian sect which his predecessor had demolished. The timescale of two months applied a pressure through monetary means, while embittering further an existing rivalry. At this time Julian describes passing a law ordering the official restoration by the state to all those who had had possessions confiscated by his predecessor, Constantius, in a purge against "non-Arians"³⁴. Thus by appearing to recompense some Orthodox families, Julian will have incited yet further tensions among the adversarial Christian communities. According to

²⁹ Julian *Letters* 430 A-D (Vol. III p69) ; Julian *Misopogon* 363 A-B (Vol. II p491) compares "Galilean" generosity with pagan illiberality.

³⁰ Julian *Letters* 436 A (Vol. III p129). Augustine preserved the instructions of Julian restoring to office three Donatist bishops in 362. Coleman-Norton, P.R. (1966) p287

³¹ Sozomen 5.5

³² Between Cappadocia and Constantinople

³³ Similar accounts are in Sozomen 5.15 and Socrates Scholasticus III 1 and IV 6

³⁴ Julian *Letters* 436A (Vol. III p129)

Sozomen, Eleusis was expelled, allegedly because, in defiance of Julian's wishes,

"he had destroyed some [pagan] temples, and desecrated the sacred areas with contumely, provided houses for the support of widows, erected buildings for holy virgins and induced pagans to abandon their ancestral rights". The official reason for expulsion was "anticipated sedition" but the penalty seems mild for Sozomen makes no reference to fines or enforced restoration. The impression is of the autocratic bishop continuing those charitable activities respected by local society despite the pressures. The conclusion must be that, under an imperial regime of mild hostility/neutrality, the principal source of danger for Christian enterprise was less external persecution, rather internal dissension involving ownership and management of respective property assets. This highlights that Christian ethical qualities must have integrity without reliance on the pressure of external threat, yet external threats were invoked to influence decisions in both later case-studies³⁵.

4.2.12 To the east of Cappadocia, at Edessa, the Christian community did have its property directly confiscated for military purposes at the Emperor's discretion. The alleged reason was disturbances between the majority Arians and a minor sect. There is no reference to any property of the latter but Julian, again in his letters,³⁶ blamed the Arians as being arrogant because of their wealth. He expressed the opinion that this was contrary to Christian teaching, in that possessions should be for the benefit of the poor. In that access to resources had brought not liberality or fairness but pugnaciousness and misapplication, state intervention could be justified.

4.2.13 Another area of perceived Christian abuse was the free use of the imperial transport system maintained primarily for military and administrative officials. Under Constantius, this public service had become the means by which bishops assembled together for synods and councils under imperial supervision. "Travel" had taken on the appearances of an episcopal "perk", funded by tax-payer³⁷. Although not explicitly prohibited, Julian imposed curbs on the issue of travel

³⁵ 6.2.27 & 8.2.70

³⁶ Julian Letters 424C-5A. (Loeb Vol. III p127). This is discussed further in Jones (1964) p123

³⁷ On clerical travel as a contentious issue, 6.2.17.

warrants effectively eliminating episcopal usage³⁸. As with the avoidance of statutes directed wholesale against Christian property, Julian was not attacking wilfully but seemingly going with the grain of public opinion to curb abuses and excesses, with penalties only when provoked.

State attempts to curb exemptions and clerical indiscipline

4.2.14 Although he did not live to sustain it, Julian's policy had challenged the purpose of privileges and state favouritism towards Christian communities. He had created the opportunity for a fresh appraisal of what subsidies were appropriate. His imperial successors heeded this, at least in part. The restoration of grants for charitable purposes by new emperors was at a level of one third of the previous arrangements³⁹. There is no record of complaint although a statute may have sought to remedy the shortfall in income for church charities. In the East, tradesmen connected with the imperial household, but of religion unspecified, were directed to assist, "*Christians whose religion is true, paupers and persons in need*".⁴⁰

4.2.15 The western parallel is far removed from such sentiments, vague and optional though even they seem. Clerical exemptions from taxes on commercial activities, except perhaps gravedigging, were not revived⁴¹. That this irritated the senior clergy may explain a further, enigmatic statute only four months later which re-iterated the neutrality, commanding that no special pleas could be accepted and that merchants, "*(men) of all religions and ranks (should) sustain the equal share in assisting the State without indulgence of special privilege*"⁴². The concept of clerics trading for the good of others and using profits for the relief of the needy (without qualification as to religious background) was formally commended but without incentives.

³⁸ Ammianus Marcellinus, 21 16 18 (Loeb Vol. II p127); Sozomen, 4. 11 on bishops' travel being burdensome and destructive. CT8 5 12-15 (362) contrasts with CT8 5 5-10 (354/8)

³⁹ Theodoret, *History* I 10 & IV 4; Sozomen, I. 5

⁴⁰ CJ1 4 1. Coleman-Norton (1966).

⁴¹ CT13 1 5 (364). Although gravedigging is not mentioned the statute is in the section on lustral taxes from which gravediggers were already exempt.

⁴² CT13 1 6 (364) This provided an exemption for farmers.

4.2.16 This neutrality seems to have been a position sustained for well over a decade in both Eastern and Western parts of the empire. It appears an entirely new concession in 379 when Gratian granted to clerics in Italy and Illyricum the right to trade exempt from tax to the level of 10 solidi, and those in Gaul up to 15.⁴³ The change of practice, like the differentials is not explained. It may have amounted to little more than pragmatic recognition of the need to convert into more durable cash, perishable, tithed foodstuffs donated at harvest-time.

4.2.17 Overall, therefore, despite probable episcopal pressures on them as “Christians”, Julian’s successors seem to have seized the opportunity to block re-adoption of special clerical status with associated risks of constituting a tax-refuge. One statute in September 364 consisted of the straight inhibition, “*We forbid altogether that wealthy plebeians shall be received as clerics*”.⁴⁴ Another required that any other propertied person (curials) seeking clerical status should surrender all estates to relatives, who would then fulfil all duties linked thereto⁴⁵. There were no concessions, such as a the retention of two-thirds which had been tried under Constantius⁴⁶. More stringent still this was made retrospective so that, it seems, many clerics found that they were reverting to former municipal duties. Churches will thereby have lost not only experienced, abler men but future recruits from the educated classes -- except those fully committed. Seemingly to ease this, in 370 yet further legislation limited the retrospection to ten years⁴⁷, and then in 371 it was reduced again, to 364⁴⁸. In 383, the situation was re-iterated with a requirement for curials who wished to be ordinands either to surrender property to relatives or the local senate⁴⁹. Sardonicly, the situation was summarised, “*We do not free [curials] under any terms except that they shall have no regard for their patrimony. Indeed it is not seemly for spirits bound for divine worship to be occupied by desires for patrimonies*”⁵⁰

⁴³ CT13 1 11 (379)

⁴⁴ CT16 2 17 (364)

⁴⁵ CT12 1 59 (364)

⁴⁶ CT12 1 49 (361) see 4.2.7

⁴⁷ CT16 2 19 (370) It can be construed that local councils had been harassing some clerics

⁴⁸ CT16 2 21 (371)

⁴⁹ CT12 1 104 (383) confirmed CT12 1 59 (364)

⁵⁰ CT12 1 103 (383)

4.2.18 The multiplicity and complexity of the legislation suggests clerics must have been pushing for change, yet transfer of their assets to a separate legal entity, of “the Church”, was not promoted as an option. The message is of the continuing tensions which surrounded involvement within local communities as to what is “required” as part of citizenship and what is “voluntary” for spiritually motivated reasons. It seems clergy wanted both the tax breaks and also to retain control and discretion. For some, this may have been simple resiling on commitments but there may also have been a lack of trust in churches’ administration. Charitable endowment requires confidence that it will continue to operate both appropriately and in perpetuity. Perhaps churches were still too new in widespread popular culture to inspire such trust, even among clergy. Perhaps donors, including clerics, simply found greater attraction in keeping for themselves the immediacy of giving and so wished to retain ownership. For churches this will have created uncertainty detrimental for sustaining charitable programmes. The challenge was to create trust yet church communities faced internal unfairness too. Jerome expresses bitter frustration that wealthy presbyters, “*men who pride themselves on their religion give to their virgin daughters sums scarcely sufficient for their maintenance and bestow the bulk of their property upon sons and daughters living in this world*” -- to be wasted on self-indulgence and pleasure.⁵¹ Legislation could not necessarily remedy such actions but such dilemmas are demonstrative of how ‘liberality’ must have regard to ‘fairness’ if it is to be perceived as ethical.

4.2.19 Some differentiation was happening. 370 and 371 saw further measures of relevance to this. One granted freedom to nuns from capitation tax, thus extending a previous law which had allowed this to widows, wards and spinsters, a category of persons long seen as of special interest to Christians⁵². This may have been only a concession, softening the blow of legislation which curbed the entitlement of “churches” to receive legacies.

⁵¹ Jerome Letter 130.6

⁵² CT13 10 6 (371) extending; CT13 10 4 (368). Clergy, their wives, children and slaves had received this exemption in 346 or 353 (Jones, (1964), p118

4.2.20 Clerical pursuit of legacies had become a source of scandal to Christians and pagans alike. A letter of Julian had criticised the pressures applied⁵³. Now, addressed to Damasus⁵⁴, bishop of Rome, Christian emperors introduced legislation to protect congregations, and particularly women, from such abuses. Explicitly, no ecclesiastics, their sons or those with any pretensions to religious status were allowed to enter the houses of widows or wards. No bequests were to be left to clerics, even through intermediaries. Penalties were confiscation. While the problem may have been exacerbated by lack of a clear distinction between personal and institutional ownership, it was a damning indictment of perceived untrustworthiness of the characters and conduct of Christian leaders and managers.

4.2.21 Feuding, ostentation and acrimonious scavenging to fund these habits may have become clerical pursuits more in Rome and major cities⁵⁵. However, Jerome⁵⁶ accepted that the legislation and implied rebuke were deeply regrettable necessities, lamenting that Christian emperors had been forced to impose legal disabilities on monks and clergy from inheriting, while pagan priests, actors, jockeys and prostitutes were not disbarred. Ambrose⁵⁷, although accepting the need, more opportunistically, may have blamed inadequate public financial support. Nevertheless, still more drastic measures followed, with a detailed prohibition, in 390, preventing deaconesses from leaving any property to churches, clergy or even poor persons⁵⁸. Possibly women were being made deaconess's solely to create a two-stage, legal loophole to facilitate clerical inheritance. The terminology is unequivocal in its distrust of clerical motives.

"She shall expend none of her jewels and ornaments, none of her gold and silver and other embellishments of a sumptuous home, under the pretext of religion." And *"...if anything shall be extorted from the decedent by the [Clerics or paupers] nothing shall be bestowed on clerics, to the fraud of our venerable sanction, by secret trust, through cunning artifice or the disgraceful connivance of any person. Rather they shall be deprived of all the goods that they had coveted."*

⁵³ see 4.2.9.

⁵⁴ CT16 2 20 (371)

⁵⁵ Ammianus Marcellinus 27 3 12-15 (Loeb Vol. III pp19-20)

⁵⁶ Jerome Letters 52 5 & 6 *"... I do not complain of the law but I do grieve that we have deserved a statute so harsh."*

⁵⁷ Ambrose Letter 18 13. Jones, A.H.M., (1964) p166 suggests Ambrose saw the law as a lever for increased income.

⁵⁸ CT16 2 27 (June 390). As late as 455 this legislation was still being referred to as in a test case where Marcian decided clerics could inherit from widows. (Novels of Marcian, Title 5, Pharr (1951) p566)

4.2.22 Although repealed some two months later, the concluding sentence of the revocation suggests that there were many lawsuits pending⁵⁹. It is a chilling comment on the practice of Christian ethics at the end of the Fourth Century that it could be formally stated,

“A law was recently promulgated with reference to deaconess’s and widows that no cleric as a despoiler of the infirm sex should appropriate slaves and household goods as plunder, not even in the name of the Church, and that in the absence of kinsmen by marriage or by blood he should not conduct himself as heir of the living, under the pretext of the Catholic discipline.”

After decades of legally-encouraged, institutionalised Christian charity there was serious problem without any ready solution. Some of the most vulnerable in society were being tricked or coerced through self-interest, masquerading under a veneer of piety by its ordained representatives. This might seem an argument for greater ecclesiastical self-regulation, to maintain disciplines and to ensure right-dealing by those best able to judge motives and practice. Yet clearly Christian officials needed also to be held accountable within the society to those on whose liberality churches were reliant. Imperium and Sacerdotium are not in isolation.

4.3 ASPECTS OF THE CHANGING RELATIONSHIP BETWEEN “IMPERIUM” & “SACERDOTIUM” IN THE FIFTH CENTURY

The influence of resources on Theological disputes

4.3.1 In considering the prevailing ethics relevant to the control of assets another aspect of trickery and coercion has particular significance for the history of religious thought and philosophy. Peter Brown⁶⁰, describing the steps that Augustine took to crush the challenge to his own doctrine of Original Sin, notes,

*“without a qualm, Augustine, Alypius and their agents turned the laymen at the court against the Italian bishops (who supported Pelagius).....such diplomacy was known to be costly. On one mission, Alypius had carried with him the promise of eighty Numidian stallions, fattened on the estates of the church as **Douceurs** for the cavalry officers whose views on grace had proved decisive. The Italians might well be shocked: the Roman clergy felt bullied; the cultured bishops were convinced that such a resort to force was a confession of intellectual impotence. Augustine with fifteen years of repression behind him in Africa was quite unmoved by the denial of freedom of discussion...”*

⁵⁹ CT16 2 28 (23 August 390)

⁶⁰ Brown, P., Augustine of Hippo (London, Faber & Faber, 1967) p362.

So too, it seems, he was unmoved by any concerns over the ethics of bribery nor the use of church resources to influence the imperial guard rather than support the poor. A counter might be that a certain type of moral courage is needed to deploy material resources in such a decisive way and only right belief gives such moral courage. Nevertheless, in matters of perceived heresy, increasingly moral inhibitions seem to have been suspended and discriminatory practices sanctioned -- in contrast with, say, Paul's use of The Collection to create at least a bridgehead to those with whom he disagreed⁶¹.

4.3.2 Inflicting economic hardship on religious groups that were deemed heretic, or out of favour, while promoting with privileges benefits for clergy in those deemed orthodox, was to become an increasing feature of the statutes of the Code at the end of the Fourth and start of the Fifth century⁶². State impartiality and fairness were to be eschewed in favour of discrimination. The communities of historically persecuted dissenters became themselves suppressers⁶³. Physical punishment was not yet widely adopted for heretics but their resources were more vulnerable.⁶⁴ Prohibitions on, for example, the Eunomian sect, were therefore coupled with restrictions on its receipt of legacies (apparently still a live practice for churches)⁶⁵ confiscation of communal places of worship and seizure of clerical properties. Similar sanctions attacked the Montanists and Manichaeans through buildings⁶⁶. A generation before, Basil and Gregory(Nys) had rebutted Eunomius' doctrine but significantly it was sustained legal and economic sanctions, directed against his followers' physical assets, which ultimately brought its demise rather than theological debate. The harshness against those outside imperial perceptions of orthodoxy, and so non-compliant, seems increasingly at odds with Christian compassion. This is, perhaps, a loose parallel to the carrot and stick approach when present-day state funding agencies seek to promote new doctrines such as

⁶¹ 1.2.8.

⁶² CT16 5 25 (395) under Arcadius and Honorius within two months of Theodosius I's death. Subsequent legislation included CT16 5 26 (395); 16 10 13 (395); 16 5 34 (398); 16 5 35 (399); 16 5 36 (399); 16 5 49/50(410); 16 5 58 (415); 16 5 51 (410)

⁶³ See quotation, 9.4.25.

⁶⁴ Friend, W.H.C., *The Donatist church -- a movement of protest in Roman North Africa* (OUP, Oxford, 1954) describes changing attitudes to persecution of Christians by Christians.

⁶⁵ CT16 5 25 (395)

⁶⁶ CT16 5 34 (398)

“Equal Opportunities”. Then claims to religious motivation for involvement may be interpreted as heretical to a prevailing doctrine of strict neutrality so prompting ostracism from state funding⁶⁷.

4.3.3 Favourable treatment of those perceived as Orthodox, set the tone for the next century in three mandates from 397 (although another contemporary statute decreed that Jewish religious leaders should enjoy similar privileges to those of Christians)⁶⁸. Although their terms, in re-confirming privileges, were particularly vague, nevertheless some differentiation appears towards recognising churches as juristic persons with clergy as their employees. The signs are increasingly apparent of a more formal, specific institution emerging as the recognised vehicle for corporate charitable activity. It may also signal that clergy had become increasingly dependent on their churches for benefit rather than the reverse. A reminder was thought necessary, that “*the services of religion and shrewdness are distinct*” so that members of guilds and enterprises in Constantinople were again prohibited from ordination. The urban prefect was ordered to prosecute those concerned, although no prohibition was placed on clerical trading where deception was not suspected.⁶⁹

Increasing ecclesiastical and clerical control

4.3.4 In 411/12, a decree⁷⁰ did seek to standardise and confirm immunities for the estates of the churches themselves, providing a long list of exempt public duties such as using their mills or kilns to supply flour, bread and lime; providing lumber or charcoal; constructing or repairing public edifices including bridges or roads; providing horses for public transport; billeting or funding delegations on public service (including tax collection); finding recruits; paying taxes in gold or special levies so that only regular contributions had to be met.

4.3.5 However, the liberality of the state in granting any exemptions was to become increasingly restricted as the defences of empire broke down. By 423 this became unsustainable and a new edict expressly forbade even “the venerable

⁶⁷ 10.4.16-20.

⁶⁸ CT16 2 30 (397); CT11 16 21 (397); CT11 16 22 (397) and CT16 8 13 (397).

⁶⁹ CT13 1 16 (399)

churches” from exemption relating to road or bridge repair⁷¹. As the imperial estates were also included in the order, it seems that improving the state of the roads, rather than preventing clerical malpractice, was indeed the primary intention. Nevertheless, there was resistance. In 424 another warning was given, *“The state must not be harmed by the burden of tax exemptions of extraneous persons by misuse of the name of the church”*.⁷²

4.3.6 In 425 this statute was reversed.⁷³ The impression is of bitter political struggles. Churches were viewed from the distance of the imperial court as sacrosanct and in need of protection. Meanwhile, at a local level, the controllers of church estates, seeking every advantage, were opposed by their neighbours with the practical problem of making up the shortfall. Exemptions for churches might have provided an opportunity for devolution and local prioritising of communities’ discretionary expenditure. Instead, for those curials outwith the church hierarchy and progressively losing the lobbying battle at the centre of government, church advancement will have been a mixed blessing.

4.3.7 Legislation, in 441, finally acknowledged that the problems of economic exhaustion and invasions meant that neither imperial nor ecclesiastical interests could stand aloof from the crises. The aura of sanctity created around ecclesiastical privilege had to be removed and the emperors spelled out the reason,

*“without tribute nothing can be provided in peace or war. Nor can the continuity of such tax payments remain any further if there be imposed upon a few exhausted persons the burden of which the more powerful man declines, which the richer man refuses and which, since the stronger reject it, only the weaker man assumes.”*⁷⁴

The issue is now expressly that of unfairness but with the burgeoning church and its clerics now as likely to be the cause as the victim.

4.3.8 Lobbying by special interests and demands of “more for those who already have” were problems then as now⁷⁵. Continuing legislation shows that even such appeals and arguments were resisted. The clergy, by now fully accustomed to

⁷⁰ CT16 2 40 (411/12); CT11 16 15 (382) lists typical requirements of those not exempt.

⁷¹ CT15 3 6 (423)

⁷² CT11 1 33 (424)

⁷³ CT16 2 46 (425)

⁷⁴ Novels of Valentinian Title 10 (441) tr. Pharr p524 (4.1.6)

⁷⁵ On ethics of lobbying, see 9.2.10.

distinguishing their interest from those of the laity and claiming exemptions and privileges, were reluctant to combine unreservedly in the common fortunes of those without. Ecclesiastical opposition showed its strength. In 451⁷⁶, the earlier legislation was varied in that ecclesiastical, but not clerical, land, was again made exempt for, "*all sacrosanct churches should be guarded firm and unimpaired in perpetuity*". Rightly or wrongly, it appears -- in effect -- that the status of the church and its caste of privileged functionaries should be treated as above the demands placed upon all others.

4.3.9 A spate of legislation giving the churches a pre-eminent position followed. In 470 the patrimony of the Church was made inalienable and, seemingly by way of clarification, in 472 clerical rights to receive, own and pass on property were confirmed. Also in 472, the privileges of orphanages, hermitages, almshouses, hostels and monasteries became the same as those of churches⁷⁷.

4.3.10 By 474, the strength of the church representation was such that, by decree⁷⁸, bishops or stewards were given imperial authority to instigate proceedings against those who hesitated to complete self-imposed obligations which had involved promises to construct a shrine, hostel, hospital or almshouse⁷⁹. The need for such action was stated to be a disgrace but no criticism was directed at the church officials for accepting dedications promised in time of calamity. Instead, clerics were now, in effect, representing, as earthly agents, those divine beings, apostle, saint or angel, with whom donors had entered a contract. They had become entitled to enforce "charitable" works.⁸⁰ The fact of having been a volunteer at the outset of the arrangement offered no protection from penalties -- a persistent problem for voluntarism⁸¹.

4.3.11 Some of these buildings may have been promised for reasons of prestige, but the emphasis is on additional buildings. There is a presumption both that serviceable community churches were finished and endowments for clerical needs

⁷⁶ CJ1 2 12 (451); CJ1 3 32 (472) p903 may have restored the exemptions to clergy.

⁷⁷ CJ1 2 14 (470); CJ1 3 33 (472); CJ1 3 34 (472). Coleman-Norton (1966) pp888, 895 & 903

⁷⁸ CJ1 2 15 (474/7) Ibid pp910-12

⁷⁹ CJ7.3.21.

⁸⁰ Scriptural precedent for making vows is I Samuel 1⁹⁻¹¹ and for fulfilment Matthew 21²⁸⁻³¹.

were already adequate. Private chapels had long been discouraged, instead hospices, monasteries and almshouses were seen as the growth area for the investment of the worldly treasures of the pious and the wealthy.⁸² Increasingly such individuals were under the control of a confident ecclesiastical hierarchy. The secular had become marginalised and merged into the sacred for the delivery of communal provisions. By way of inducement, recompense or a reward for the surrender of present assets, voluntary donors were offered a sense of both earthly and eternal security, like an annuity. By way of threat, there might be excommunication or anathematization⁸³.

4.3.12 Over the two centuries it had become axiomatic that the membership of the church had immediate and long-term social and economic consequences, for those converted, for those from Christian families and for society as a whole. By the end of the Fifth century, the Justinian Code shows bishops had powers of selection and appointment for communal services concerned with orphans, famine relief, debts, captives, paupers, rents and even the payment of soldiers. However, their primarily spiritual functions remained. The justification for this involvement had to include that they could thereby bring to these tasks something more than merely providing an alternative to imperial administration. In order to determine how that might be, it is appropriate to revert to the thinking of Basil on the theme of Imperium and Sacerdotium.

4.4 BASIL'S ATTITUDES TO "IMPERIUM" AND "SACERDOTIUM"

The Significance of 'Liberality' and 'Fairness'

4.4.1 Augustine's resort to bribery⁸⁴ would breach any currently acceptable professional codes of conduct for academics, soldiers or clergy. Some justification might be that his were deeply-held religious beliefs rather than erudite theories.

⁸¹ As 9.3.3, on other constraints, 10.3.38.

⁸² Jerome *Letter* 56 implied that he built a hospice at Bethlehem in 397 in part because the church was already complete. CT16 2 33 (398) contains references to private chapels linking the numbers of clergy to be ordained (and so eligible for exemptions) in proportion to the productive capacity of the neighbouring villages. CJ1 5 10 (466-72) p897 prohibited the transfer of estates with private chapels.

⁸³ CJ1.3.8 (484-524) p937 forbade clergymen of the Patriarchate of Constantinople from using these means to extort offerings from farmers or even their own clergy. The high financial level of the penalties shows the wealth of the extractors.

⁸⁴ see 4.3.1

That these beliefs were to have a profound influence on all subsequent Christian generations, arguably, makes them even less appropriate to be the subject for what, quite literally, was “horse-trading”.

4.4.2 Similarly, it is difficult not to survey the constant battles to assert entitlement to tax-exemptions without suspecting the influence of self-interest, as much as piety. Clerical activities in the two centuries that saw the end of “ancient Christianity” cannot be separated from self-aggrandisement and conflict with the rights of others with whom they shared communities. Their conduct may have appeared understandable but was markedly different from Christian ideals. As Gregory(Naz) acidly commented, the dispute between Basil and Anthimus was not over souls but control of taxes and contributions.⁸⁵

4.4.3 To counter such criticism with the response that Augustine, and contemporaries like the Cappadocians, should only be judged by the practices of their societies (despite their being seen as founding Fathers of the Faith) would implicitly accept that codes, and expectations, of Christian ethical conduct change radically. More significantly, it implies that consideration of longer-term consequences need not have unduly influenced decision-making. Perhaps a more appropriate response, (if we are to form any useful view of the practical ethics exercised by these “Fathers” as opposed to what was claimed by them in principle in sermons or general writings) is that we must reflect why these clerical saints felt able to act so confidently in ways which would seem perjoratively ‘compromising’.

4.4.4 Ironically the Pelagian dispute may provide the answer. Matthew 13^{vv24-30} recounts the parable of wheat and tares growing together until harvest. This passage, telling of earthly co-existence of “holy” and “wicked”, seems instrumental in shaping Augustine’s rejection of the attempts towards perfection on earth, which were features of the Donatist and Pelagian disputes. Christian faith does not sanction individual pride in striving (I Cor1^{vv29-31}) nor pre-empt eschatology, instead it acknowledges imperfections, inevitably, will continue. By

⁸⁵ see 3.2.61.

God's perfect standards this constitutes a level of continuing collective "mediocrity" among Christians. The practical application, otherwise, is that individual rivalry would insidiously undermine the Christian community, and with that society⁸⁶. The two must be equated through sustained inter-action and involvement. As can be gathered from a wide cross-section of his writings,⁸⁷ this was a subject to which Basil not only gave significant thought but which can be seen to underpin his own ethics in practice.

4.4.5 Society is, "*a gathering together of men of diverse customs and habits, converging for the sake of the common good*". This is not for individual rather communal benefit.

*"Man is a civil and natural animal" so that this convergence, "constituted him in civil and common life and in mutual agreement, where liberality is needed to take away want"*⁸⁸.

Giving and receiving are thus integral within society. Nevertheless, peace and harmony require something more, so,

"Directive power was established for this purpose that all might proceed in peace of life with composure of mind, awaiting changes, not resting in the present security of things, nor lost in an abundance of suffering".⁸⁹

4.4.6 The twin essentials for fostering the welfare of society are **Liberality** and **Justice**. With Basil these features are not distinct but inter-linked. Very notably, his letters to imperial officials focus less on their negative powers of punishment but on the positive opportunity to do good in fair ways.⁹⁰ This reflects that the source of temporal power is from God. Hence in his own interceding for a poor widow he wrote,

"I entreat you (and pardon the necessity which forces me to trouble you) lend your assistance to this matter also according to the power which Christ has

⁸⁶ Discussed, Markus, R.A., *The End of Ancient Christianity* (CUP, Cambridge, 1990) Chapter on 'Mediocrity' pp45-62. The issue of mediocrity in contemporary churches is considered in 7.3.

⁸⁷ Rousseau (1994) cites an extensive bibliography but even so admits its deficiencies. Not included is Reilly, G.F. *Imperium and Sacerdotium according to St Basil the Great* (CUAP, Washington DC, 1945). This explores extensively the themes covered in paras 4.4.5. to 4.4.15 providing a valuable source for some quotations cited.

⁸⁸ Basil *Commentary on Isaiah 1*

⁸⁹ Basil *Homily on Psalm 14*

⁹⁰ Hence, perhaps his objection to see the implied threat of perjury, with God used to extort information for tax purposes (3.2.37) and in Letter 85 his arguments on the damage if oaths are inappropriately used. The coercion of volunteers might also have shocked him (4.3.10).

given to you, who are noble and of good character and have always employed for good end what you have received".⁹¹

4.4.7 Liberality and fairness with material goods and earthly things is only a part of sharing, for humanity has spiritual needs which cannot be bound by time and space. Satisfaction there must come more directly from God but the role of the individual within a collective whole is still important for,

*"He who truly wishes to worship God should not depart from the society of the Church"*⁹² and

*"where no harmony is preserved, no bonds of peace kept, no meekness in spirit treasured...it would be very presumptuous to call such men members of Christ."*⁹³

Individual and communal access to God is through the Church which is dependent on God for,

"There is indeed only one true head, which is Christ, who contains and connects each member with another towards harmony".⁹⁴

This function and goal of the head is intrinsic also to that of the Church, which is,

"the society of God, the gathering together of those who have their conversation in heaven".⁹⁵

4.4.8 In that the Church is the society of God, it is then an obligation on those entrusted with its direction and care that they act,

*"as God's fellow workers, having given themselves wholly on behalf of the church to such works only as are worthy of God."*⁹⁶

Ecclesial directors, members of the Sacerdotium, are analogous to builders and also doctors in shaping the souls of their fellow members of God's society. The nature of their duties is exemplified in Basil's criticisms of presbyters at Tarsus where,

⁹¹ Basil Letter 109

⁹² Basil Homily on Psalm 28

⁹³ Basil The Judgement of God 216B tr. Clarke p80. On meekness see 8.2.11-17

⁹⁴ Basil on Justice 3 cited Reilly (PG31 660).

⁹⁵ Basil Homily on Psalm 45 4 tr. By Reilly is interpretative. Way translates, "all the City of God...that is to say surely the Church of those who hold to a heavenly manner of life."

⁹⁶ Basil Moralia 80 19. Discussed Rousseau (1994) pp228-232

“as for the establishment of the church, the correction of errors, sympathy for the brethren who are weak and protection of those who are sound -- of these things not one!”⁹⁷

4.4.9 While this established the authority and role of the church leaders within the Sacerdotium, all its members are simultaneously citizens of the state and so within the Imperium. Quite legitimately, they have two sets of directors. Being different and with different responsibilities, periodically these will disagree. Basil’s position was that, *“one must be subject to higher powers in all things in which the law of God is not endangered.”⁹⁸* By inference, while compliance should be normal, there are circumstances where one is required to oppose. Inevitably Basil’s sense of duty to be both directive as a church leader and self-giving brought him into a series of conflicts. Basil was put under intense pressure to convert to Arianism by the Emperor Valens and, subsequently, by a senior official, Demosthenes. Courageously he refused both. He was equally firm with those of Orthodox background including a very senior general. When Terentius had attempted to intervene in a spiritual dispute, Basil responded,

*“I wish that your august Reverence might be persuaded of this, that you and everyone who, like you, has care for the truth and does not condemn those who fight for the true faith, should wait for the lead to be taken in this union and peace by the champions of the churches, whom I consider as pillars and the foundation of truth and of the Church; and I revere them the more when exile is brought upon them as punishment”.*⁹⁹

4.4.10 Elsewhere¹⁰⁰, Terentius is spoken of as “ally” but also as Basil’s “staff” and “prop” so signifying that Basil saw himself as the principal within a collaborative partnership. This reflected his conviction that everything in the world is of God and from God, by whom it has been created and towards whom it hastens. Definitely in matters spiritual but in areas of doubt, the church leaders representing the “Sacerdotium” should take the decisions, not the “Imperium”. When it came to dispensing the donations of religiously motivated people, Basil saw this as a prime responsibility of the religious, rather than the secular, directors¹⁰¹. This meant taking decisions, making judgements, accepting compromises. He also believed

⁹⁷ Basil Letter 113

⁹⁸ Basil Moralia 79 2 Clarke translates as ‘hindered’.

⁹⁹ Basil Letter 214

¹⁰⁰ Basil Letters 99 & 214

¹⁰¹ Gregory(Naz) Oration 43 34-35

that directors should be allowed self-regulation, although that was not wholly to categorise all other matters to a domain designated “Caesar’s”.

4.4.11 Since there is such a spectrum of interests, this situation gives rise to defining boundaries in practice. The pursuit of justice is a good example. Some ecclesiastical self-regulation could be exercised, of which Basil not only approved but sought to extend. Despite the strictures of Gregory(Naz)¹⁰², over time, ecclesiastical courts, in contrast with their civil counterparts, were less open to abuse, for as Ammianus Marcellinus records,

*“rich men knocking at the doors of the mighty...bought their acquittal at monstrous prices; but the poor, who had little or no means of purchasing safety, were condemned out of hand.”*¹⁰³

Consequently, there was a constant provocation for clergy concerned with fairness to intervene in what were, essentially, civil disputes.

4.4.12 Basil showed few inhibitions when stirred, using sermons for biting criticisms of corrupt or arbitrary appropriations; exploitation; hoarding and profiteering in times of famine.¹⁰⁴ He did not hesitate to use Biblical passages that would either shame or threaten divine retribution. As an extension of this, in solidarity with those whom he sought to help, he equated assistance to widows and orphans as if to himself, indicating the sense of his own identification with them. His thanks for favours to them is personal.¹⁰⁵

4.4.13 Lobbying, seeking the protection of members of the society of God, when under threat from the injustices of the Imperium, can thus be seen as an appropriate requirement of the Sacerdotium. Undoubtedly, petitions over tax had some self-interest for Basil and church officials because the properties belonging to those who became monks (as opposed to clergy) remained liable¹⁰⁶. However, because estates without direct proprietors may have become a drain on ecclesiastical

¹⁰² see 3.2.57.

¹⁰³ Rerum Gestarum 15. 2 .9 (Loeb, Vol.I p117)

¹⁰⁴ see 3.2.22

¹⁰⁵ Basil in Letter 274 refers to poor as if to himself. The style is like Paul’s letter to Philemon regarding the slave Onesimus. See 3.2.27.

¹⁰⁶ Basil Letter 285. Monks did not yet have clerical status for tax purposes.

income¹⁰⁷, his objections may have been in search of justice on behalf of those who couldn't, rather than wouldn't, pay. Liberality of his time, skills and nervous energy were thus applied to pursuing justice for those who ought not to be distracted. In taking to himself the burdens of compromise such debate entailed, he was providing self-giving leadership in a flawed world.

4.4.14 The decision himself to establish a hospice/monastery complex with access for the poor was another dimension of this pursuit of justice through personal liberality¹⁰⁸ while simultaneously an indictment of the negligence or inability of the state and the lack of liberality among some of the wealthy¹⁰⁹. Also, in 368, during a period of severe famine, Basil sold property in order to purchase grain. He became then a leading figure in its distribution. Self-giving was only a part of the solution. By such example and exhortation, Basil effected the release of supplies from hoarders where the state had failed. Gregory(Naz)¹¹⁰ explains that his primary motivation was that future goods might follow with an increase in the spiritual life among the assisted, and that his collaboration with the state officials in relieving the crisis reflected his sense of, "*striving earnestly for the good of my country as a whole*". It is therefore not difficult to see how directors within the Sacerdotium might progressively feel entitled to intrude on any matters of the Imperium. But Basil resisted the converse for directors of the Imperium.

4.4.15 Basil's beliefs may best be summarised as,

"humans are political beings, used to living together. In their common experience of public life and in their dealings one with another, they have to show a generosity directed towards improving the lot of those in need".¹¹¹

To this end, in the short term, Basil was a hub in a network of relationships and patronage in which he exercised the functions of preacher, counsellor, facilitator and lobbyist for the broad interests of the spiritual among all types and conditions of persons¹¹². For that network, his expenditure of time and energy, while a sick

¹⁰⁷ As with that of Caesarius (3.2.71).

¹⁰⁸ 3.2.65-67

¹⁰⁹ Gregory(Naz) Oration 43 63

¹¹⁰ Gregory(Naz) Oration 43 36

¹¹¹ Basil Homilies 346 6 cited Rousseau p178.,

¹¹² see 3.3.3.

man¹¹³, provided an example which leveraged the monetary donations derived from his own inherited resources. While Rousseau cites frustrations, yet there is from his letters the sense of an achiever who could be satisfied that he had shared his own Christian inspiration by contributing positively to the lives of many others. Longer-term, he was recognised as having promoted the future status of the Church as a broadly focused charitable entity taking over where the state proved to be deficient. In this he provides a model of flexibility. Boundaries exist for guidance and maybe crossed.

4.5 REFLECTIONS ON THE CAPPADOCIAN BISHOPS & CODES

Personal Qualities and Management

4.5.1 Among the Cappadocians the overall picture that has emerged is of a group of friends, relatives and rivals determined to apply themselves as fully as is possible both to try to understand Christian teaching and to apply it to the ways in which they lived their lives and managed the resources entrusted to them. Reflecting on the lists in 1.3.1-4, key features emerge. Personal **liberality** and a sense of **fairness** are important values to them. Features of liberality are not confined to single acts of beneficence but to the willingness to **serve** and to be **creative**, aware of new ideas and opportunities to extend self-giving. Features of the pursuit of fairness are their concern for **justice** and for good **stewardship**, this latter also involving **accountability**. **Courage** is needed to put these into practice.

4.5.2 However, their zeal and idealism was tempered with realism in the face of many injustices, not least their own privileged financial, educational and social status, flowing from inherited ownership of land. Their responses recognised that traditional, state-ordained obligations had, over generations, sought a degree of fairness from the existing situation by linking taxation with that ownership. The wealthier had greater demands upon them. Christianity could help refine those obligations. Its definition of liberality required giving and service beyond tight legal requirements. In accepting this change, nevertheless, they and their contemporary church leaders did not hesitate to seek exemptions. Their perception of fairness embraced political recognition for the benefits of their own liberality.

¹¹³ Basil's letters refer to ill health. In Letter 202 he explains not making more personal visits.

However, 'fairness' cannot be readily defined and it seems neighbours, perhaps with larger tax bills in consequence, opposed clerical exemptions and had doubts about Basil's judgement and practices.¹¹⁴

4.5.3 The arguments, correspondence, even squabbles, as between Basil and Anthimus, were part of a process of testing and defining, exploring the limits which may be applicable to 'liberality' and 'fairness'. In their practices there was caution. While donors they sought to retain control by themselves, or those they knew, if only to sustain the ability to give in future. While Basil's Rules, and his role as bishop, are in some ways innovatory and revolutionary, they are nevertheless evolutionary. They draw on the experience of others and seek to amend and improve existing traditions. Change is managed through a series of adaptations rather than a few single, radical leaps.

4.5.4 Subject to this reservation, where Basil, particularly, showed passion, was derived from his sense of **justice**. He became absorbed in those cases he championed, as noted in both chapters. These covered a very wide range of social circumstances. He clearly attributed to his faith the inspiration to do far more than the 'merely necessary' for those facing famine, or who appeared over-taxed, or disadvantaged in obtaining what seemed their due. He demonstrated his concern for individuals by helping with their immediate problems in practical ways. Pragmatism was a distinctive feature in trying to find ways of influencing and improving the existing systems by a combination of giving, writing, haranguing, praying. There was then an overall integrity about this commitment to fairness.

4.5.6 Basil deserves his place in history as a man of **courage**, not just because of his face-to-face defiance of the emperor on matters of doctrine¹¹⁵. As this study shows his courage had two forms. Over many years he maintained a sustained persistence in pleading and pushing for what he saw as justice, despite the prospect of frequent rebuffs.¹¹⁶

¹¹⁴ Complaints over the hospice evidence disapproval/distrust of Basil by some citizens of Caesarea. (3.2.65)

¹¹⁵ see 4.4.8.

¹¹⁶ see 3.2.40.

4.5.7 Secondly, he brought with his doughtiness, the willingness to take risks and experiment, with new types of buildings, procedures and rules. **Courage** and **creativity** were thus inter-twined. As increasingly larger resources became available, this openness to experiment and change, included also the development of arrangements for **stewardship**. Stewardship is itself primarily concerned with fairness but is an important complement to sustained liberality. As shown by Gregory(Nys)'s concerns to control costs¹¹⁷ and Basil's determination that monks or clergy did not forego revenues¹¹⁸, neither brother seems to have under-estimated the potential of having resources at their discretionary disposal. Both recognised that to maintain liberality, finances needed to be managed and applied with discrimination. Basil's promotion of the use of specialists in finance, while stressing their need for clerical status, was consistent with this. He did not undervalue the importance of good stewardship for the whole, while also concerned that it should not intrude to distract from contemplation and study¹¹⁹. In short, there was a need for balance, generosity moderated by prudence.¹²⁰

The importance of Accountability

4.5.8 Such balance is neither readily achieved or sustained, hence the need to refer to others. Within his network Basil was trusted, as by powerful patrons such as Modestus, for those involved had personal experience of his aims and purposes. This constituted a form of **accountability**. His reputation was of much importance, for it might often help him achieve his ends. Hence, when accused of profligacy over the hospice project, Basil declared his willingness to be held directly accountable, if the Imperium so directed, although the terminology, "slanderers", suggests some pique at his critics' methodologies.¹²¹ In that the initiative for the hospice was a voluntary act, there is a sense that he would have liked his self-regulation to have been allowed to continue. He was forced to concede that neither personal enthusiasm for service nor creativity can exempt any charity's founder from scrutiny where the expenditure of collected communal

¹¹⁷ 3.2.25-29;

¹¹⁸ 3.2.35 and 3.2.46.

¹¹⁹ 3.2.51.

¹²⁰ as Luke 14²⁸⁻³⁰

¹²¹ see 3.2.65 and 3.2.48.

resources are involved. He is thus in a chain which links St Paul and those who founded ARK.

4.5.9 The relevance of the long period covered in the review of the Theodosian/Justinian Codes can now be emphasised. Firstly, they show the clear determination of clerics across generations and different regions to argue that for their material **giving** they should **receive** material benefit. Secondly, they show how tortuous were the attempts to formalise a universal balance between fairness and liberality. The prolonged uneasy tension demonstrates the difficulties of regulating by edict clerical and charitable activities.

4.5.10 The task for the lawyers of the Imperium was made more complex still because bishops, good, bad or mixed, were all amending and altering their roles, often on their own initiatives, in response to changing circumstances. In his so doing, Basil relied on an instinctive sense of what he saw as appropriate of a Christian leader. It is possible to respect his decisions and actions because they were accompanied by a deep knowledge of, and extensive meditation on, Christian Scriptures. The Codes show, this was not always reliably being replicated elsewhere. Moreover, some rivals, whether Orthodox or Arian, or pagan like Julian, would have questioned even Basil's judgement or authority. Continuing debate and compromise were necessary and conclusions were, justifiably, never final but tentative.

4.5.11 Most clearly the Codes show the frustrating inadequacy of state laws, as rigid rules, to control clerical conduct where the spirit of those rules is undermined by disingenuous pretensions to faith flawed by self-interest. This might suggest that exclusive Church authority and self-regulation was needed. But while the failures show the importance of appropriate self-policing within the Sacerdotium, they do not exclude the Imperium from having a role in the practical work of the Sacerdotium. Julian's criticism of disputative and bullying bishops depicts tyrant leaders who are the reverse of Christ-like calm, authoritative meekness¹²². Although imperfect, the state laws were seeking to prevent malpractice's which

¹²² 4.2.9. Meekness in leadership discussed in detail 9.4.9-21.

some bishops had not only failed to condemn but actually condoned by allowing ordinations for blatant tax evasion¹²³. Despite Basil's attempts to create areas of activity which were, literally sacrosanct, he concurred that accountability cannot be absolute to the Sacerdotium. For the Sacerdotium, self-regulation must be seen not as a means of escapism from responsibilities, misusing the claim to be acting in Christ's name as a shield from justified criticism. The Imperium provides a valid and independent means of accountability for the Sacerdotium in action. Simultaneously, the Imperium itself also needs to be challenged and accept accountability. Each requires co-operation. As will be seen in the vital distinctions between Governance and Management needed at ARK¹²⁴ the respective tasks of the executives and non-executives need to be understood and balanced. At SGC too there have been sustained management deficiencies through the persistent sense that progressive developments in best practice in the world beyond the Church need not apply because the Church has different standards -- in practice less liberal or fair to many stakeholders.¹²⁵

4.5.12 By the time of the Cappadocians, it had become axiomatic that membership of a church would have immediate and longer-term social and economic consequences, for those converted; for those from Christian families and for society as a whole. Progressively this reached the point that the Justinian Code reveals bishops exercising powers of selection and appointment for communal services concerned with orphans, famine relief, commissariat, debts, captives, paupers, rents and even payment of soldiers.¹²⁶ Well beyond Basil's self-regulation, this required directors of the Sacerdotium to operate at the centre of the traditional Imperium. This is not necessarily inappropriate in principle. The two do not exist as separate spheres rather as different ends of a range of human endeavours. However, with their personal priorities declared as spiritual, bishops must demonstrably bring to their involvement in such tasks something beyond a mere alternative to imperial administration. The risk was that they would become

¹²³ 4.2.6

¹²⁴ A theme throughout chapters 8, 9 and 10 but particularly 10.3.8-10

¹²⁵ 7.1.21.

¹²⁶ CJ8.51.3 (p1036); CJ10.27.4 (p948); CJ1.4.17 (p941); CJ7.40.2 (p1107); CJ1.3.48 (p1100); CJ1.4.23 (p1034); CJ1.4.18 (p942). Tr. Coleman-Norton (1966)
Cameron, A, The Mediterranean World in Late Antiquity: AD 395-600 (Routledge, London, 1993) pp61-64 cites a series of examples of influential church leaders of that period.

pre-occupied by secular concerns. Basil's warnings against distraction remain valid. As will be seen with ARK, as it expanded rapidly, concentrating on community services, the diversion potentially jeopardised congregational and ministerial contributions to other aspects of church-life¹²⁷.

4.5.13 Whatever organisational structures are adopted to facilitate collaboration, ultimately these depend on individual determination, as directed by consciences and spiritual inspiration. Co-operation relies on the trust that each is worthy of trust and that each is willing to be fully accountable -- something to which only an individual can fully assent. As the Sacerdotium must require allegiance to God, on occasion beyond any claim of the Imperium, so an individual's sense of divine requirements may, in an organisation, need sometimes to prevail over a collective wisdom. There must be a willingness to change direction. While rules must be established for orderly conduct even (perhaps especially) in a charitable activity, freedom of choice must not only be accommodated but fostered if participants are freely to consent to giving of themselves.

4.5.14 For all his loyalty to his concept of the Church, and himself a leading exponent of rules, nevertheless Basil practised an ethic based on such individual freedom and action. While providing a framework and promoting discipline, it is a self-discipline which would have recognised the observation made in the mid 20th century by Frankl,

"We who lived in concentration camps can remember the men who walked through the huts comforting others, giving away their last piece of bread. They may have been few in number, but they offer sufficient proof that everything can be taken away from a man but one thing: the last of human freedoms -- to choose one's attitude to any given set of circumstances, to choose one's own way."¹²⁸

4.5.15 To be effective, Christian charitable activities cannot ultimately rely on collective coercion, only on an individual sense of divine inspiration to seek to understand and practice both liberality and fairness.

¹²⁷ 8.2.37-38

¹²⁸ Frankl, V.E., Man's Search for Meaning Revised (Washington Square Press, Boston, 1984) p86

CHAPTER 5: THE COMPLEXITY OF ISSUES RELEVANT TO THE DEVELOPMENT OF THE SEA OF GALILEE CENTRE

5.1 INTRODUCTION

Themes and format of Chapters 5, 6 and 7.

5.1.1 The ethical issues to be considered in this, and the next two, chapters concern a situation which three quotations briefly illustrate,

“We are the largest piece of property in Tiberias. We have 48 en-suite bedrooms on the main site and a hostel for back-packers with twin bedrooms and two dormitories on the other side of the road. The whole is set in grounds of great beauty. We employ 22 people plus occasional workers, when demand is high. Of the 22, seven are Christians, three are Muslims and the rest are Jews. Eleven were born in Israel, the other eleven come from Switzerland, Canada, Russia, Morocco, Iraq, Tunisia and Lebanon -- a great melting pot of people. To have a lodging place for Christian pilgrims which has a specifically Christian atmosphere is of much greater worth than might at first seem apparent. Prayer request booklet, Autumn 1997, SGC’s Director.

*“From the time of the late 1950’s when the Centre started welcoming Pilgrim Groups until the 1990’s, the Church made virtually no investment in the buildings of the facilities at Tiberias. Whilst some investment was made a few years ago, this merely addressed a small part of the problem -- **much more needs to be done now if the Centre is to have any future at all.**” Supplementary Report to General Assembly, 1999, para 12.*

*“**Instruct the Board to dispose of the land and property of the Tiberias Centre.**”*

*“**Instruct the Board to consult with partner churches on ways in which an equal amount of the Board’s reserves to that used for the Tiberias project may be used in the relief of world poverty.**” Part of the Counter-motions/ addenda proposed at the General Assembly, 1999*

5.1.2 The Church of Scotland’s May 1999 General Assembly rejected the counter-motion and addenda, approving development of SGC to 130 rooms, at an estimated cost of £9.5million, subject to further consultation on funding. The purpose of Chapters 5 to 7 is to explore how? and why? a decision and process, which for a commercial entity would have been about a simple opportunity either to develop, or sell, an under-used asset, for a Church proved so protracted and divisive. This is

explored in three stages.

5.1.3 Chapter 5 covers the first stage, providing a description of the context, including a brief history of the CofS's involvement from 1884, together with detailed consideration of diverse factors, specific to SGC, which made this a complex subject. This review is based on a 14-page "Ethical Analysis" prepared and submitted for discussion to approximately 100 interested individuals within the CofS between May and December 1998. Substantially revised and edited, it constitutes the bulk of this chapter, thus demonstrating the multiplicity of factors which may be relevant to decision-makers at a Christian charity facing even relatively small change.

5.1.4 Chapter 6 summarises how the CofS's management structures struggled to cope with this relatively minor change -- involving neither altered use, acquisition, sale or new fund-raising, merely re-deployment of existing assets. Nevertheless this took nearly three years and involved twelve separate committees/groups, before viable proposals were produced.

5.1.5 Chapter 7 provides wider triangulation of the nature of these processes, firstly by considering two parallel situations, one elsewhere within the CofS and one in Australia. Secondly, it then evaluates the situation by reference to published academic literature derived from an accounting perspective. It concludes with a reflection on the whole, observing that a lack of clear **accountability** inhibits trust, indirectly creating conditions whereby necessary debate may become debilitating. This risks mediocrity being perpetuated. Many individuals participated with none believing themselves personally answerable for the outcome. This negated the application of other qualities. It points also to risks that churches, in differentiating themselves as sacred, can feel aloof from their own deficiencies thereby spurning progress in secular best practice.

5.2 HISTORY, TRADITIONS AND SETTING OF THE CENTRE

Situation of SGC

5.2.1 The origins of SGC date from 1839 when a CofS delegation visited the Galilee, exploring prospects for a mission to Jews. It was not until 1884 that a further visit confirmed that Tiberias, one of the four 'Holy Cities of Israel' was the most suitable location. At a historical, world crossing-point, its population mix was drawn from Roman, Jewish, Muslim, Druze, Crusader and Turkish influences. Some 6000 still lived within a walled city dating back to 1034.

5.2.2 There was no hospital for the population so the practical medium of a medical initiative appeared an appropriate form for mission. Patients would be accepted irrespective of origins, creed or class. The reconnaissance party included a 23-year old surgeon, David Torrance who returned in 1885 to establish the mission in rented rooms. His distinguished medical family feared lest, in foregoing a prestigious post in Glasgow, he be "buried in obscurity". Instead, over the next 39 years he became a celebrated healer and personality in his adopted land.

5.2.3 Answerable to an Arab governor, under Turkish control, Tiberian officials were not necessarily sympathetic to foreign, especially Christian, activities. However, by 1891, Torrance had acquired an extensive tract of waste land, offered to him by the local Moslem mufti, as site for a hospital. In ironic contrast with procedures described in chapter 6,

"Although he had no authority from the Home Church to purchase, the matter was too important to admit of delay. Feeling sure that his action would be endorsed, he went to the Mufti and agreed to take the land, stretching down to the beach, for 150 Napoleons".¹

Torrance was to adopt a similarly decisive approach to later opportunities. First, he built a large residence for the minister, then for himself, while awaiting special approval from the Sultan in Constantinople, for the public works of the hospital. His request

¹ Livingstone, W. P., The life of Dr D. W Torrance of Tiberias (abridged) (John McKinlay,

was supported by the local community, recognising the positive contribution of his medical services. Once granted, the two-storey hospital was erected within eight months. The whole is reminiscent of Basil's outlook and confident arrangements².

5.2.4 Torrance was explicit as to the Christian motivation for his personal life and work. Although his tasks were to be primarily medical and educational, in 1885, he had been ordained as a 'missionary minister' by the Presbytery of Glasgow. He held weekly services in English and Arabic. Yet the mission's ability to transcend ethnic or religious divides was demonstrated by attendance at the Hospital's opening ceremony of not only the Governor and Chief Judge but the Mufti, the local chief rabbi and regional representatives of the Catholic and Orthodox traditions.

5.2.5 By 1908, the general hospital was treating around 2000 patients a month from the district of Galilee and beyond. Tiberias was an unhealthy place for anyone, including the first two wives of Dr Torrance and five of his infant children. He himself died in 1923, being buried alongside them in a small cemetery which forms a secluded part of the "Beach Garden". It contains Jewish, Arab and Christian memorials, the latter not just from Scotland but for a German family, local hoteliers descended from German Templars, a Christian group dedicated to developing the infra-structure of the Holy Land. Amid the sharply fragmented society of contemporary Israel, and recent Jewish history, this is a singular if silent monument to inter-faith and inter-racial harmony.

5.2.6 Torrance was succeeded as medical superintendent by his son, Herbert. Although, in 1921, the doctor's house had been converted into a wing for women and children, the family involvement continued, so that, for example, another of his surviving eight children, by his third wife, an American, between 1936 and 1946 laid out the hospital gardens. Although there is no continuing direct family input, the fact

Perth,c1963) pp12-15

² 3.2.64-66

that the site is the inheritance of deep personal and family commitment, such as might have been found among and understood by the Cappadocians³ gives a further dimension.

5.2.7 In 1957, the maternity hospital closed, superseded by a state facility. The buildings were re-opened in 1959 as a guest house for tourists, or “hospice” for pilgrims, with such minimal adaptation that, it is said, hospital beds went unchanged until 1976! Apart from renovation in the early 1990’s, performed on a pared budget and of less than half the rooms, maintenance expenditure was minimised to stay within balanced, annualised cash budgets. In practice, most years various subventions for smaller one-off items were sought as grants from BWM. The Director/minister’s salary and expenses were additional to these budgets.

5.2.8 This low-key, low-outlay approach was possible because visitors wanted to come to Galilee, reflecting their interest in the primary location of Jesus’ ministry. The name “Sea of Galilee Centre” was adopted in the 1980’s as part of a plan to eliminate any overt Scottish identification. However, it has continued to be known locally as “The Scottie”, affectionately so as the birthplace of many of Tiberias’ older inhabitants. Built on waste land, it is now in the middle of a modern city. With sprawling gardens behind high walls and a forbidding, black basalt exterior, it is in sharp contrast to the surrounding high-rise-hotels, restaurants, bars and shops. Since the 1948 War, property in Tiberias has been owned predominantly by Jewish-Israelis but from its origins and through its visitors Tiberias is a international meeting place. The name “Galilee” is repeated often among Christian congregations, giving it world-wide fame and indirectly promoting its tourism.

5.2.9 The region has many places of religious and archaeological significance, often connected with particular Biblical accounts. Most venues are in the care of either Jewish, Islamic or Christian institutions, the last having held property in the “Holy

³ 3.2.16-21

Land” since the Constantinian era. While a former hospital of nineteenth century construction may seem insignificant within traditions spanning three millennia, it does have distinctive and currently under-stated features.

5.2.10 Firstly, its foundations required co-operation by followers of the three Abrahamic faiths. Secondly, it is the only lakeside property owned by any of the Protestant churches. No Reformed church, apart from the CofS, has church buildings in Israel. In that Reformed traditions minimise the significance of physical objects, the absence of specific focus becomes a virtue. Nevertheless, the cemetery, a Crusader turret and a rocky beach, all within the tree-covered grounds, do provide subtle features, not unsympathetic to this heritage. The non-specific location, but besides the unchanging lake and mountains familiar to Jesus and his disciples, creates for some its own distinctive aura of divine immanence. Hence SGC complements both ornate churches and bare stones of archaeological sites, whether linked to a miracle or post-Biblical event.

5.2.11 Any pilgrim visitor to “Tourist Destination Israel” has no shortage of impressive shrines and overtly religious memorabilia, at various levels of credibility, including the ‘Authentic Inn of the Good Samaritan’, as featured in the parable! A touring pilgrimage is a kaleidoscope of experience, which may lack a sense of space for reflection amid tightly packaged and structured schedules. A simple chapel, across the road from SGC’s main accommodation, leaves spiritual/religious affiliations as attached, or semi-detached, as each visitor’s perception requires.

5.2.12 Confirmation of SGC’s intangible and ecumenical appeal is shown in extracts from a letter of 26 November 1998 of Father Charles O’Connor SJ, probably its most frequent visitor,

“we have been bringing Groups of Irish pilgrims to the Centre for 15 and more years... and as we have said many times we have always looked forward after the stresses of Jerusalem to the place of peace & quiet.... we have also listened many times to words of delight & appreciation coming from our pilgrims -- delight at the place itself & and its gardens ...and with its wonderful situation... and appreciation of

the way we have been received and accommodated. We see the Centre as a Christian outpost in a secular city and country where Christian presence, unfortunately is weak and dwindling. We think you carry on a most important apostolate. The Centre deserves the fullest encouragement and support."

5.2.13 However, within the CofS there has been ambivalence towards SGC. Perhaps because of a reticence about the significance of pilgrimages and "saints", over many years, the exemplary historical-narrative of the Torrances, like the buildings themselves, were respected more for their "potential" than in their deployment. While two of the contemporary SGC buildings are named 'David' and 'Herbert' with a portrait photo of each in one of the public areas, their "stories", their potential as role models is muted. A brief history and description of the dedicated service of Dr Torrance, his family and colleagues, is contained within a typed pamphlet left in each guestroom⁴. Otherwise most visitors to Tiberias are left uninformed of his example of self-giving and tolerance, and of the positive response from the community he served. Some 500,000 "pilgrim tourists" a year visit Tiberias, primarily to be shown ancient sites⁵. Only some 8,000 stay at SGC. Fewer still know to visit its poignant cemetery⁶ amid the ubiquitous evidence, in armed soldiers and security searches, of seeming endemic hatreds and bitterness. What might serve as an instructive pointer to a recent, reconciling response to the Christian Gospel and a prompt for theological and ethical reflection, remains a symbol kept under a bushel.

5.2.14 Attitudes to the physical assets, as well as the spiritual, have been ambivalent also. The 1999 Supplementary Report notes, "*There are many examples where groups from Churches... in Scotland are using local hotels rather than... the Centre.*" despite financial outlays by the CofS, for subsidies and stipend, averaging in excess of £100,000 p.a. for much of the past decade. Since 1995, the Director and his wife have paid great attention to the warmth of the welcome and quality of service, hence it can record, "*... many aspects of a stay in the Centre are appreciated*", before adding, "*the*

⁴ This, together with Livingstone (c1963) is the source for the site's "story" and about Torrance.

⁵ Study PricewaterhouseCoopers, 9 November 1998

⁶ 5.2.5

facilities fall well short of the minimum requirements being requested". Their efforts at SGC, which is in breach of various health and safety regulations, has only slowed a spiral of deterioration for, "The ability of the Centre to maintain its present level of occupancy, far less increase it, does not exist, a position which in turn will put increasing financial pressure on BWM."

Situation of BWM

5.2.15 Concurrently, BWM has prospered financially. Throughout 1995 to 1999 its annual income has matched its discretionary expenditure of approximately £3million, accounted for primarily on a simple, annualised cash basis. Two-thirds of this income comes from congregational giving and legacies, through a centralised allocation⁷. The other third is from dividends on its holdings with the Church of Scotland Investors Trust, almost wholly in "Growth units". At 31 December 1998 these were worth in excess of £36,243,000, representing a five-fold increase on 1980 through bequests and stock-market growth.

5.2.16 Additionally, BWM has effective ownership of some twenty houses in Edinburgh and other properties (such as manses) in various European cities. Elsewhere, except for in Israel, properties have been either transferred to indigenous churches, or sold. The role for missionary staff has changed with this so that, except in Israel and Europe, they provide supportive functions for partner churches. There has been a steady decline in overseas staff (1998, 65 directly employed) with unfilled posts contributing to some savings against budgets. Among BWM's 19 administrative staff in Edinburgh, until 1998, there was no formal property expertise.

5.2.17 In October 1996, a three person team (including the researcher) were invited by BWM's Convenor to visit Israel to assess the feasibility of SGC's development⁸. Not

⁷ The CofS 1998 Financial Overview shows expenditure of £3,943,000. This includes for costs of non-discretionary services, such as office accommodation and legal services, and some overseas grants which are met by centrally-controlled trust funds.

⁸ 6.2.24.

specified, but unavoidably relevant, were the circumstances of a 17-room guest-house in a prime site in Jerusalem (attached to St Andrew's war-memorial church) and of a school, "Tabeeetha" in Jaffa, founded in 1863 for "poor Arab children" but now with an international intake. While St Andrew's was in good condition and self-financing, Tabeeetha's situation was very similar to that of SGC, reflecting decades of inadequate capital expenditure and unstructured maintenance. In 1996, a series of internal and external pressures indicated that the position of both was increasingly unsustainable. Chapter 6 will outline the subsequent protracted management processes, culminating with the 1999 Assembly's approval and construction starting in 2001. It is first necessary to explore thoroughly the ethical issues arising from the processes, to understand the manifold complexities inherent in the proposed project itself.

5.3 ETHICAL ANALYSIS OF THE PROPOSED DEVELOPMENT.

Introduction

5.3.1 There are four legally-recognised heads of charity⁹, namely:-

- relief of poverty, human suffering and distress;
- advancement of religion;
- advancement of education; and
- publicly beneficial purposes.

Whereas many charities might concern themselves selectively with one or two of these, debate over the future SGC straddles between all four, with different advocates urging the pre-eminence of each. Some, prioritising "bias to the poor", opposed the SGC project as inconsistent with their sense of obligation to focus on world-wide poverty relief. Others, emphasising the divine call to "evangelising mission", (particularly conversion of Jews to Christianity)¹⁰, see pilgrims as incidental and a distraction. Others, more in favour, identify a revised SGC as an opportunity of strengthening membership through education, fostering faith and understanding among those already belonging to Christian churches. Still others could see SGC as catalyst for wider

⁹ Discussed, Tudor on Charities. (Eighth Edition) ed. Warburton, J. & Morris, D. (Sweet & Maxwell, London, 1995) pp 324-8.

change across a range of CofS interests. These include solidarity with Palestinians; greater inter-faith awareness and the benefits of encouraging modernisation of the Kirk, organisationally conservative, while remaining Scotland's largest income-generating charity.

5.3.2 Proposals for change at SGC needed to acknowledge, if not actually satisfy, this spectrum of interests, theological aspirations and ethical concerns. All Board members, as volunteers not employees, with varying levels of diluted responsibility for SGC, have no formal contractual obligations to accept decisions, provided they have registered dissent. Under CofS traditions, freedom of conscience has an over-riding right. Hence the main counter-motion,¹¹ urging sale, was proposed at the Assembly by a leading member of the Board's own Executive, eleven months after stating his opposition to development. For validity, comprehensiveness of coverage was essential.

5.3.3 The format adopted for 5.3 is that of 19 questions posed, with answers proposed, as in the 'Ethical Analysis' circulated to all 83 Board members and to 10 staff in May 1998. It was compiled by the researcher based on discussions, interviews, letters and observations over the previous two years. The aim was to assist informed debate by presenting factual data together with arguments for development in advance of formal discussions. The counter-argument was presented in the doubts inherent in the questions.

5.3.4 In giving data about the past and proposals, the 'Ethical Analysis' was complementary to a substantial, conventional Business Plan concentrating on financial projections. This was distributed separately. An extensive Market Demand Research Study, undertaken by PricewaterhouseCoopers, reported in November 1998.

5.3.5 Following the 1999 Assembly, the 'Ethical Analysis' was edited, with some

¹⁰ Interpreting Romans 1¹⁶ & 2^{9,10}. See 5.3.15 and 5.4.4-6.

¹¹ 5.1.1.

topics up-dated. While it may still seem overly detailed and diffuse, this reflects a significant finding relevant to the nature of management of a religiously-based VNPO where many hundreds of individuals are concerned with the decision-making process. The volume and diversity of the factors, which may be relevant to any, or many, of these individuals presents a challenge¹². Unlike with a “for-profit” where it might be possible to concentrate on a few key criteria (e.g. will the venture match a pre-determined rate of return on monetary measures?) it became clearly apparent during the research process that diversity, and definitely not unity, of purpose or opinion must be assumed. Within the ‘Ethical Analysis’ overt attribution of “blame”, or criticism for SGC’s circumstances, was avoided.

5.3.6 While eventually, a few predominant factors did emerge it would be misleading in reporting the underlying research to omit the extent of the detailed variants mentioned. Recognising that this was not a theoretical exercise, the ‘Ethical Analysis’ concluded with an invitation for written comments or criticisms. Though none were formally received, informally its reviewers spanned a wide range of interest, experience, age, and geographical location.

5.3.7 The questions/answers have now been grouped in a sequence which considers first who are the stakeholders [A]; thence corporate policy [B]; financial performance [C]; strategic options [D]; strategic review/revision [E]; organisational design [F] and issues for general management [G], before concluding with a reflection on the practical implications of the spiritual message of the parable of the talents [H]. Even so, the ‘Ethical Analysis’ was not comprehensive. 5.4 summarises further salient points which emerged in the formal Executive and Board discussions which took place in June and December 1998, and at the 1999 Assembly.

¹² 6.2.35.

'A' 'Stakeholders'

5.3.8 **Who are the stakeholders of the Centre?**

- This is best answered by thinking of rings around a hub;
- Legally, at that hub is the **Church of Scotland Trust** as the formal owner, existing in perpetuity, and, in a sense, representing **God**, as the ultimate stakeholder;
- To the extent that Dr Torrance came from a **Church of Scotland** tradition, then its current members can claim the next ring;
- However, he left Scotland with a mission to the **Jewish people**, thereafter exercising a ministry of care to all people in Tiberias and its surrounding region. So too have the many subsequent contributors to SGC. **Those who now live nearby and work at SGC** form another ring;
- For **Protestant** churches world-wide, SGC offers a unique place to reflect on their tradition in practice;
- For other **“world-wide” denominations**, such as **Catholic and Orthodox**, whose representatives have, nearby, many places, sacred within their traditions, their interest may seem lesser. However, CofS’s decision-making must respect the many complexities shared by Christian denominations active in Israel & Palestine. Even properly unilateral decisions have implications for fellow denominations (with or without pre-1948 status);
- For other **“local” denominations**, such as the two, separate Messianic Jewish groups who use public rooms at SGC for worship/ activities, and for formal partners at the Episcopal Diocese of Jerusalem, SGC may be a rare point of contact between them. Given their radically-opposed interpretations of some Biblical passages, this may be a tenuous link but, paradoxically, this emphasises their stakes as more sensitive to changes;
- For the inhabitants of **Israel & Palestine of non-Christian Faiths**, SGC represents, at very least, listed buildings, forming part of their cultural and architectural heritage. For the inhabitants of Galilee and domestic tourists, the proposed development is relevant to their economic and social situation. Another ring must represent their conservation concerns;

- The site is a place of greenery in a city-centre. Without extending this paper into environmental ethics, it is appropriate to note that there could be an “**environmental stakeholder**” obligation to respect the natural attributes;
- While recognising the limited role of “outsiders” for lasting and just solutions in the Middle East, in that SGC can make any contribution to a peace wanted by many in the wider world, as well as locally, there are **universal** stakeholders. These may never visit the locality but want those who do, to enjoy tranquillity and mutual respect.

‘B’ ‘Corporate Policy’

5.3.9 Owning “a hotel” in another country seems far removed from the normal activities of a Scottish-based Church, why even consider retaining, let alone developing ?

- SGC represents both an established asset and historical activity of the CofS. As with the need to re-interpret for oneself inherited spiritual traditions, so periodically assessing the appropriateness of inherited physical resources is a normal activity for churches. The CofS has an accepted policy of re-appraisal of all its UK properties. Exploring future options for SGC is a similar process;
- However, any decision to withdraw is more stark, by comparison with re-appraisal of church buildings in Scotland. The Tiberias site is zoned for religious use. CofS enjoys a special legal status (albeit imprecisely defined) allowed only to those churches whose presence pre-dates formation of the State of Israel in 1948. Given the antagonism felt by sections of the Jewish population of Israel towards some branches of Christianity, exacerbated by the insensitivity of certain “modern” sects, disposal of SGC might mean irreversible loss of status, precluding return;
- The traditions of companionship (literally) and sharing of hospitality go back as distinctive features to the very earliest days of Christianity. Poignantly, Jesus and his disciples shared a “fish breakfast” by the lake shore (John 21¹⁻¹⁴). So too with the provision of accommodation for travellers. While the current style of use of SGC, (unlinked to sponsored conferences) may be abnormal within the CofS, it is an

accepted usage in the traditions of the locality;

- Gifting SGC to a locally-based church might appear a generous solution but would involve choosing between churches of either Arab or Jewish affiliation, so causing disharmony where relations are already strained. Moreover, for BWM's local partner, the predominantly-Arab, Episcopal Diocese of Jerusalem, decline of its membership through emigration is a bigger concern than property, of which it already has significant holdings. Under such pressure, support through proximity and companionship is preferable to direct ownership;
- Transferring ownership of a loss-making activity with restrictive clauses on re-sale, would not constitute "self-giving" rather a shifting of responsibility.

5.3.10 There are major shortages of vital resources at hospitals with which BWM has established links (e.g. Chogoria, Kenya) and countless others world-wide. Is it right to apply the equivalent of over two year's income on "ourselves" rather than using it for the poor *and* sick?

- This the question that has disturbed most people;
- However, the role of SGC is fundamentally about sharing -- receiving and giving -- as one of the wide range of activities of one church (out of many). As a church it is not specifically an aid agency;
- The Gospels recognise that there is a constant tension between (a) giving active help to the poor (as Matthew 25 and Luke); (b) time/facilities for personal study/meditation and renewal (i.e. Jesus leaving the crowds to be alone) and (c) giving of "expensive", seemingly indulgent worship as being the best possible for God;
- Matthew 26¹¹; Mark 14.⁷ and John 12.⁸ all have the seemingly harsh, "*The poor you have always among you, but you will not always have me*";
- Although not in Luke, he (Luke 7^{37,38}) does record the pouring out of the ointment by a woman (?Mary of John 12⁸). This was a "one-off". So too, within the range of BWM's on-going activities, development of SGC is a "one-off". It could not be replicated elsewhere;
- The aim is to create a place helpful for study and reflection not just for CofS

members but from anywhere. Although it is a tenet of Reformed worship that no venue or place is more sacred than another, because of **where** it is, many who choose to visit Galilee do so particularly receptive for worship and renewal. It is a unique opportunity;

- Developing the Centre is not about “avoiding giving”, it is about recognising, with humility, **that for humans to be able to give they must also be able to receive. Renewal and worship are also about receiving divine strength to give in future;**
- Nevertheless, development should allow, in the medium- and longer-term, for surpluses to be generated. These should enable greater financial sharing with hospitals, either by direct use of the funds generated for other projects, or indirectly, by removing the needs for SGC’s present subsidies.

5.3.11 **Is it appropriate for Board members, acting as trustees, to invest a part of BWM’s investment portfolio in such a project?**

- Parallel with evaluating the ethical dimension, has been preparation of financial projections evaluating alternative scales of investment and prospective returns. These suggest that SGC needs a minimum of 130 rooms to generate acceptable returns of 5% on loans. The site has a capacity of up to 400 rooms but the 130 option should best balance, for the foreseeable future, retaining the ethos with financial viability;
- Possible legal structures can be determined once the most appropriate funding arrangements for the development have been agreed in principle. However, as long as SGC remains wholly owned by the CofS it involves only expenditure on the Church’s own property. The situation is therefore different from the sale of premises to a third-party, even if to continue the same work¹³;
- Legally pension trustees, or trustees of private trusts with designated beneficiaries,

¹³ There had been different legal requirements in the possible precedent of arrangements in 1995 for the transfer of Carberry Tower to the “Friends of Carberry” because that body is a separate legal entity (even though “The Friends” would continue work that the CofS was unable, for financial reasons, to continue itself).

must judge the nature and value of their investment policies by reference to maximising the financial returns to those specific beneficiaries. However, not only is BWM not such a fund but also, to quote Lord Murray,

“I cannot conceive that trustees have an unqualified duty... simply to invest trust funds in the most profitable investments available. To accept without qualification would..... involve substituting the discretion of financial advisers for the discretion of trustees.”

(November 1989, *Martin v City of Edinburgh District Council*)¹⁴;

- The trustees of a charity owe an undivided loyalty not so much for “beneficiaries” but for “the charitable purposes” for which their trust funds exist;
- BWM can deploy income from unrestricted investments in ways necessary to fulfil its mission. Most expenditure by BWM is as grants or salaries that, once incurred, expect no financial return. The proposed development is looking not only to a continuing income but a future re-payment of some “loans”/capital;
- To accumulate capital to generate investment income while at the same time, through lack of investment, hindering the work or increasing costs seems to separate means and ends. For a charity, and perhaps particularly a Christian charity, there should be no disjunction between the means and the end. The ends and means by which the ends are effected must be all of a piece.

‘C’ ‘Financial Performance’

5.3.12 **The proposed expenditure is exceptionally large. Is it really needed?**

- Theoretically, the size of the expenditure, of itself, should not have an ethical dimension. However, the proposed scale gives messages and has created tensions which have an ethical component. Moreover, large scale might seem to validate any surrender to undue temptation to procrastinate;
- Between 1959, and the early/mid 1990’s, there was no major capital expenditure. Across the hotel industry substantial refurbishment/ cumulative improvement can be expected every 4-7 years. Such evolutionary development would have been less

¹⁴ Cited Harries, R., Is there a Gospel for the Rich? (Mowbray, London 1992) p 146

spectacular but the overall issue of retained ownership is no different in principle because development expenditure now needs to be revolutionary;

- This revolutionary “catch-up” could therefore be seen as representing the failure of past generations “to pay their way”. This leaves the present, concentrated pressure to ensure that the 110 year old buildings are fit for modern use. Had the total planned expenditure been viewed across, say, 60 years (40 past and 20 future) the amounts would appear less daunting;
- SGC’s buildings were all designed for hospital and ancillary uses. Resourcefulness has adapted these for a different function but there are limits to what visitors can be expected to accept when purpose-built alternatives are available nearby. SGC is spread over an awkward site without several modern amenities;
- Substantial upgrading of fire and safety arrangements is needed to match tighter requirements. Few managers at commercial organisations, let alone one claiming spiritual motivation, would consider it ethical, knowingly to have to wait for an accident in order to persuade remote owners to implement safety improvements;
- A room-telephone, lifts and air-conditioning, are no longer seen as luxuries but as normal. For some, these latter are essentials, enabling more extensive visits in fewer days (relative to past, more leisurely, pilgrim tours) reflecting the time they feel able to be away from work. One public telephone among ninety-six guests does not generate harmony, particularly if there is pressure to phone relatives amid the anxieties of a well-publicised terrorist bombing campaign. Such “expected” facilities do not so much enhance the physical enjoyment, their absence creates stresses which detract from spiritual concerns;
- The opportunity will be taken to provide facilities for individuals with disabilities in ways not envisaged by previous generations. This should bring SGC into line with other hotels in Tiberias;
- Without facilities that conform to what contemporary tourists or pilgrims expect, tour operators will not take risks but make bookings elsewhere. Many overseas visitors will not know that SGC exists or what it might offer. This will exacerbate SGC’s continuing financial losses.

'D' 'Strategic Options'

5.3.13 While this may be a reasonable financial investment, is it not a distraction for "missionary" time and management?

- Almost all the time spent to date has been by those in, and with responsibility for, BWM affairs in Israel & Palestine. Significant amounts of other professional skilled time has been given without charge. This would not have otherwise been available;
- The intention of the development is an income-generating investment which will both pay for itself and fund other activities, including those that do not need physical buildings;
- While pilgrimage may be more "Home" mission and seem to be offering educational opportunities primarily to conventional, Western, Christian tourists, SGC does enable many different people to be alongside each other, if only for short periods. This has an important ecumenical function. Benefits are unquantifiable but fit clearly within BWM's mission;
- Pilgrim visitors are often at important stages of a spiritual, as well as a geographical, journey. The reality of "the Holy Land" may be disconcertingly different from expectations. To make the ethos of the Centre different; to demonstrate that Christian love, care and concern is possible and discernible to transient visitors inevitably does require very conscious thought and sustained effort. Such witness properly requires time and resources;
- Unless there is a willingness to commit such time and resources, complete withdrawal would seem more appropriate. To claim a Christian mandate while manifestly failing to deliver is a hypocritical and negative witness.

5.3.14 Instead of expenditure on old buildings, should the CofS not sell the site to the highest bidder and fund contemporary "people activities"?

- The intention of the development is an income-generating investment which will both pay for itself and fund other activities, including those that do not need physical buildings;
- BWM already uses the majority of its income (from investments and contemporary

giving) to fund “people activities” in many countries. With SGC’s development there will be improved provision of facilities to encourage Biblical study, helping to clarify its context and meaning;

- The whole SGC site is scheduled “as for a religious purpose”. It includes both a place of worship and a cemetery. Its religious/historical significance, long pre-dating the existence of the State of Israel, would make its sale to a straight commercial developer (rather than continued ownership by and for the Church) a notably negative witness, to people;
- No other Church of the Reformed tradition has a “religious site” in the Galilee region. The CofS is thus able to provide a place for worship that complements those of other denominations;
- SGC provides the potential opportunity to tell the story of Dr Torrance and “modern”, spiritually inspired service, in a region where much of the emphasis is on past/ 2000 year old history. SGC, being itself a part of the history of the region, gives the chance to “update history” with those of contemporary “people activities”;
- Ownership and possession of land, a physical presence, is a highly emotive subject in Israel & Palestine. Tangible presence has a people dimension for it helps re-assure basic insecurities. Any sense of surrendering land, even if for a full financial consideration, could be deeply distressing to partners in the Episcopal Diocese of Jerusalem.

‘E’ ‘Strategic Review/revision’

5.3.15 The site was originally purchased for medical missionary work among Jews. Is not “accommodation for tourists” a change of use contrary to the original intention?

- The 1884 mission recognised that Christian love, care and concern for others are best explained through the example of practical service. That strategy was implemented in making “surgical expertise” the basis for the initiative;
- When a state-funded hospital superseded the CofS facility in 1957, it was then decided by the CofS that it should cease to provide medical services. By contrast, in

nearby Nazareth, the Edinburgh Medical Mission Society has still continued to operate its hospital. In 1959, the strategy was retained but even basic tactics were not seen as binding. A hotel can provide a relevant and contemporary means to put into practice a strategy of witness through service;

- The founder, Dr David Torrance, treated patients irrespective of creed, ethnic origins and gender. This tradition continues, in that SGC has a formal policy of non-discrimination;
- In practice, SGC's employs individuals from a complete mix of ethnic backgrounds. This is unusual, as, for example, the state-owned Israel Electric Company, which has a payroll of more than 13,200, has fewer than a dozen Arabs on its staff. Security fears over terrorist risks have exacerbated the barriers (informal and formal) between the different communities in a polarised society¹⁵;
- In practice, SGC attracts domestic Israeli visitors, particularly in the hottest months. In being used by Israelis of many religious persuasions, as well as Christians from a wide range of international backgrounds, SGC is a venue providing opportunities for cross-cultural contact;
- Given the high sensitivities of the Jewish inhabitants of Israel to overt Christian missionary activity, an effective evangelical witness of Christians can start with the demonstration of Christian precepts in practice. SGC gives a legally permitted and relatively high profile opportunity for this;
- SGC provides accommodation for the religious/educational activities of two of the many groups of Messianic Jews.

5.3.16 How can a Church justify being involved in what appears overtly as a commercial venture?

- Hotel guests, including pilgrims, do expect to contribute to the cost of their food and accommodation. In that their decision to travel is voluntary (unlike, say for refugees) it is reasonable that they do this at rates which are not subsidised;
- Leading disciples were commercial fishermen, earning their livelihood by supplying

- food, thus providing the means to share hospitality from and besides the Lake;
- St Paul made a feature of his ministry that, alongside his preaching, he was actively involved in the paid pursuit of commercial tent-making;
 - A Jewish synagogue has three names, *beit tefillah*, house of prayer; *beit midrash*, house of study; and *beit kneset*, house of meeting. By using one place for multifarious activities, a whole community may make use of the same facility. Different in composition, such contingents may meet at different times for different events, nevertheless sharing can enhance a sense of mutual belonging despite possible religious antipathy by some. Responsibility of financial support for the synagogue as a collective asset is also readily recognisable and accepted;
 - In letting out church halls, having sales, coffee mornings etc. every Scottish congregation pursues operations which generate income as an integral part of its activities;
 - Arbitrarily to reject commercial activity as “worldly” would be to ignore the interpretations of the Incarnation, that God chose to be fully involved in the activities of the world. Jesus was born into an expressly commercial background, rather than into a priestly, judicial, military, medical or independently wealthy family;
 - Owning and operating SGC for the commercial return alone is not the prime purpose of BWM but seeking that it is viable is an integral part of sustaining its future availability.

‘F’ ‘Organisational Design’

5.3.17 What major issues of management and governance are raised by this development?

- SGC will need to provide a responsive service with swift decisions on operational areas such as pricing and staff relationships. Appointing experienced, able managers who are then **trusted** to exercise professional discretion on operational matters is an essential;
- Alongside the physical infrastructure there will need to be appropriate management

¹⁵ Financial Times, 5 May 1999. p4.

systems which can deliver what SGC has offered and visitors are paying to receive. As now, SGC will be bound by formal contractual relationships;

- These are different from those for which conventional church arrangements are designed. These offer “services” and events which can be attended, often, or never by parishioners, congregation or visitors, entirely as they choose and without prior notification. To counter such uncertainty and to harness self-determination, usual CofS models of governance, through diverse and large committees, aim indirectly to inform and involve in order to “bind in” for the longer-term as many members of congregations as possible. Such committees may also allow for wide freedom of self-expression by regular church attendees;
- Transferring such procedures to the functions of managing a large hotel would be wholly inappropriate. **TRAINED** managers must co-ordinate the satisfaction of varied short-term requirements for large flows of temporary room occupants;
- BWM will need to be willing to delegate and “let go”. Matching structure to function, SGC needs a small group of committed, knowledgeable directors. Its composition should balance a rotation of membership to prevent staleness with sufficient length of service to enable knowledge and commitment;
- Unwarranted interference by BWM members or officials without clear delegated authority must be precluded. Conversely, the directors/management will need to pay full attention to learning of the views of visitors and communicating with BWM.

5.3.18 Would it not be less disruptive of CofS procedures to bring in a joint venture partner who would deal with all aspects of “secular” management and leave the CofS to deal with sacred “Church aspects” only?

- The purpose of retaining ownership is because **the ethos** is an integral part of the establishment;
- Attempting to differentiate between what would be properly “sacred” or “secular” could replicate long-standing arguments that the Christians/churches are separate and should not participate/contribute in some (wholesome) aspects of human activity, for absolute reasons. Greatly to simplify, Calvin saw God to be the ruler

over all life, including one's work, or lack of it, and one's need whether it be material or bodily or spiritual¹⁶. Consequently, within this tradition there should be no area of daily life where the church should not be involved;

- Nevertheless, this question identifies the core ethical and theological problem with the otherwise attractive idea of being "investor-only". Allowing a specialist hotel chain to purchase a lease of the premises; to manage all aspects of the development and pay a rent, including some share of the profits, would be sensible if financial return were the sole concern. This would provide appropriate professional skills with minimum effort and risk. However, it would sideline the CofS's contribution to the ethos;
- A purely commercial partner would have different aims from that of the Church. A very comprehensive and watertight legal agreement might enable continuation of the balance between spiritual and commercial but there would be a major risk that such a deal could lead to many and debilitating tensions. Initial assurances, made in good faith by managers of the chosen partner might not be honoured by successors;
- Moreover, selecting what constitutes an appropriate partner for such a venture cannot, in Israel & Palestine, ignore issues of race and religion. If, for example, it is decided that the partner must be "Christian", rather than Jew or Muslim, then there would be the problematic task of determining whether "Christian" means merely by birth, by confession or by evidence of employment/trading practices recognisably Christian to a panel of CofS arbiters;
- If, despite exhaustive precautions, the chosen partner were, in the shorter- or longer-term, to operate in ways alien to CofS aspirations that could lead to serious compromises and embarrassment for carefully nurtured CofS relationships, both in Israel & Palestine and the UK;
- As a result, the crisp management arrangements noted in 5.3.17, might become very complex indeed, with two major parties, instead of "just the CofS", to whom the direct management would be ultimately accountable;

¹⁶ On Calvin's contributions to ethical thought, Keeling, M., The Foundations of Christian Ethics. (T&TClark, Edinburgh, 1990) especially chapter 3, 'Ethics in the Church', pp81-145.

- Without a local partner, the CofS may more readily be able to maintain a stance of “no backhanders”, within the hotel/construction industries, if this were to emerge as a problem¹⁷;
- In practice, for reasons of cost-efficiency or effectiveness there will be many areas where those outwith the church should be employed -- i.e. there is no need to set up a distinctive CofS construction company in Tiberias and contracting out laundry, catering and office functions may prove to be appropriate. Without CofS’s effective overall control, the purpose and ethos of the place could easily be lost. If SGC were then to become purely an investment, the resource would be held more appropriately in a growth unit trust.

‘G’ ‘General Management’

5.3.19 **From whence will come the Funds come for this development?**

- BWM at May 1999 has assets of approximately £36 million in stock market investments held in the Growth Units of the Church of Scotland Investors Trust. There had been five-fold increase since 1980 compared with only a doubled RPI;
- The broad intention is to modify the investment strategy by switching some funds to develop SGC, not as irrecoverable grants but as equity and/or loans to be repaid. This constitutes an alternative investment for a relatively small part of the portfolio belonging directly to BWM;
- There are greater risks in this. The Middle East is under constant threat of war. A single and “hotel” as a trading entity is radically different to diversified holdings, primarily in “blue chip” companies through the medium of a collective investment scheme;
- SGC will also be in a potentially wasting asset in that there will be future requirements for management and further investment. However, it is not envisaged that this investment will at any stage exceed 15% of BWM’s portfolio. In the context of the CofS’s financial investments of some £180million, as well as

¹⁷ In a World Bank study of perceived world-wide corrupt practices, Israel and the UK were ranked 15th and 14th respectively. Financial Times 16 September 1997 p23

substantial property holdings, the value is proportionately very small;

- There has been an informal valuation of the un-developed site of between US\$ 10-15 million (albeit subject to tax). At present, it does not generate any net income, instead SGC receives a capital subsidy additional to the full costs of the minister in Tiberias. By enhancing the existing land/buildings, through new investment, the “released” assets should start to generate returns. This means that over a period of years there should be a significantly greater financial return than from “switched” funds alone;
- Nevertheless risks are greater. However, in that adequate resources remain for BWM’s existing activities elsewhere, it shows more commitment to the purposes of BWM in Israel to invest directly in that work, than leaving investments in predictably safer growth units.

5.3.20 Is there an emphasis on “luxury” to maximise financial returns rather than encouraging as many visitors as possible?

- BWM, as with any long-term supplier, has an expected, if not strictly legal, duty to offer all who stay “value for money” by comparison with alternatives. However, BWM has no obligation to subsidise those who have been able to afford the discretionary spend to travel to Israel, while respecting that for some pilgrims it has involved saving and sacrifice;
- At present, unconsciously or consciously, every CofS member through donations to BWM is subsidising each guest at the Centre. There is both a direct subsidy (to cover shortfalls and pay for the Director) of approximately £100,000 p.a. and also, indirectly, as there is no expectation of any return on the existing land or buildings. Few guests will realise the extent of this subsidy. They probably assume there is a profit being used to fund “charitable” works. If they knew, they would not necessarily be grateful. Some might even be angry that these resources are being spent on themselves and not on those poorer;
- The fundamental aim is that SGC should offer a combination of quality and value that satisfies visitors that they are receiving a “fair and reasonable” contractual

service, alongside encountering a spiritual dimension (which cannot be costed in monetary terms). Visitors who feel they are being over-charged, or given poor quality, will be distracted from spiritual reflection. This is commercially unsound too. A clientele that feels both materially satisfied and spiritually uplifted will encourage others to follow. At present, many specialist tour operators are wary of using SGC because the variable room quality can cause dissension among groups;

- Maximising the numbers of appreciative guests should be measured over the longer-term. Standards and quality expectations have risen with each past generation. Design specifications should also be looking to satisfy future generations by incorporating what may seem “extras” now. Room sizes and infra-structure once fixed cannot readily be changed (as many congregations know of their own church buildings).
- It is a sign of both humility and generosity towards future generations to allow as much flexibility into any project as possible. It would be judgmental (contrary to Matthew 7.¹; Luke 6.³⁷); to bind the future with current pre-conceptions on levels of expectation acceptable of pilgrims;
- A principal feature of the site is “spaciousness”, in city centres often associated only with luxury. Making rooms spacious may be associated, in popular perceptions, with higher ratings, hence expense, but it gives the best chance of present and future generations being able to sense gratitude at being granted flexibility;
- Past generations as an act of worship and with *confidence*, built what might have seemed extravagance into cathedrals/churches, representing the best they could offer. Developing perceived quality in SGC while retaining the ethos requires an act of faith. As a place aspiring to spiritual and material qualities it should contrast with the neighbouring tower hotels (built to maximise financial return from expensive ground) and its present shabbiness;
- Certain minimum standards (Israeli 3-star and above) are necessary to secure available Israeli government grants of approximately 25% of costs. While these should not dictate policy to CofS, to achieve higher quality at lower direct cost by

tailoring the project to claim these, seems sensible stewardship¹⁸. Moreover, applying for grants recognises the community/state-acknowledged benefits of the proposed development. Plans for SGC would then fit into implementation of the local authorities' planning for the region rather than appear to assert the independence and "foreignness" of the CofS. Indications are that the Israeli Tourist ministry will see the inclusion of a new church on the premises as positive, creating "a theme" for the hotel;

- Spaciousness may also make the rooms more conducive to longer-stay visitors with the purpose of private study (i.e. ministers on sabbaticals or small groups of students on short courses). The presence of such scholars, eminent or otherwise, should further enrich the spiritual environment for other visitors.

5.3.21 Does this mean that poorer visitors will be excluded?

- Provision of quality and "luxury" standards of space does not have to equate with exclusivity. Once a pre-determined overall rate of return is achieved to service funding, **differential pricing** can be used to attract specific groups;
- Historically there has always been a welcome for as wide a range of visitors as the facilities allowed. Provision of a new church for group or private meditation/worship, or communion in the beach garden, would sustain this tradition;
- As a generality, the financial resources of visitors/their willingness to pay, may often have an inter-generational dimension. While making access to worship free for all, seeking to combine different ages and types of life-style in one set of accommodation may be a recipe for widespread dissatisfaction;
- Although a comparatively large site, still, physically, it cannot mean that anyone can use all the facilities wherever and whenever each wants. A balance is needed between access and intruding on the space of others. For example, those who might want barbecues in the beach garden (which is also a cemetery) may have to be

¹⁸ Some might argue that grants from the Israeli Government should be rejected so that they have no influence on the CofS's decision.

disappointed¹⁹;

- SGC does not need to try to cater for universal requirements. For example, those who want loud, late-night music or entertainment can find alternatives already in the vicinity;
- However, in using differential pricing, SGC may be able to become a leader in providing quality accommodation for Christians from lesser-developed countries. This could be compatible with maintaining a premium-priced service in Spring/autumn, most popular with the comparatively wealthier visitors. Potential visitors coming from tropical countries have different climatic tolerances to those from temperate countries. Tiberias is able to be an attractive year-round destination for some, not others. By a greater emphasis on affordability (rather than “equality” and so non-differentiated pricing) and by promoting “off-season” pilgrimage/study visits, off season, through church networks, greater use of the premises can be maintained;
- Such plans seem most likely to enable higher levels of secure employment among a mixed ethnic/faith workforce. A policy of promoting such employment is a practical part of SGC’s contribution to peace and goodwill.

5.3.22 Because SGC is owned by a “not-for-profit” body, does this not risk becoming “unfair competition” to local hoteliers, comparable with complaints about charity shops in UK high streets?

- The intention is to provide a Centre which is more than just a hotel. Inevitably there is the possibility that SGC will take away custom that might have gone elsewhere. However, without profits as its sole motive, BWM will not compete on the basis of aggressively discounted prices or aggressive promotion of facilities. SGC rates will need to match, or be close to, those of neighbouring hotels to maintain custom but,

¹⁹ In a Memorandum of September 1997 the Director reported on problem of frequent trespass into the Beach Garden by large family groups from the local Christian Arab community, but with no other links to SGC. Even though these involved illegally copied keys, there was then a dilemma. Unfortunately, these large and long parties resulted in disturbance for paying guests and significant amounts of litter for SGC staff to collect. However, informing Israeli police could initiate excessive physical reactions.

essentially, it is aiming to provide a distinctive spiritual dimension;

- While sensitive to this issue of relationships with neighbours in Tiberias, CofS should not draw back from wishing to offer a high standard of value for money and quality. Being a “market leader” in these areas should not be a cause for embarrassment, indeed it could be criticism that CofS has failed to provide any such example²⁰;
- Israeli Ministry of Tourism projections are for an 130% growth in tourism over the decade from 1996, hence CofS’s development would be part of a expected annualised increase of 4,000 rooms p.a.;
- Having a church (and possibly museum) freely available potentially enhances the visit of any pilgrim to Galilee. Indirectly, this should benefit Tiberias as a destination.

5.3.23 Currently the Centre makes minimal reference to its Scottish origins. Like many ethnic groups over the centuries, Scottish missionaries have had a long and honourable part in the development of this part of Israel & Palestine. Should not this contribution be openly recognised rather than, seemingly, suppressed?

- Tiberias has been “home” for, and influenced by, many ethnic/religious groups over millennia, including, among others, Romans, Jews, Arabs, Druze, Crusader, Turks and Scots;
- The aim of SGC is a warm welcome for all who come, with minimal attention to ethnic origins, gender, creed, wealth or other causes of discrimination. It may be that a determinedly neutral name such as “The Sea of Galilee Centre” helps with this;
- Yet the name is anonymous, giving no indication of the values that formed the place. It was a historical fact both that Dr Torrance was from Scotland and saw his Christian faith as an inspiration. It may be that through greater awareness of his

²⁰ The PricewaterhouseCoopers study identified significantly low levels of satisfaction among tour operators with the provision of hotel services in Israel.

(and others) self-giving witness, guests would find a clearer link with the Christian faith in practice;

- The temporary closure provides opportunity for wider reflection on what the name says externally. The nickname, “The Scottie” seems indicative of local acceptance for its origins.

5.3.24 As hotels in Israel can provide wines and alcoholic beverages without the need for licences, will the Centre be making profits from, arguably, unethical practice such as the sale of alcohol?

- At present BWM’s investment portfolio is in units where,
“The trust may not invest in companies substantially (10-15% of profits) involved in tobacco, alcohol, gambling and armaments.”

This prohibition has flexibility to allow investment in, say, a UK supermarket chain which sells wine as a part of its trade. There is no intention that wines or beers should be form any imperative part of future profitability rather recognise that many pilgrims, after unaccustomed exercise at hot and dusty sites, welcome refreshments such as they enjoy in their own homes;

- A cafe/bar facility could provide the opportunity to encourage by welcoming into SGC non-residents who are interested in its work;
- Many other facilities for the sale of alcohol are close to SGC, so that its provision inside, in moderate quantities, would be clearly for the convenience of visitors or guests. At the discretion of the local management, visitors seeming intent to drink to excess could be refused further supply for the sake of other guests, as well as themselves;
- Tasting/drinking of local wines has clear Biblical precedents in the region, especially in the context of consumption with meals. Not to make this available for those who so wish would seem a denial of part of the experience of Israel;
- Any prohibition of alcohol would appear to impose individual tastes upon many and introduce a criterion for investment far stricter than that accepted by the Church of Scotland Investors Trust.

5.3.25 Over decades, the Centre has provided opportunities for young and older “volunteers” from Scotland to spend some months in Galilee receiving basic living needs in return for work. Does re-development mean the end to such opportunities?

- A specific “Volunteer Policy Group” reported on this issue in 1998 responding to continuing problems with the deployment of low-paid volunteers. There are significant difficulties with finding sufficient, suitable candidates;
- While “volunteers” have been a continuing feature of the development in Israel, through the kibbutz programmes, there will continue to be changes in expectations, ethical perceptions of rights at work and labour regulations. These could influence the nature of the work and the types of individual which the CofS considers appropriate;
- There is a need to be alive to the risks both that volunteers may feel exploited and local unemployment is exacerbated;
- Volunteerism, in some form, could continue at St Andrew’s, Jerusalem.

‘H’ ‘Other theological / ethical comments’

5.3.26 Is there any readily available Scriptural precedent?

- Even though parables have primarily a spiritual purpose, the parable of the talents (Matthew 25¹⁴⁻³⁰ & Luke 19¹²⁻²⁷) seems pertinent regarding attitudes as both an encouragement and a warning;
- There is clear praise for those who do, and clear condemnation for those who do not, use the resources at their disposal in imaginative ways. Neither the inequality of opportunity, nor the imprecise nature of what is expected of the servants count within the judgement described. The defensive claim, of “not having lost the resources” is completely rejected by the master as an explanation for inertia. The excuse of the riskiness of investing is not even proffered but it is difficult to see how having risked and lost could have received any harsher condemnation;
- The simple message is that we have a spiritual obligation to try to maximise

potential, whatever the starting point. Mediocrity, or even the claim to have preserved the status quo, constitutes failure. This simple spiritual message provides a corollary for the same approach in the application of physical assets, without stipulating usage;

- In this instance, for BWM to “do nothing” with the “inherited” resource of the Centre would seem most to replicate the position of the servant who was condemned as “*you worthless, lazy servant*” .

5.4 ADDITIONAL ISSUES AND DISCUSSION

Concerns raised in debate

5.4.1 The facts, or details, of the above ‘Ethical Analysis’ were not challenged directly, although issues were widely discussed. At the principal debates on the subject, at the Executive and Board meetings of 16 June 1998; at the Board on 9 December 1998 and at the Assembly, individuals raised still further possibilities and concerns. Excluding those directly linked to financial projections, these may be categorised as follows:-

- the need for a greater emphasis within the proposals on the theme of ‘Peace & Justice’ in Israel/Palestine. It was agreed that a development could provide scope for a sales outlet for Palestinian-manufactured goods. Thoughts that the CofS, as outsiders, might develop a conference centre for “Peace & Justice” within the Region were accepted as unrealistic, although as a venue SGC could be available for initiatives promoted by key, local participants;
- the prospect of exploring alliances with other churches was agreed as a possible benefit although not if the outcome was, “certain churches huddling together”. Moreover, the CofS should only invite financial participation once it was reasonably satisfied over viability;
- there was criticism that the potentially detrimental impact of tourism on local cultures had not been discussed, although a feature of Tiberias is its already cosmopolitan culture and history;
- more female representation on future management groups was recommended;
- the term “hotel” was disliked as inappropriate, though the alternative of “hospice”

was agreed to be now misleading, as would be “guest-house”. “Centre” descriptively is, externally, unhelpful. The ethical dimension of vague terminology is considered at 6.3.5;

- there was questioning why any activity within the CofS should be construed as required to be self-sufficient, with reference made to the acceptability of sharing resources with aid-receiving parishes. The debate was not extended to consider any obligation on recipients to minimise such, nor the financial status/appropriateness of those staying at SGC to be beneficiaries;
- there were concerns about the impact of redundancy on current staff, while recognising that temporary closure was preferable to permanent.

A revised mission statement for BWM in Tiberias

5.4.2 Out of the concurrent discussions of the ethical issues and the commercial possibilities, what was needed was a broad agreement as to the “mission” of SGC. This had been discussed at some length prior to June 1998, and was subsequently re-assessed and revised. It was presented and approved by the Board in October 1998, by then being more fully defined and focused on six areas:-

1. an inter-denominational ministry;
2. companionship, with the beleaguered local Christian community;
3. hospitality, for visitors;
4. contextualisation, of providing a specifically Christian link with other faiths;
5. interfaith, of providing a facility where individual Christians, Jews and Muslims can work together on routine tasks;
6. involvement, enabling linkages between congregations in many places.

5.4.3 While the final statement was cumbersome, it was the culmination of a process which helped to clarify suitable aims. Once these aims had been accepted, together with assurances that resources were available for implementation without detriment to other activities, overall approval became the logical outcome, unless there were legal constraints.

Legal Issues

5.4.4 A further relevant factor is legal restrictions on the use of funds, a point made explicit at the 1998 Assembly where an indirect descendent argued that resources given specifically for “Jewish Mission” should not be applied for more general usage. This was subsequently addressed by provision of information in BWM’s 1999 and 2000 Reports. In that the Development was never dependent on funds specifically designated for Jewish Mission, it was not conclusive. Nevertheless the legal sensitivity highlights a significant, related ethical issue.

5.4.5 The point made was that as early as 1838 a fund was being accumulated, when, “...the aim of the fund created was quite clearly the conversion of Jews to Christ” Hence the speaker could conclude,

“I believe that in the Lord’s work we must always be scrupulously careful to do the right thing. We cannot ethically and legally use Jewish Mission money for wrong purposes in world mission. We cannot use Jewish Mission money for other non-Jewish purposes in mission and expect God to bless the Church. Secondly... I also believe that in evangelism there is a certain God-given priority to take the Gospel to the Jew first.”

While “Jewish Mission” was the purpose for which capital was given, theological perceptions have changed, such that concentration on Jews for conversion are now rejected by some Christians as inappropriate. Moreover, cultural and legal changes would also make the stated prioritised aim potentially counter-productive. As acknowledged, legal restrictions in the State of Israel (an entity not even envisaged at the time of many donations) now limit any overt methodologies of introducing Jews to Christianity. At least one past minister at Tiberias who infringed this could not renew his visa. At issue is the question, “While an obligation remains to respect the wishes of donors, how much discretion is appropriate to interpret how that intention might be discharged, now 160 years after the first gift, were the donor familiar with contemporary circumstances?”

5.4.6 No definitive answer was required, but assurances were given at the 1999 Assembly, that if there was a partial disposal of the SGC site, particularly of the existing church, “consideration” would be given to making this available to a Jewish Messianic group. The Assembly were advised that the terms of this disposal would nevertheless need to be governed by UK Trust law which would require a market-based payment on disposal to third-parties, whatever similarity of intentions behind the original donations or aspirations of the acquirers. There is a perversity that, to be protective, trustees may be allowed minimal discretion yet, because thereby Creativity is diminished and (with trustee control in perpetuity) this long-term inflexibility is counter-productive to the intended beneficiaries.²¹

Limited recourse to Scripture

5.4.7 During these debates the predominant factor was the tension between the functions of Church as “aid-agency” and as “promoter of faith”. For those opposed, the prime criticism of the project was the apparent message that it concentrated on the wealthy rather than to the poor. Responding to the criticism (made by the proposer of the counter-motion) that a returning Jesus would not visit such a place as a new hotel, Luke 7³⁴ was quoted, noting that Jesus openly associated with those who enjoyed “eating and drinking” as well as with “the poor”. One senior member of staff subsequently commented that quoting Bible texts was not helpful in such discussions.

5.4.8 This was the sole instance noted during the debates of a specific Scriptural authority being cited for an opinion by the hundreds involved in the decision-making, despite the heavy pre-ponderance of clergy²². This observation seems to suggest little actual recourse to the elaborate systems of reference for ethical decisions described as ideals by Cook²³. Instead, it highlights the significance within decision processes of

²¹ See 9.4.6.

²² Although it maybe because of this and consequent appreciation of difficulties of Biblical interpretation.

²³ Cook, D., The Moral Maze, A way of exploring Christian ethics (SPCK, London, 1983) pp45-58 and 83.

what are called “middle axioms” by Preston²⁴. These are concepts to which most of those who profess themselves to be Christian, (and are thus influenced in their thinking by reflection on what is implicit in the Gospels as it bears on human life), could be expected to give relatively full agreement.

5.4.9 On the evidence available, those coming to the discussions on SGC based their comments on their broad pre-conceptions of Christology, missiology, etc.. Although two individuals commented informally on the appropriateness of those texts cited in the ‘Ethical Analysis’²⁵, if others privately searched for themselves Biblical text(s) for specific guidance, they did not then publicly share this with others.

Friendly nature of the debate.

5.4.10 Preston, in respect of “middle axioms”, emphasises the importance of rigorous debate and communication, not so much the agreement, which may be elusive. While the SGC “evaluation process” was far from considering a “middle axiom”, in circumstances of uncertainty it proved a successful means to get widespread concurrence as to how to proceed in an ethically and theologically appropriate way, in respect of one segment of a church’s activities. Arguably, it was a debate that could have been much shorter. However, it seems fitting to conclude with the observations of the former-Moderator “in the chair” for the SGC debate,

*“The moderating of the debate... was a challenging one, but I do feel that at the end of the day, all opinions and strands of the argument were carefully heard and the Assembly came to a clear decision on the way ahead”.*²⁶

5.5 COMPARISON WITH CHRISTIAN ETHICAL QUALITIES

Reflections on the Situation

5.5.1 The qualities of **service**, seeking **justice** and showing **courage** are readily discernible within the willingness of those at SGC, back to 1884 to work alongside

²⁴ Preston, R. H, Church and Society in the Late Twentieth Century: The Economic and Political Task (SCM, London, 1983) Appendix 2. Preston, R.H., Confusions in Christian Social Ethics (SCM, London, 1994) pp157ff

²⁵ 5.3.10, 20, 27.

those from many other backgrounds and beliefs, with the challenges to faith. Warfare and the persistently threatening terrorism make it a cauldron for stresses. While future demands will change markedly with development, nevertheless those working for BWM in Israel have been the most committed and fervent supporters for change.

5.5.2 The serious deficiencies which had appeared, and which the Development now attempted to address, lay in resource **stewardship** and, particularly, the lack of **creativity** and, perhaps, **courage** at strategy-setting level. Over many years BWM not only failed to extend SGC's potential incrementally but also failed to address health and safety risks. Yet, in accumulating substantial financial resources²⁷, the conduct of BWM's financial affairs appeared consistently prudent. Significantly, until clarified by SGC's mission statement, there was a lack of vision, hence focus on achieving clear goals. Arguably, BWM's mission too is so overly diffuse that choosing areas for resource application becomes so daunting, that saving becomes more attractive than spending²⁸.

5.5.3 The 'Ethical Analysis', as a widely-distributed document, did not attempt to allocate "blame" or responsibility for the circumstances. It attempted to concentrate on the future, for to have done otherwise risked prolonging the already tortuous debate with unproductive recriminations. Moreover, any failings of stewardship, creativity and courage were not wilful. Rather, the five qualities were betrayed by the sixth, the failure of **accountability**. Quite simply, SGC had existed not just with imprecise long-term aims but without relevant means to monitor or measure its achievements, or lack thereof. Financially, this was strikingly apparent, with a short-term annualised cash-flow accounting applied to an increasingly sophisticated, long-term business²⁹.

²⁶ Letter to researcher (18/5/99)

²⁷ 5.2.15

²⁸ See also note to 6.1.6.

²⁹ In 1999 and 2000 the CofS Board of Stewardship & Finance admits this problem can be applied to the whole of the CofS see 6.2.2. *"The Church has still not found a satisfactory way of determining budget priorities...it is not satisfactory to be budgeting for only one year at a time. It is essential that there is strategic planning which allows changes in priorities to be budgeted for and implemented over a period of years."*

5.5.4 The wideness of the spectrum of general ethical and theological concerns (as enumerated above) provides some explanation for the inertia. Without any clear sense of confident proprietorship or leadership, and lacking internal directive mechanisms to concentrate on selected key issues, responsibility was diffuse. However, lost opportunities and health and safety deficiencies for a commercial entity would require individual(s) to be answerable, either sooner or later. As a VNPO, CofS seems to have been accepting of lower standards for itself.

5.5.6 Managerially, this outcome seems perverse. Much time and energy; elaborate systems of meetings and sub-groups; the involvement of large numbers of people, might have been expected to create awareness and thus aided accountability. Trust between those with shared religious beliefs might be expected to promote action; instead, SGC was allowed to drift. Why? will be addressed in chapters 6 & 7.

CHAPTER 6: THE PROCESSES OF MANAGING CHANGE AT THE SEA OF GALILEE CENTRE

6.1 INTRODUCTION

Themes, format and linkage with chapters 5 and 7

“...we are not just going for 130 rooms simply for the sake of it. I am beginning to think that we will just keep going round and round having the same arguments for ever -- maybe this is hell.” Letter, Director of SGC, 24 April 1999

Thus one participant summarised experiences of persuading the CofS to develop SGC.

6.1.2 Over three years earlier, in a report which went beyond a brief merely to investigate overdue filing of financial statements but urged exploration of SGC’s wider potential, my own recommendation had been,

“Because this is likely to involve protracted negotiations on development and finance, it may be appropriate for a small Steering Group to take this forward. A target, of firm proposals for the way ahead together with a chosen and vetted commercial partner, might be the General Assembly of 1997. (sic) Setting up such a Steering Group and preparing a Business Plan will require first clear agreement as to whom it should report and that its proposals will lead to conscious decisions. Without this it will be a waste of time.”¹

6.1.3 In retrospect, this had seriously under-estimated the complexities. Chapter 5 has demonstrated the breadth of ethical and theological issues with which a Church-based charity must grapple, when undertaking a venture such as change at SGC. It goes far beyond ‘finance’ or choosing a commercial partner. However, the CofS’s processes took more than three years, not one. Proceedings seemed highly frustrating and repetitious. Many dozens of people were involved, not a “small Steering Group”, despite initial attempts to make it such. These facts, of themselves, have an ethical dimension, if only in terms of stewardship, with the demands on time, energy and enthusiasm. Simultaneously both remedial works and opportunities at SGC were further deferred.

6.1.4 Jacobs², in arguing for distinct Guardian and Commercial ethical syndromes gives a broad pointer as to why, when observing,

“The task of state religions is to protect their territories spiritually.... that is Guardian work. The traditional sources of religious revenue income are donations and taxes and tax-like levies such as tithes. Even though many religious institutions nowadays do go in for business investments that yield interest, the tradition persists. You have surely noticed that small items like candles, postcards, or pamphlets are not for sale in churches. Instead, a ‘donation’ is requested... Calvinist clergy retained Guardian traditions for themselves; they continued to solicit donations and use surpluses for charity, moderate ostentation, and missions to spread the faith, but until recent times seldom for commercial investment. Their modern sorties into commerce are usually justified as ways of augmenting funds for charity..... even so they often plunge clergy and congregations into controversy”

6.1.5 The processes were indeed affected by an inherent ambiguity. Fear of the type of controversy alluded to by Jacobs, did play a significant part in the delays before proposals were brought to the Assembly. This too has an ethical dimension. The acceptance of lengthy delays and convoluted decision-making made this ecclesial attempt to manage “a project with significant financial dimensions” appear, at times, so confused and self-indulgent as to be of itself questionable ethics, especially to those from a primarily commercial background. This chapter tries to explore ‘why’ that should be and ‘how’ it was manifested.

6.1.6 The ‘Ethical Analysis’ has already indicated that “augmenting funds” -- making a profit -- could only ever be a partial justification for developing the under-used resources of SGC. Its mission and purpose was, and needed to be seen to be, far more sophisticated. Moreover, BWM’s existing financial resources were, arguably already more than it could utilise³. Rather defence of the tardiness of the processes hinges

¹ Report to Finance and Middle East/North Africa Committees (14/3/96)

² Jacobs (1993). pp 86-87. Cited 4.1.6.

³ Report (21/10/97) by BWM’s General Secretary to its Executive stated, “A real tension exists at present between our proper stress on the needs of Christians and their neighbours and the growing evidence of lack of “capacity” of the Church to use money for priority issues..... either we find better ways of enabling our partners to be more effective in using the resources we share with them or else we do one of two things: we deploy those resources elsewhere, or we tell the CofS that we cannot use all the money we have challenged the people to give!” For reasons described below other business precluded its discussion.

around the fact that complexity was the inevitable complement of the multi-faceted functions that, it emerged, should be expected of SGC.

6.1.7 The validity of that defence is explored in this chapter. In presenting research on SGC as just one part of the thesis, the history of the many SGC-related meetings and events will, necessarily be summarised drastically. Appendix A sets out the timings and contents of the principal meetings as a brief anatomy of the process's protracted nature. 6.2 provides a complementary narrative with some observations on distracting circumstances.

6.1.8 6.3 gives a more detailed account of one minor aspect which exemplifies the wider problems encountered, particularly how the pursuit of an ephemeral consensus can risk an outcome of minimum change, pressurising for agreement around a low common denominator. The inference is that, on a larger scale, such practices perpetuate poor **stewardship** so curtailing future opportunities for **service** and **justice**. **Courage** and **accountability** are needed to break out from such **uncreative** ways

6.1.9 Before drawing wider conclusions, Chapter 7 first considers whether SGC was atypical. 7.1 examines two parallel situations where attempts to exercise operational power to effect change have had to work alongside the discursive practices of conciliar authority, familiar to ecclesiastical tradition. It concludes that the SGC research findings were neither coincidental nor caused merely by the individual personalities involved. Arguably, BWM successfully avoided pitfalls which stopped radical changes proposed elsewhere within the CofS and seemingly greater inertia found in Australian field-studies.

6.1.10 7.2 and 7.3 probe beyond the lack of proprietorial initiative found in these examples, including attempts to limit SGC development to renovation only, although the most disadvantageous financially. In seeking to find out "why?", reference is made to published research into the functions of accountancy/accountability in other churches

of different denominations. This leads to reflection on the themes of trust and trustworthiness and the importance of accountability to avoid mediocrity when responding to the demands of change. Yet, in contrast with research from accounting perspectives, it concludes by emphasising that when any church aims to apply its values within its wider activities this sharpens the necessity to harmonise the “sacred” and “secular”, or, at least wittingly to hold them in constructive tension. The temptation to find insulation in claims to sacredness must be resisted. Excessive claims that one ethical impulse, say, a perception of “service” or of “justice”, is more sacred than others (so that implicitly stewardship or accountability are more secular) can mire the whole. Integrity involves exercising all the qualities.

6.2 BOARD GOVERNANCE, DEPARTMENTAL MANAGEMENT AND MEMBERSHIP ISSUES 1996-1999

Board structures and changes

6.2.1 To understand procedures by which prospective change at SGC was evaluated and progressed over the three years, requires some knowledge of the arrangements for BWM’s own committee structures and of its cycle of around 40 formal meetings a year. However, descriptions of structures at BWM between 1996 to 1999 face the problem that the arrangements changed radically in 1998, halfway through the research. Moreover, because these changes required prior authorisation by the 1999 Assembly, 1998/9 was a year when two systems operated in duplicate. The overall situation is usefully summarised by extracts from the 1999 annual report⁴:-

“ Under the old structure the full Board with a membership of eighty-three (together with perhaps another 20 staff and reciprocal members in attendance) met only twice a year to hear and receive reports. The more immediate decision-making was entrusted to the Executive Committee. Board members served on sub-committees but had no immediate knowledge of the workings of the rest of the Board. Board members frequently complained that they felt distant from the work of the Board and from important decision-making”.

6.2.2 Some deficiencies will be considered further below but the intentions of breaking

⁴ Reports to the General Assembly 1999, 25/27

up a culture of Byzantine complexity and compartmentalisation are indicated in the nature of the replacement:-

*The Board is now operating with two main committees, where previously it had nine. The Overseas Partnership Committee covers most of the work previously done by five area committees, and the World Church in Scotland Committee is responsible for Faithshare and Local Involvement. The area secretaries work together as one team..... Staffing and Finance service these two main committees and the Board itself. Each staff secretary is allocated two Board members to act as advisers. Two or three ad hoc committees deal with specialist subjects The aim of this structure is to involve Board members more fully in the work of the Board, to speed up decision-making processes and to enhance the position of the various assistant secretaries while making them more fully **accountable**.*

6.2.3 Lack of clear accountability, not just by staff but throughout the organisation had come to be recognised as a major failing. The catalyst for this change had been the decision of the 1997 Assembly to set up a Special Commission to investigate a formal petition of complaint from a missionary whose employment had been terminated by BWM after eighteen years overseas. He alleged inadequate communication and consultation; arbitrary decision-making and that his internal appeal had been prejudicially mis-treated. Under the chairmanship of a senior retired Law Lord, following detailed investigation, the Commission gave its Judgement, first distributed to all Board members on 15 October 1997, then reported in full to the 1998 Assembly⁵.

6.2.4 This Judgement found, without reservation, for the plaintiff. Its forensic account could only be construed as highly critical of diverse aspects of BWM's management by its permanent staff ["the Department"] in the administration of overseas posts and relationships with another church. Allegations of injustice in appeal procedures was found proven. Descriptions such as "*highly tendentious*" and "*just not within the bounds of accepted and decent behaviour*" pepper this public Judgement, providing a flavour of the ethical issues that were thereby, indirectly, raised.

⁵ Reports to the General Assembly 1998, 37/1-11

6.2.5 The Board (i.e. part-time volunteers concerned with Governance) were described as needing to, “*accept responsibility for the actions of its officers*”. This Commission shows the CofS as having the constitutional means for very public accountability, albeit revealing considerable intermediate failings of accountability.

6.2.6 The Judgement, in accordance with its stated purpose, was focused on the facts of one experience, not on the systemic or underlying causes of the problems. Nor did it recommend any specific changes for management or governance. At Executive and Board meetings in late October 1997, a three month internal enquiry (under a former Moderator) was established to ascertain the extent to which the failings had been caused by individual or structural weaknesses. The researcher was invited to, and did, submit questions and general comments. The importance of this internal review has been subsequently acknowledged publicly⁶. Its significance for this research on SGC lay in a timeous triangulation in January 1998 of serious deficiencies in the management environment of the Board/Department. Major conclusions included not only unclear accountability but poor line management and reporting; reluctance to carry out annual appraisals of employed staff; a lack of transparency and fragile communications; confusion over formal contracts for overseas staff and the need for their pastoral provision.

6.2.7 It is important to note that the Judgement had criticised the lack of oversight by the Convenor, but a Board Convenor’s actual role, responsibilities and powers are vague. Convenors are appointed directly by the Assembly and are answerable to it for the actions of their Boards but, as a subsequent Special Commission noted,

*“unless there is an adequate flow of information from the Department to the Board it becomes difficult to justify the practice of requiring Convenors to accept responsibility for acts or omissions on the part of [Department] staff”*⁷

It is the responsibility of the latter to oversee the formulation of policy, while it is the

⁶ Special Commission Report, May 2000 pp78 & 92

⁷ Ibid p92

task of General Secretaries and staff to implement these⁸. Staff are responsible to Boards and Convenors. However, the arrangements for resolving any breakdown in potentially crucial inter-relationships (as between Board and Convenor or Convenor and General Secretary ["GS"]) are unclear, although the Departmental staff have the legal protection which comes with permanent posts whereas the Convenor does not. Reliance on resort to resignations by volunteers seems a blunt instrument to encourage co-operative working⁹.

6.2.8 Internal guidance states that decisions likely to attract the comment of the Assembly must be made by policy-makers, otherwise accountability is undermined. What these might be is unpredictable. In short, the boundaries of actual rather than theoretical responsibility between Department, Board and Convenor are ill-defined. With strictly limited executive powers to accompany the post, a Convenor has to rely on personal powers of persuasion at meetings, moreover where he/she is supposed to "moderate" rather than direct. The "prestige" of office, together with such sympathy as can be generated by appeals that the Convenor is personally answerable to the Assembly give little substantive support for a Convenor to take a courageous stand in the face of either volunteer division or a determined permanent staff. Instead this may encourage pursuit of compromises representing the lowest common level of agreement.

6.2.9 As noted at 6.2.5, the 1997 Judgement placed overall responsibility for the errors with the Board. However, having had only two short, collective gatherings in the previous year (with one pre-occupied by a line-by-line review of the wording of the annual Assembly report) such technical responsibility could not be a pragmatic reality. Until notified of the petition, most Board members could not have known a problem existed. Justifiably there was secrecy. Discussing sensitive staff matters among a

⁸ *Ibid* p90 "There has to be a recognition of a real separation between the role of the Board members, whose function is to formulate policy and the role of the Department, whose function is to carry it out". This subject is discussed in the context of ARK at 10.3.8.

⁹ A solution adopted twice elsewhere, 7.1.7 and 7.1.8. On the widespread difficulties of staff and volunteers, Harris, M., Do we need Governing Bodies? *In Voluntary Agencies, Challenges of Organisation and Management*, ed Billis, D., & Harris, M., (Macmillan, Basingstoke, 1996)

potentially garrulous group of 100 would have breached any reasonable expectation of confidentiality. Post-Judgement, many members indicated frustration. They had had no effective input into the work of the Department and so no sense of ownership. Individually and collectively, untrusted with information and unconsulted, but then held accountable seemed both unfair and dangerous. The 'Ethical Analysis', including extensive detail, was an attempt over SGC to respond to these sentiments.

6.2.10 While not specific to SGC, the findings of 1997 Special Commission had a major impact on procedures relating to its development, for between October 1997 and May 1998, BWM was pre-occupied with re-actions then with substantial re-structuring. Several long-serving staff, including the GS, left during 1998. An interim GS was, eventually, appointed bringing experience from outwith the CofS and progressing changes between May and November 1998.

6.2.11 During this period there were unsettling events at the other two institutions in Israel, Tabeetha and St Andrew's. At the school, during much of 1998 the head-teacher was suspended. The minister at Jerusalem, designated Field Secretary and inducted only in October 1997, eventually notified his resignation from the post, after a prolonged period of what he publicly referred to as, "... *too much confusion and misunderstanding* (on the terms of his post) *coupled with lack of communication*"¹⁰. Both situations were subject to a petition to the 1999 Assembly, together with four other cases, alleging injustice, suffering and broken trust in employee relationships with the Board. After a lengthy debate, a further Special Commission was set up to report, again publicly, in May 2000. Many of the petitioners' detailed allegations were then dismissed although widespread inadequacies and confusions were confirmed.

6.2.12 It is not the purpose of this research either to duplicate anything in the Special Commissions nor to explore any of the wider work of the Board or its staffing relationships, beyond their impact on the management of change at SGC. But against

¹⁰ Public letter to partner churches in Scotland, November 1998

this background of uncertainty, the unresolved ambiguity in the arrangements for Management and Governance now require comment. Before doing so it is essential to recognise that many of those involved were/are volunteers contributing in a self-giving capacity. This includes the Convenor, of whom the Special Commission said, "*he was deeply concerned for the work of the Board, and desiring only to serve it as best he could.*"¹¹ The disturbing issue must be that despite these high intentions, efforts and goodwill there was so much frustration and disputation.

Composition and committee arrangements.

6.2.13 The principal responsibility for overall direction of BWM until the changes of 1998 lay with the four individuals of the Convenor's group. All four were appointed by the Assembly, being the Convenor and two vice-Convenors with four-year terms, together with the permanent GS. Their mutual compatibility for team-working was not necessarily a criteria for selection. Until mid-1998, most of the additional governance input came from the Executive, whose membership more reflected the choices of the Convenor's group¹², subject to the willingness of nominees to be involved. During 1997/8, of the Executive's eighteen members, fourteen were ministers, (including the Convenor and one of the two vice-Convenors) two were lay (one a minister's spouse) and there were two vacancies. All except two clerics had full time parishes, including the Convenor. In the Department, full-time administration and management was undertaken by eight assistant secretaries, five of whom were ministers, and as supervised by the GS, another minister. Of the new Board at June 1999, 23 of its 27 members were clerics.

6.2.14 The significance of this clerical domination requires consideration in the context of attitudes to sacred and secular for accountability, trust-worthiness and self-trusting¹³. However, there are a number of immediate points to note. For many of

¹¹ Special Commission 2000 p92

¹² The "disquiet" of one member to a nomination made by the Convenor was noted in the minutes of the Executive of 12/12/97 but proceeded.

¹³ 7.2.6.

these clerics a conflict of demands on time exists between parish and Board work. That this is not unusual was explained by the Church's chief law officer,¹⁴

"While a number of convenors are elders, most tend to be ministers, and this creates an inevitable tension between congregational and committee duties. It goes without saying that the extra responsibility of committee work (especially convenorship) involves a significant additional workload."

He then describes "*three points (which) merit consideration*". First is the traditional ordination vows of ministers, agreeing to take "due" part in administration.

"Second, it is good that those who direct the central committees bring to this work the perspective and experience of the parish and congregation. Finally, and conversely, there is benefit to the congregation through the minister's involvement in a wider sphere..."

6.2.15 An un-remarked problem is that competence and training for such work may not exist among the available clergy. Respect for team-working and structured management are not naturally found in a tradition based on "*one parish, one minister*". The posts are open to elders but, being unremunerated, they are less likely to be sought by one, unless successfully self-employed with acquiescing partners, private resources, or retired. The "perk", of foreign travel, as representative of BWM, might attract some but this should hardly be a prime motive for the post.

6.2.16 Although many clergy have had external work experience, this is not necessarily relevant or perhaps, more dangerously, not up-to-date. Past personal experience of working, for example, in different organisations or overseas, may limit the ability to accept current expectations of radically different conditions. Further, bias against change may be exacerbated because those more likely to be available for Board service will tend to be those more established in their charges.

6.2.17 Committee convenorships appeared to be allocated on the basis of informal recommendations, past interest and willingness to serve. Membership of the Executive,

¹⁴ Life & Work, January 1998, p26. The issue of the additional costs for parishes and stress on ministers was raised in a letter in the February 1998 edition, p6.

being by invitation, was, not unnaturally, more likely for those clergy deemed compatible by GS and Convenor, so not necessarily those who might challenge, in any sustained way, either strategic goals, or operational deficiencies. Invitations to representative visits to overseas churches or conferences tended to “reward” perceived “loyalty”. While such arrangements might be conducive to a short-term, co-operative relationship between Convenors, Department and influential Board members in the medium to longer-term, such symbiotic relationships may have discouraged constructive criticism hence collusion in inadequacies. It is relevant to note that, being always in Edinburgh yet seeking representation from throughout Scotland, BWM’s meetings are very costly in re-imbursed expenses and time. Such governance procedures are not a low-cost option. BWM’s overseas travel costs provoke external criticism, indeed the Emperor Julian in prohibiting unrestricted, cost-free use of travel facilities by clerics might have received considerable sympathy at the 1999 Assembly¹⁵.

6.2.18 To any new lay member of the Board in 1997, management and accountability would have had the hallmarks of exclusivity:-

- Participation at influential levels seemed restricted to a small group with the common theme of theological training.
- In that BWM had no stated performance measures, for either management or governance, effectiveness might appear haphazard, with the commitment to service not matched by relevant skills or training.
- Opportunities to question this situation were severely limited. Papers for meetings were not pro-active in promoting alternatives but consisted primarily of minutes of sub-committees. These were often extensive but cryptic, recording many minor operational decisions but providing very limited explanations of the supporting arguments. The Board met only twice annually, but even Executive meetings were observed as little more than re-workings of previous discussions.

¹⁵ There was angry questioning of an instance of seemingly profligate travel at the 1999 Assembly. On Julian, 4.2.13.

6.2.19 Paradoxically, a further barrier to accountability was the number and variety of committees through frequent, partial overlap. Situations would be known to some (i.e. those who attended many meetings) but not others. In that meetings might last most of a day, attendance would often change during the course of meetings as people would come late or leave early. Unpaid volunteers doing other jobs might attend sporadically, with consequent inconsistency and lack of continuity, further exacerbating uncertainties.

6.2.20 The vital exception was the diligent attendance of the Convenor's group who put much time and effort into their service. However, in so doing this over-rode wider accountability by placing significant power with the Convenor, vice-convenors and the GS, as the one permanent member. Thus, while BWM's theoretical structure might have appeared one of democracy with frequent meetings this masked symptoms of an administration-led bureaucracy with minimal independent governance, save retrospectively, to homologate decisions. Between meetings, decisions made by staff would often rely on past decisions, so that committees, like courts, were guided by precedents rather than innovations. All of this could give a sense of cronyism, which, even if filtered through many committees, is not conducive to hard decision-making or accountability.

6.2.21 Studies on accountancy within churches, described at 7.2, will note the significance of financial crises in initiating adoption of change among those primarily occupied with conserving what they consider "sacred". Unusually BWM was insulated against such pressures. Finance was not an immediate concern for several reasons¹⁶. Most of the CofS's monetary matters are handled by the separate Board of Stewardship & Finance, with its own dedicated specialist staff. Even the primary expense, of payroll was determined elsewhere. Financial discussions could mostly be about geographical use of these salaries or allocating grants. Income was derived either from its own dedicated investments or central allocation. Moreover, in that the

¹⁶ 6.1.6 and 7.2.3.

nature of external mission is changing, with personnel numbers overseas contracting, static or declining revenue is masked. The Finance Committee, at twice-yearly meetings, discussed only budgets showing geographical patterns of expenditure, or the fresh deployment of new, unrestricted legacies rather than fund-raising. As such it was a microcosm of a wider problem acknowledged by the CofS in reports to both 1999 and 2000 Assemblies.

“The Church has still not found a satisfactory way of determining budget priorities...it is not satisfactory to be budgeting for only one year at a time. It is essential that there is strategic planning which allows changes in priorities to be budgeted for and implemented over a period of years.”¹⁷

6.2.22 The potential development at SGC was significantly different, thus constituting an unprecedented challenge for BWM and the CofS as a whole. Where accounting requirements are solely about spending within such annual budgets, the occasions for serious misuse, unwitting or conscious, are relatively small. With the uncertainties of income-generating activities, the potentials for management errors, and losses (beyond lost opportunities) are far greater. This point comes through in a letter written for the researcher by the Convenor (1994-1998) of the Finance Committee, a practising merchant banker.

“The Board’s activities in Israel are different from those elsewhere in the world, because only in Israel does the Board have trading entities which can make losses as well as profits and here therefore, the cashflows are not under the same control as pure expenditure would be. While there has been an improvement in recent years, there must still be a concern over the route by which line management decisions are taken and over the immediacy of the financial information coming back to Edinburgh, which is where the ultimate purse strings are held. Any major investment in Tiberias could only proceed once these issues are sorted out.”

6.2.23 The deteriorated state of SGC, together with concerns over the ability of BWM to manage both its existing operations there and those in the future, could be a catalyst if not an actual “financial crisis”, forcing BWM to address issues of management and accountability.

¹⁷ Stewardship & Finance Supplementary Report 2000 p61 and as 1999, 36/26. Quoted, 5.5.3

Managing change at SGC and linkage with Research timetable

6.2.24 As indicated in Chapter 2 and Appendix A¹⁸, research commenced, effectively, in October 1996 with the researcher visiting Israel as part of a three person group to meet with key participants there. These included the then Field Secretary; the minister and Director of SGC; local employees including the accountant (a Jewish-Israeli settler) and the manager (an Episcopalian Christian Arab) and the Presbyterian Christian Arab who is both Session Clerk of the CofS in Jerusalem and a senior executive in the hotel/tourism industry. Prospective architects; local solicitors; the auditor/financial adviser; potential contractors and the Archbishop-designate of the CofS partner church in Israel/Palestine all gave views. Further visits/meetings were in October 1997 and November 1998.

6.2.25 The broad purpose of the October 1996 visit was to follow through the March report cited at 6.1.2. It was to assess the “potential” needs and means for implementing the development of the Tiberias site. The same three person team then formed the nucleus of the Edinburgh Tiberias Working Group [“ETWG”] together with the Convenor of the Board and the Area Secretary. A matching Tiberias Working Group [‘TWG’] was set up with BWM-appointees in Israel to progress locally professional exploration of a conceptual plan and to explore possibilities with local planning authorities.

6.2.26 ETWG was intended to provide critical comment. It met only twice in the subsequent fifteen months. By its third meeting it had grown in number so that 10 people attended, with 2 apologies. As an interviewee commented subsequently, “*it is an issue for the CofS how committees are allowed to grow, with no one willing to be ruthless enough to push anyone off*”. However, following approval of expenditure up to £30,000 by BWM’s Finance Committee (where the voting membership was very similar to that of ETWG) between October 1996 and September 1997, the predominant activity was preparation by the appointed architect of a District Plan. This enabled

¹⁸ Also 5.2.17

outline planning approval to be cleared and gained support of representatives of 'The Municipality' in Tiberias. Its officials had previously expressed informal concerns about the "hole" in the central tourist area, and an interest in extending a promenade for restaurants across SGC's beach. While "The Municipality" had no funds itself for compulsory purchase, a fear was it might have encouraged incompatible developments in the vicinity.

6.2.27 "The Municipality" was to play a shadowy but important role throughout the subsequent debate. It is noteworthy that the minutes of the Finance Committee of 31/10/96, which approved the unbudgeted expenditure, emphasise this perceived external threat, stating,

"The Group visiting the SGC were in no doubt that a feasibility study of the development of the site albeit in stages should be undertaken, in view of the pressures from the municipality".

Yet, the group had met no Municipality representatives, only others wishing for development from a wide mix of motives. It is possible to speculate that because this was a comparatively large cash outlay, which might attract controversy, records made clear that this was not money being spent (risked) because those in leadership positions at BWM, of their own initiative, considered it appropriate to explore a particular vision of a future for SGC. For example, this might have been the recognition that as the West becomes increasingly secularised, individuals on pilgrimages may see this as a primary means of finding a spiritual dimension to their lives rather than following existing, institutionalised patterns. Instead, the sole explanation given was the necessity of defending existing capital interests. In practice, confirmation during the coming months of zoned status did significantly enhance the potential realisable value of the site. But, from the outset, re-active rather than pro-active responses were presented as justification. Defending against expected criticism seemed symptomatic of a wariness, expected distrust, over any new initiative¹⁹.

¹⁹ Discussed further, 7.3.6.

6.2.28 Between October 1997 and March 1998, more concentrated research interviews were undertaken, both in Scotland and in Israel. This also coincided with a change in the post-holder of the Field Secretary, after some nine years. His successor was formally instituted in October 1997. Coincidentally, he had served as Convenor of the Board of Stewardship and Finance, so was unusually familiar with the CofS's relationship to property and finance. Coincidentally, a member of his former congregation was a senior consultancy partner of a major accountancy firm. As a personal, spiritually-inspired donation of time and talent, the latter prepared a 25 page report as to how a Business Plan might be undertaken, indicating the questions and contents specific to the unique situation of SGC.

6.2.29 This report challenged that market requirements and the trading prospects of the venture should be established then probed with all the rigour expected of a fully-commercial enterprise. However, it also recognised that the whole must fit with a clearer statement as to the "mission" of the CofS in maintaining its presence in Tiberias. This forthright document was a major boost to the project, representing not just specialist skill but a sense of external, independent expertise. Bound by no past or present role, this outsider could state frankly the case that unless there was a commitment to significant investment then the only realistic alternative was to sell SGC. BWM could not claim ignorance of unpalatable financial facts²⁰.

6.2.30 Moreover, with this advice came the personal warning of the inadequacy of existing management arrangements within the CofS for SGC. Not only might the financial involvement be some £2-3 million, but if implemented, it would require ongoing professional, operational management. The absence of any direct experience in tourism, or hotel ownership, would be exacerbated by the distance. In short, BWM must not only determine the appropriateness of any financial investment but must also anticipate different management infrastructures in the medium and long term.

²⁰ Minutes, ETWG, 20/1/98

6.2.31 In November 1997, a further research visit was made to Israel. Field observations; meetings and new interviews were conducted with all the principal actors. Much discussion focused round the collation of data and the allocation of responsibilities for drafting of the Plan. Nevertheless, a new element could now be identified, recognition of the fundamental importance of market analysis in permeating the Business Plan rather than the provision of what the "Church" might want to offer and expect "customers" to accept.

6.2.32 Awareness of market forces influencing decisions could be seen as being a major shift of perspective for a church. Despite the Presbyterian consensual tradition, in a "prophetic" role, a church minister, when offering a service, expects to provide what "the Church" sees fit. It is interesting to note that this would have been true also for Dr Torrance, acting as a clinician. His provision of medical care in circumstances of limited alternatives, could be exercised in a directive way. The challenge for the future service of SGC would be for providers to respect the choices of users, while respecting the integrity of the providers. A different set of compromises to those in the past would be needed.

6.2.33 While an outsider had now brought influential BWM participants face-to-face with SGC issues, notes of meetings from 1997 onwards indicate an emerging concern among a few that the project was "running away with the Board". SGC's Development would require new structures, skills and levels of pay. A small but influential lobby grew that the development should be only that of renovation and expansion to a maximum of 60 or 90 rooms, not the 130 which forecasts showed to be the minimum for financial viability (still substantially less than the 400 the site could absorb on a profit maximisation basis). At times, this group seemed prepared to forego government grants and had few qualms about continuing future subsidies rather than risk changes.

6.2.34 This tension between "renovate" or "develop" was to be present at every

subsequent meeting throughout the process, particularly once more precise numbers had started to be available. It was less extreme than the view that there should be sale and severance. This was explicit only after the formal Business Plan was made widely available, but taken right through to the 1999 Assembly. The “middle way” was outlined in the minutes of the Middle East/North Africa committee [“MENA”] of 11/6/98.

“The Board Convenor clarified that he felt that there might be other, less ambitious, ways to develop the SGC. He questioned the need to make a profit at the SGC and felt that an alternative approach would be for the SGC to “wash-its-face” rather than generate moneys”.

6.2.35 7.2 will consider the impact of the disciplines of precise numbers on subjective, theological aspirations, but it is appropriate to note that it was only once a substantive Business Plan was available that many non-financial issues fully emerged. The ‘Ethical Analysis’, described in detail in 5.3 was prepared to complement this commercial case, recognising that the fundamental challenge was,

*“to get large numbers of individuals, who don’t know each other and gather only occasionally, to make a decision on sums of money entirely outwith their experience”.*²¹

The risk was that they would choose the least difficult compromise -- to defer decision.

6.2.36 This happened at the full Board of 16/6/98, despite details of the Business Plan having been outlined at a special Board meeting on 6/5/98 and having elicited no adverse comments when reported briefly to the May 1998 Assembly. The minute (16/6/98) stated,

“It was decided that the Board would not agree in principle to the proposal and that other uses for the site be researched”.

However, by 30 for, with 10 against, and 2 abstentions, £200,000 was to be available for this further research. Between June and December 1998 there was significant

²¹ The challenge summarised in interview in November 1998 by SGC’s eventual presenter at the 1999 Assembly.

senior staff unrest in relation to Israel²² but, under a new title, Management Group for the Institutions in Israel, ["MGII"] further discussion was undertaken to clarify the Mission Statement for SGC²³. During the next phase of research (November 1998) the proposals and a new, professional market survey were being examined in detail. This latter gave strong support to development while simultaneously the deteriorated state of the buildings was emphasised. Refined projections, but not dissimilar proposals, were accepted by the Board on 9/12/98. 36 voted for, 6 opposed and 10 abstained. Expenditure up to £5 million was authorised but subject to, *"the advice and consent of the Procurator, the General Treasurer and the Church of Scotland Trustees."*

6.2.37 Between December 1998 and May 1999, much of the consultative process had to be re-initiated. Following the legal advice of the CofS's Procurator, the aim was formal approval from the 1999 Assembly. Recommendations from the other interested parties was sought but prevarication was encountered among new participants. For example, despite availability of over five months, but citing timing of meetings and deadlines, The Trustees' report to Assembly,

*"...neither welcomed nor rejected the proposals, being of the view that it is for the General Assembly to make the full decision once it has been put in full possession of the facts"*²⁴.

Rather it cross-referred to the Report of Stewardship & Finance, which in its Supplementary Report described its restricted responsibility to the Assembly

"... for ascertaining 'whether financial resources can or can be expected to be available to support proposals...'"

It went on to say that Stewardship & Finance,

*"...finds it difficult to express an informed opinion at such short notice and is concerned that adequate research has not been done into...reserve funds to ascertain which are unrestricted and which have donor restrictions imposed on them"*²⁵.

²² 6.2.11.

²³ 5.4.2-3

²⁴ Supplementary Report 1999 36/50

²⁵ Ibid 36/21

6.2.38 This ambivalence does not mean that there were not private expressions of welcome that an initiative was being taken. Finance was not the sole requirement. The lack of support reflected unease as to the availability to BWM of the necessary management skills for such a project. In short, change was being inhibited not by dearth of opportunity; any ethical or theological inhibitions; nor by the lack of funds but by systemic constraints over expertise within the CofS. While arguable that SGC's requirements were not a core area of competency, ethically the central issue had become whether there was the **courage** to face up to the demands of change rather than let decisions drift as responsibility was pushed to others.

6.3 DETAILED STUDY OF THE PROCESSES FOR ONE DECISION

Deliberating the development of a bar facility

6.3.1 To illustrate management decision processes, a single proposed change was tracked through a series of meetings in the second half of 1997²⁶. It concerns SGC's Director's request for a loan of £12,000, from an unspent residue of £100,000 in the 1996 Development Fund, to provide a bar facility on an unused veranda. For some years, SGC had sold local wines for consumption with meals. In 1996 a display refrigerator had been installed in the dining area, offering a wider, self-service range, including canned-beer and soft-drinks. The threefold intention now was to extend customer choice by making beverages available for guests, before or after meals; to provide a service which would utilise otherwise under-used staff and to increase profitable revenue per visitor. SGC's new and entrepreneurial local manager was proud that income per head in April 1997 had increased from \$30 to \$34 over one year.

6.3.2 The proposal was not only about direct income. SGC has no venue for potential casual visitors, such as CofS members, staying elsewhere, calling on an evening stroll. SGC is not used by the major Scottish pilgrim tour-operator, despite friendly personal links with many at BWM. The absence of a bar has been cited as a significant reason.

²⁶ This is an expansion of one issue put to the whole Board, as at 5.3.24, where it evoked no comments.

The pragmatic solution of the Irish groups, under Father O'Connor²⁷, had been for each member to bring Duty Free purchases and to set up an informal garden bar, using tables supplied by SGC. However, such an arrangement has drawbacks. Not equally available, it may antagonise tour groups with less foresighted leaders; it emphasises the consumption of spirits; and it does not provide any revenue to SGC.

6.3.3 Drawn primarily from minutes and observation, the history of the processing of this request was as follows:-

- **18 June 1997**, Director prepared an application setting out the case for a loan to renovate a veranda (which would also be used for breakfasts) and to purchase tables, chairs, fridge etc. The estimated £12,000 would be repayable from the bar's profits over a single year, assuming a 50% mark up with 70% of residents purchasing one drink. Thereafter, after direct expenses, all sales would enhance cashflow. He also cited comments by a Dutch tour operator which had sent some 40 out of their 300 annual groups to the Centre. Their sole reported criticism of SGC was the lack of a convenient outlet for their preferred drinks, for relaxing after a day's sight-seeing in unfamiliarly high temperatures. The Director's aim was to be operational by the start of the high season in September 1997.
- **20 June**, Approval by **BWM's Israel Executive** but with the recommendation that the description "garden service" or "cafe" be used instead of "bar". As the Director explained (in subsequent interview) because he felt this would have been deceitful, his original description was retained in the application.
- **16 September**, the MENA Committee,
"agreed to ask the Development Fund for a grant for the construction of a garden cafe".

The minutes record that,

"the Committee had serious reservations about the cafe being open to the general Tiberias public as they were aware of a rowdy element in Tiberian society which had previously caused the Centre to close its gates in the evening"

However, the actual debate had been primarily concerned with the possible reactions

²⁷ 5.2.12

not in Tiberias but in Scotland. It was thought that there could be “disapproval” within the wider membership of the CofS. At the meeting, attitudes to alcohol consumption of a senior employee of another Board were cited, reportedly based on experience of abuse in the West of Scotland. The individual raising this, was not personally opposed.

- **17 September**, the subject was raised informally, although not minuted, at a meeting of the **ETWG**. It was jocularly suggested that the practice at SGC of naming buildings after connected individuals²⁸ should apply to the Convenor and the bar. The prospect of SGC’s development going ahead without a bar, a subject which could have major implications, was not raised. Possibly this was because there was no inclination to damage consensus with a contentious issue, at the still early stage of the major evaluation of the Development. Alternatively, all present recognised tacit agreement that the bar would, eventually, be approved.
- **23 September**, the **Finance Committee** decided the subject was too sensitive. Minutes recorded that,

“Request for up to £12,000 grant from Development Fund for Refreshment Area (sic) for guests within the complex to be remitted to the Executive”.

Grants for computer up-grades and tree removal, requested at the same time were approved.

- **23 October**, the **Executive Committee** minutes record under the heading “Cafe in Garden”,

“The proposal for the cafe was approved, with costs (sic) from the Development Fund, with the proviso that the Board’s policy of allowing a table licence for residents only should be maintained”

Six previous debates had made no reference to the existence of this policy, nor to the absence of ‘table licences’ in Israeli regulations. The meeting’s discussion was relatively lengthy, made no reference to the benefits of encouraging external visitors to SGC but included comment that any, *“consumption of alcohol by Christians will be seen as setting a bad example to Muslims (sic)”*.

- **28 October**, the **Board**, meeting primarily for the Judgement²⁹, noted the minutes without discussion.
- **27 January**, **MENA**, £12,000 received with thanks. Plans to develop “*the whole front terrace ... into a ‘Scottish Tea-room’ style cafe*”
- **30 March**, **Report of Convenor’s visit**,
“Garden Cafe, Nothing has been done about the Garden Cafe and the £12,000 approved because of the possible development. We suggest this should be put on hold until decisions have been made.”
- **April**, the **Director** advised informally that the expenditure had been deferred due to the sharp decline in visitors during a period of tension with Iraq.

6.3.4 Subsequent research shows that there was no clear, authoritative statement on alcohol in church buildings across a range of official and semi-official documents. Act XVII (1932) gives wide discretion to the minister, subject to Presbytery. Weatherhead³⁰ in April 1997 had written inter alia,

“Occasionally the Assembly has passed deliverances which are general instructions, such as a ban on using church funds to provide alcohol. It would have been better practice to pass such instructions as legalistic Acts, but the fact that this has not been done does not affect the validity of the instructions.”

The only other comment stated,

“The Assembly... has recommended that alcohol is not to be served in church buildings”.

Legally a grey area, this eventual compromise, may have recognised the inadequacy of definitive rules and, through use of a vague formula of words, flexibility was maintained and confrontation avoided. However, the need for accountability

²⁸ 5.2.13.

²⁹ 6.2.6.

³⁰ Weatherhead, J., The Constitution and Laws of the Church of Scotland (CofS, Edinburgh, 1997) pp 59 & 131. There is no readily identifiable references in, The Acts of the Church of Scotland; Kernohan, R.D., Our Church- A Guide to the Kirk of Scotland (St Andrew Press, Edinburgh, 1985); Herron, A., Law & Practice of the Kirk (Chapter House, Glasgow, 1995). When the St Giles’ Cathedral Renewal Appeal launched a “St Giles Ale” in conjunction with a local brewery, this did evoke the criticism from the Board of Social Responsibility, “*They have stepped outwith a strong tradition in the Kirk of not seeking to profit from things which are potentially ruinous to people’s*

suggests that there should be at least recognition of the ethical dynamics (or otherwise) of this decision.

Review of ethical considerations

6.3.5 The methodology of finding a solution itself raises several ethical issues:-

- The time taken in five formal meetings (numbers attending ranging from 7 to 20) over four months to consider an item of expenditure involving a loan of £12,000, (in the context of some £36million of investments and £3m p.a. of expenditure). In terms of stewardship this seems a extravagant use of the resource of time of paid and unpaid individuals alike.
- Throughout these discussions, the financial viability of the proposal was never challenged, nor questions raised on the scale of mark-up/net profitability.
- The major switch of seeking a grant, not a loan, met no opposition. Consequently, no performance measures were introduced to monitor financially projections against actuals.
- The description of what was intended, changed progressively between meetings, from “bar” to “garden service”/ “cafe” to “Refreshment Area” and back to “Cafe”, although the substance of the request did not. Hence, there was a conspiracy of self-deception, to find a formula with minimal objectors. This referred to a “table licence” though such a document is not legally required in Israel, where the cultural issue of public consumption of alcohol is different from that in the UK;
- The significant advantage, the desirability of encouraging non-residents to enter the Centre by affording the opportunity to offer a form of ready hospitality, was not discussed at four of the five Committees, then, paradoxically, only to conclude that the bar should be restricted to residents only. As the Director subsequently pointed out (in interview) the outcome was a compromise that allows a potentially anomalous scenario. A non-resident CofS member (a first level stakeholder)³¹, visiting from another hotel, if requesting a beer at the bar ought be refused, while

lives, such as gambling and alcohol” Life & Work, May 1999, p4

³¹ 5.3.8

any resident, of whatever faith, (a fourth level stakeholder) could be served;

- The Director also commented that the issue of past rowdiness arose in the time when SGC itself employed several young volunteers whose conduct had been an on-going cause of embarrassment. In his view a more appropriate outcome would have been to delegate to the Director, or the Hotel Manager discretion on who could be served alcohol. This could have created flexibility and a sense of local responsibility.
- The views of employees, including the morale impact of not proceeding, were never discussed. This may simply reflect tacit acknowledgement at each meeting that, ultimately, the proposal would be implemented. Otherwise, it seems a serious lapse, for any ethical focus requires managers, corporate or institutional, to have respect for those affected by their decisions by considering the alternative implications.
- Debate seeking consensus is a valuable means for Christians to determine ethical conduct. For any commercial entity too, external perceptions remain fundamental to public relations. However, in this instance, “debate” was mostly non-specific. Precise objections were not spelled out, extending only to the concerns of others at possible damage in terms of perceptions among very generalised, or geographically remote groupings such as “Muslims” or “alcohol abusers on Scotland’s West coast”.

6.3.6 At each occasion, to the observer, most of those present seemed in favour of the proposals, as evidenced by positive comments made, or silence. No one expressed personal opposition, only the potential disquiet of others, hence uncertainty as to what would be appropriate. Fears of offence to others outwith BWM, and criticism, particularly at the Assembly when the Convenor would be at the rostrum, were re-stated by him at each. This was heard sympathetically but brought no decision. Perhaps because of the surprising, but known³², absence of alternative requests for funds from the £100,000 (already carried over from 1996) the eventual outcome was, predictably, an approval. BWM had no precedent for providing loans, so it was known too that the funds would be provided as a grant. Anticipating this benefit, those strongest in favour

³² see 6.1.6.

of the SGC were prepared to accept delays, even though these meant that the facility was not in operation during the time when most guests might have used it.

6.3.7 The end result of this lengthy procedure was that, unlike at a commercial entity, neither financial disciplines of repayment nor customer satisfaction were respected. Instead, a formula of words was achieved which based implementation on non-existent external regulation and a hitherto unknown “Board policy” for a unique circumstance. The goal thus achieved was that, if there was ever any adverse comment, the Board could claim to have respected possible objections and made no changes. In theory, SGC’s Director was given no discretion, outside of the “table licence”, albeit very wide in practice, thus, in effect, leaving the Board able to disassociate itself from any such supply should there be complaint. While a workable compromise, ethically, there seemed a circuitousness about the protracted management processes and outcome, lacking transparency and honesty of purpose. It must be questionable whether a Governance function should set rules it knows operational managers will break but the rules allow itself to evade responsibility. In short, the outcome recognised a de facto form of subsidiarity (that powers of decision-making, as a practical necessity, must lie away from the centre) but the process and formal arrangements were the denial of that subsidiarity³³.

6.3.8 Another consideration is whether there could have been an alternative underlying factor to the sensitivity of others. A possibility is that the issue of the provision of alcohol required particular attention because it was concerned with “control” and “standards to be imposed on others”. It could constitute an expression of “power” whereby a few individuals at meetings in Edinburgh could restrict the leisure activities of a wide, international “clientele” gathering in Tiberias. Acknowledging cultural differences and/or the allowance of individual discretion would have diminished this aura of “control by disapproval” of a few over the many.

³³ Subsidiarity discussed, 9.4.18-21.

6.3.9 Mackey compares briefly the Catholic and Presbyterian structures, in the context of ethical control³⁴. He highlights the similarities, despite the seeming contrasts of “imperial to the democratic”. The vague debate may therefore, for some participants, have been about a wish for the Kirk’s premises to be distinctive, a place where “Prohibition” in several ways could be seen to be maintained. Procrastination may reflect a reluctance to give up this opportunity. For others faced, with seemingly complex matters of finance, it might simply have represented a familiar subject on which a personal opinion could be given. But few actually expressed any views, except by silence, assenting to deferral, as the best means of avoiding a decision that might have disturbed consensus. Most significantly, financial desirability, was not stated although for a commercial concern it would have been a principal consideration.

Reflections

6.3.10 Superficially, the process was an open forum, with the five meetings allowing freedom for clear dissent, had it existed in any strong form. From a different perspective trying to respect a diversity of views, including those of persons not present, may become an extravagance, encouraging indecision, until a caveated compromise can be reached through a form of fatigue. By contrast, a converse problem of some meetings in hierarchical organisations arises where persons are present but their opinions are not. Then the wish for consensus speeds decision-making with little detailed discussion as, consciously or sub-consciously, attendees suppress their own reservations to conform with what they assess to be the conventional view, often expressed by the chairperson. Disagreement is subtle to avoid the appearance of dissent. A senior executive’s early observations could then become profoundly influential to the majority view, with the combination of patronage and hierarchy effectively stifling useful debate. Without constructive opposition there is the loss of both re-vision or refinement in planning for change.

6.3.11 SGC’s bar “debate” was a curious combination of the problems of both types of

³⁴ Mackey, J.P., Power and Christian Ethics (CUP, Cambridge, 1994) p 26ff

approach to meetings. The Convenor partially attempted the second approach, making clear at each meeting his own reservations on behalf of other stakeholders³⁵. While no one would challenge the Convenor's right to continue expressing reservations, this was not accepted as sufficient grounds for refusal of either moneys or permission. The alternative to the status quo was for SGC to introduce a new and restrictive "temperance" policy but this would have generated major opposition, even ridicule. The overall result was stalemate and the sense -- as for the whole Development -- that any initiatives create awkwardness by disturbing existing compromises.

6.3.12 With the other approach, particularly in debates concerned with ethical issues, it is clearly problematic when those at meetings may express concerns, or speculative assessments thereof, which they themselves do not hold but which others conceivably might. As the persons are not present who, allegedly, have these reservations, it is impossible either to ascertain their strength of feeling or to persuade them of the majority view. Indeed, the minority view may not exist except as a hypothesis. Thence the only consensus available to those present is for deferral. Opportunities actively to manage change are thereby ignored. Fear, rather than hope or trust, prevails for it is easier for volunteers to avoid the risks of criticism than have the courage to depart from existing practice.

6.3.13 By its culture the CofS has a strong preference for consensus among its voluntary membership, or wider "stakeholders". This may seem a means of ensuring ethical decision-making. However, clear practical difficulties emerge whenever that consensus includes extending to putative stakeholders, unable themselves to contribute because of their numbers; range of views and even that they are not aware that they are being construed as stakeholders.

6.3.14 With the bar, an outcome was eventually achieved but in a way which was very inefficient of the time of those involved, hence frustrating. Arguably it was an abuse of

³⁵ on the Convenor's dedication see 6.2.12.

the resource of time, for which the CofS has no methods of accounting. The 'Ethical Analysis' too may have seemed a protracted process. However, although taking many months, its principal merit was that polarised argument never brought a resignation and everyone could feel their opinions valued. Volunteer Board members could all continue to work together. The over-riding ethical factor that emerges is the need for the tensions to be recognised and openly explored but not to excess. Dissenting views need to be respected but extended opposition, without clear focus, risks alienating others. If such dissent is perpetuated, many will find cause not to attend rather than hear re-iterated arguments or initiatives will simply lapse.

6.3.15 With ethics, conduct, as product from debate must ultimately be more important than a debate's continuation. Otherwise, talk of change may, insidiously, become a substitute for implementation. Yet, as Newlands suggests,

*"theologians and churches have long succeeded in building into their operating structures a kind of immunity to the prospect of change. The language of change is easily assimilated and repeated, at a stroke cutting out the need for any real re-assessment or re-construction."*³⁶

Pursuit of consensus and accountability must eventually end with substantive decisions or lack of courage will stifle creativity and tolerate poor stewardship. The next chapter will try to determine the extent to which this may be an inherent problem at church-based charities.

³⁶ Newlands, G., Generosity and the Christian Future (SPCK, London, 1997) p13

APPENDIX A -- ANATOMY OF THE DECISION PROCESS

Principal Formal Meetings relevant to the progression of the SGC Development 1996 -1999.

Description of Abbreviations and status of Committees/groups

MENA:- Middle East & North Africa sub-Committee of BWM.

Finance:- Sub-Committee of BWM that considers expenditure.

MEAG:- Middle East Advisory Group, three member delegation of October 1996.

ETWG:- Edinburgh Tiberias Working Group, MEAG re-constituted with Convenor, Vice-convenors and various co-options

Executive:- Convenors of all BWM's sub-committees, Convenor and vice-convenors

Israel Executive:- Those involved with management for BWM in Israel (as opposed to Presbytery of Jerusalem which deals with more 'ceremonial' matters)

Partnership:- meeting with representatives of the Diocese of the Episcopal Church of Jerusalem.

MGII:- successor to MENA and ETWG from June 1998

MDG:- group of 7, with 3 in Israel, set up independently to progress the Development after 9 December 1998. No continuing nominated members of the Board

Date;	Committee	Brief summary of key/new SGC-related matters discussed:
21/3/96	MENA	Report on visit to assess financial management and audit arrangements. Under-utilised assets described and proposal for SGC Development.
23/4/96	Finance	Report as to MENA. Challenge to decide if commercial activities are "integral", "complementary" or "incidental". MENA to co-ordinate.
31/10/96	Finance	Following MEAG visit to Israel, 22-28/10/96, approval of £30,000 for Business Plan.
14/11/96	MEAG	Review of visit and conclusion that "Do nothing is not an option"
18/12/96	MENA	ETWG with parallel TWG in Israel. £30,000 acknowledged
21/1/97	MENA	Conceptual plan agreed in outline for architect with 150 rooms
4/2/97	Finance	No references
12/2/97	Executive	Situation and activity noted with interest. Plans to go to Finance and MENA as soon as possible.
25/2/97	Board	No references
27/2/97	ETWG	Possibility of a new church raised
22/4/97	MENA	Architect's brief circulated and formally approved. Estimates put at \$10 million
19/6/97	Executive	Lengthy report on 'Strategic Planning Decisions' makes no references
20/6/97	Israel Exec	Discussion on the need and use of the terminology for the bar.
5/9/97	Israel Exec	Enthusiasm of the Municipality noted as encouragement for early action

16/9/97	MENA	MENA request that SGC be given a grant from the 1996 Development Fund for the bar. Commitment given to press ahead with the Development
17/9/97	ETWG	review of possibilities and discussions on how to arrange for the Business Plan to be prepared
23/9/97	Finance	Commitment to proceed with the Business Plan and study, with the appointment of an appropriate agent essential. Bar position noted and referred on.
29/9/97	Partnership	Episcopal Diocese of Jerusalem informed of MENA's decision to proceed with preparation of the Business Plan
23/10/97	Executive	Grant for bar approved with the formula of a table licence for residents only
28/10/97	Board	All members urged to take an active interest in the use of the financial resources and reserves of the Board
6/11/97	to 13/11/97	Research visit in Israel discussed issues with all main participants there
5/12/97	Israel Exec	Project team set up aiming to obtain full approval by the "early summer of 1998"
20/1/98	ETWG	wide-ranging review of options. Agreement that CofS will continue in Tiberias so that commitment to the Development of SGC is necessary
27/1/98	MENA	Minutes note the enthusiasm of the Convenor and ETWG. MENA agreed in principle to the Development and to urge the Executive to do likewise. Ethical and the importance of a clear mission agreed
29/1/98	Executive & Board	No reference to SGC. Pre-occupied with internal review and the creation of a post of interim GS
5/2/98	Finance	No reference
10/2/98	Executive	No reference
25/2/98	Executive & Board	Occupied with structural matters
27/2/98	Israel Exec	Describes the progress with preparation of the Business Plan
27/3/98	Executive	Cancelled due to insufficient business
14/4/98	MENA	Presentation of proposals. Estimates of £500,000 pa income at 61% occupancy. Board new moneys estimated at £5million. Need for professional management
5/5/98	Executive	No reference
6/5/98	Board	Presentation as an information item only, but reservation expressed over ethical concerns
May	Assembly	Reference made in the printed and oral reports that substantial Development necessary for SGC.
29/5/98	Israel Exec	Concerns at increasingly negative attitudes being expressed by some senior Board members
11/6/98	MENA	Convenor argues for smaller development and expresses fears that it might "grow away from the Board"

16/6/98	Executive	Vote in favour with 9 for; 2 against and 4 abstentions
16/6/98	Board	Not approved in principle, but agreement to spend £200,000 researching approved by 30 for; 10 against with 2 abstentions
20/6/98	ETWG	Discussions on ways to proceed with the necessary further stages
21/7/98	MGII	The viability (or otherwise) of 48/60/90/130 rooms. Issues of governance and management and of Market research
24/8/98	Executive	Update on discussions and the commissioning of Market Research
27/8/98	MGII	attempts to ascertain the respective tasks of the current committees affecting work in Israel and to propose simplified new structures.
28/8/98	MGII	A further review of options
29/9/98	Finance	Current operating results only considered
30/9/98	Executive	No references
6/10/98	MGII	Critique of revised Mission Statement
21/10/98	Board	Approved revised Mission Statement
26/10/98	MGII	Management issues and approval of revised Mission Statement
31/10/98	SGC Board	
2/11/98	Israel Exec	Arrangements approved
20/11/98	MGII	Market research, funding, finance management
7/12/98	MGII	Rehearsal of presentation. Legal reservations by CofS Trust
9/12/98	Board	Board approved expenditure of up to £5 million and delegated authority to MGII. Vote, 36 for, 6 against with 10 abstentions
7/1/99	MGII	Set up Development Management Group seeking specialist skills. Discussion on whether there should be payment
1/2/99	MGII	Discussion and review of remit for Development Management Group
4/2/99	Finance	No reference
11/2/99	Board	Proposal agreed unanimously that SGC funding be increased by 1% with obligation to use this immediately for "the poor" and that SGC should repay this as a loan.
14/4/99	MGII	Report on discussions with legal advisers, Stewardship & Finance and CofS Trust
21/4/99	Board	Supplementary Report allowing involvement of other Boards approved with 27 for, 3 against and 12 abstentions
6/5/99	MGII	Discussion on involvement of other CofS entities and rehearsal for Assembly
13/5/99	Assembly	After 1 ^{1/2} hours of debate, Assembly approve by a substantial majority
25/5/99	MGII	Discussions on involvement of other entities
June 1999		Establishment of a new inter-board group which subsequently developed into an Israel Centres Committee. The work of this has been monitored but is not discussed in this thesis.

CHAPTER 7: THE WIDER CONTEXT AND EVALUATION OF ISSUES FOR CHURCHES

7.1 TRIANGULATION WITH PARALLEL CULTURES OF ECCLESIASTICAL MANAGEMENT

Introduction

7.1.1 The purpose of this chapter is to extend ethical evaluation and reflection beyond the 'Ethical Analysis' in chapter 5 or the minutiae of specific decisions in chapter 6, by exploring these in a wider context. This parallels the role of chapter 4 with the Theodosian Code in providing a perspective on Basil and the Cappadocian bishops. The first of two studies in 7.1 is by reference to public pronouncements concerning another CofS Board. This material was supplemented by correspondence and informal interviews with leading participants as the Board of Communication ["BofC"] attempted widespread changes between 1996-8, until curtailed amid public acrimony. The second study relies on the evidence of academic research undertaken in Australia, summarising what its author dubs, "Reactive planning in a Christian Bureaucracy".¹

7.1.2 Without attempting a comprehensive 'Ethical Analysis', the circumstances of each will be described briefly, so that major ethical concerns can be drawn out, then compared and contrasted with those relevant to SGC/BWM. 7.2 then draws on published material of searches for trust and accountability at churches challenging whether these have been overly respectful of claims to allow differentiation of sacredness from secular disciplines. 7.3 then reflects on the overall experience of the SGC development and managerial practice concerned lest inappropriate trust and inadequate compromises have perpetuated mediocrity.

¹ Parker, L.D., Reactive planning in a Christian Bureaucracy: An examination of Planning Processes in the Uniting Church in Australia, Synod of Victoria. (Adelaide Flinders University) Working Papers from this research in 1993 were kindly made available by Professor Parker. These are due for publication in 2000.

Experiences at the Board of Communication

7.1.3 BofC has five functions of which three involve income-generating operations. In 1993, BofC had eventually disposed of a chain of eight bookshops which had failed to operate commercially but have since appeared to do so successfully, under independent ownership. It had also been embarrassed by a substantial embezzlement, perpetuated over many years by an employee (who had been subsequently imprisoned) although no internal disciplinary actions were taken. As an interviewee was to comment, *“they couldn’t bring themselves to call anyone to account”*.

7.1.4 As noted with BWM in 1997/8, and as will be seen with ARK in the early 1990’s, the shock of having had to tackle the problems of drift, galvanised those responsible for Governance to initiate radical re-appraisal. Like BWM, pre-1999, BofC too had had many volunteer participants but had reformed itself to the extent that in 1994 it had not only streamlined its membership from 45 to 12 but stipulated that 8 of these *“be laity in view of the commercial nature of the activities of the Board”*. In 1999, even when the numbers were increased to 18, its constitution continued to make reference to the needs for relevant expertise and commercial activities.²

7.1.5 In October 1996 a new Director had been appointed with the expectation of change. In October 1997, it was reported in the CofS magazine, *Life & Work*, that, *“Proposals to re-shape the CofS communications functions will now come before the General Assembly, following publication of a plan which offered jobs to only 8 members of the existing staff team of 31”*.

The article indicated that 12 new jobs were also on offer but the re-structuring would centralise the administration, finance and marketing. The intention had been to proceed forthwith but,

“the plan, framed by a four-man review group of the 12-person Board...created dismay among employees, as well as committees and courts throughout the Church... strong criticism of the proposals from a wide variety of sources resulted in the Board withdrawing the application date for the new posts.... According to a policy statement

² *Standing Orders*, 1999, p19. On clerical representation at BWM, see 6.2.13.

issued to Board staff by the Convenor... the new structure would allow for all existing services to continue and a 'significant number of new services' to be introduced... Working within existing budgets, 'the changes would enable the Board to introduce new technology and create additional resources to develop new forms of communication'. The outsourcing proposals would effectively close Pathway Productions, the Church's broadcasting and video unit, as well as the warehousing and distribution function which currently services Saint Andrew Press, Life & Work and other departments of the Church. Four out of five posts in Life & Work would disappear, leaving only the editor, who would 'buy in' words and pictures from freelance journalists and photographers".

Internal press and design services would also be rationalised.

7.1.6 This article (written by editorial staff themselves directly affected) had made widely-known not only the intended radical change but the antagonism it faced, allegedly because "professional" staff, while aware of the review, had felt unconsulted.³ The previous Convenor at the 1997 Assembly had assured that no radical review would be undertaken without reference to a subsequent Assembly. In September he had resigned, apparently considering his position untenable, to be replaced by Rev.X, who was a member of the Review Group. A statement at the end, noted

"Until becoming a minister four years ago, Rev.X had a career in banking. Other members of the review group included a minister who also broadcasts for a local radio station, a chartered accountant and a retired bank personnel manager".

No specific explanations were offered as to why describing their backgrounds was relevant in a short news item.

7.1.7 The dispute escalated. Not only was implementation postponed but 29 of the 31 staff successfully petitioned the 1998 Assembly for the processes of this review to be examined by an Assembly Special Commission. Having reported in December 1998, being very critical of the 'secrecy' with which the Review Group acted, the Commission itself caused further controversy. Two prominent, independent Board members, appointed only in June 1998 to help "heal wounds", resigned, publicising in

³ Similarly, The Times, 30/7/98 reported a strike of 30 journalists at the Catholic Times and The

the media their support for the Review Group⁴. Its four members had themselves been forced to resign following the Commission's determination that,

"there is no prospect of reconciliation whilst those Board members who were on the Review Group continue to serve."

7.1.8 In early 1998, prior to the Assembly, two members of the sub-group were interviewed twice. One described the problems from a different perspective by letter,

"I got put on the Board 3 years ago (why, I have yet to find out, but let's use as a working hypothesis the idea that it's something to do with using experience) and kept my mouth shut for about a year and just listened, asking the odd question now and then like 'why are you doing x?' or 'what would happen if we did x in a totally different way?' During those three years the combined performance of the five operating units hovered somewhere between just breaking even and heavy loss. The last three years show that we spent close to £700,000 covering losses out of a Mission and Aid allocation of £1million. I would have thought that was cause enough for concern in anyone's book. [The Board of] Stewardship and Finance agreed and started putting the muscle on us to turn things round. We set up a task force of four of us, self included, plus the Director, to see what could be done, and at our first meeting I asked if anyone knew the Convenor's views on our situation and our remit as a task force. Answer came there none - nor in subsequent occasions during the year when I asked. You can see what was coming. We produced our report in the Summer, proposing a quantum leap forward in strategy and a massive and fundamental restructuring to deliver that strategy: 10 out of 12 Board members said 'yes, that'll do me', or words to that effect, and the Convenor said, 'No you've got it all wrong, and if you persist with this I shall resign'. Which is what happened in September, and they asked... to take his place."

7.1.9 The type of question that the Review Group asked were, how could losses of around £160,000 p.a. be justified for Pathway Productions Ltd., a company established for 21 years, which should have achieved a mature reputation and the ability to maintain a leading position in its market. Despite claims to excellence, no mainstream channel had commissioned or used its products for two years; fresh investment needs were substantial while many alternative suppliers were available. Activity was maintained with products being made either without any defined, advance market or as

Universe at the reduction in the number of their jobs to 18

⁴ The Scotsman 8/1/99.

“fillers” -- e.g. work on tourism of only peripheral relevance to the CofS but accepted at a loss to maintain “expertise”. However, it was not clear why the CofS itself needed to own the technical capability or hardware, when high costs and rapid obsolescence required continuous, entrepreneurial investment and innovation. Consolidation and buying in resources when needed would be more cost-effective.

7.1.10 As with SGC⁵, the basic challenge was how to ensure that the employees of such a “subsidised” operation offer choice, avoiding the temptation to concentrate on what they feel the customers should want (perhaps because that is what they themselves find of interest) rather than accepting that customers should decide. The risk, as much as any temptation to set themselves low standards, may lie in pursuing ephemeral, subjective perfection regardless of financial disciplines. The tension in relationship between “patron/financial-backer” and “creative artist” is a universal experience. Church members may be particularly sympathetic to the analogy of the prophet struggling to put across a message, but they act also as stewards. Unrestricted by ‘the tyranny of the timesheet’, creative individuals may, indeed, on occasions transcend mediocrity otherwise caused by cost/time constraints or commercial pressures. But the opportunities for such ‘blank cheques’ are finite and need to be carefully chosen lest individual employee aspirations, if not self-indulgence, is pursued regardless of responsibilities.

7.1.11 With The Saint Andrew Press, half of its income was derived from past royalties, with no track record of adequate new investment in competitively successful titles to fund the future. Distribution costs could be reduced by modern methods but there was no commercial justification for new, expensive investment in a stand-alone CofS capability, merely to start duplicating proven facilities, available elsewhere and without plans for expansion. Although ‘Life & Work’ had been consistently viable, and had recently been re-formatted, it too would need development to sustain its sales as CofS attendance falls. CofS historically had shown an inability to keep up. In short,

⁵Discussed 6.2.32.

without past financial pressures there had been less incentive to evolve. Revolution was now required.

7.1.12 The subsequent Special Commission was not mandated to investigate the appropriateness or otherwise of the Review Group/BofC's proposed solutions only the processes, hence the emphasis on criticising the seeming excessive secrecy, but it acknowledges, "*Drastic action was long overdue at every level: Board, Director and staff*". However, in a later paragraph can be found the root ambiguity of the tensions between Review Group and staff and, ultimately, Commission. One of its criticisms of the former concludes,

"It has been stated to the Commission that the...driving force of the Review was not financial but rather a desire to integrate the organisation...to make better use of staff and resources. No doubt this was part of it, but the Review Group thinking seemed to be driven more by commercial rather than service considerations. This is evidenced in references made by the Review Group to "subsidy by Mission & Aid" and by the hurry to turn the budgeted 'deficit' into a 'profit'.

7.1.13 The Commission's own thinking is then revealed in the conclusion,

*"...the Review Group failed to give enough weight to the **service ethos** of the Department and the interpretation of the Mission & Aid allocation as being a subsidy was mistaken".*

Perhaps this (together with no clear remit) was the fundamental problem, given the financial backgrounds of the majority of Review Group.⁶ Their expectations, their everyday language was different from the culture of both staff and Commission for whom "provision of service" seems somewhat detached from the measurement of "cost-benefit" analysis, or that an efficient service would not have its comparative value defined by the inverse extent of its ability to cover its costs. The pro-active role of the Group, while only volunteers but nevertheless on having found a problem then taking the initiative, may reflect its more Commercial rather than Guardian outlook⁷. At another level it can be seen as the concepts of "**service**", "**stewardship**" and

⁶ 6.4.6.

⁷ as Jacobs(1993) cited 6.1.4.

“**accountability**” in conflict, through lack of definition.

7.1.14 Definition problems were not merely theoretical. The interviewee’s letter⁸ refers to various questions, to which the Group had had to conjecture its own answers.

- *“How much is the Church really prepared to pay for its services?”*
- *“Where’s the extra money to come from if they want to keep loss-making activities in business?”*
- *“What is more Christian -- to keep someone in dead, unproductive work that should have been mechanised or given a decent burial years ago or to get them properly equipped to do the other more useful work that the organisation actually needs to have done?”*

To this list of matters of principle, in discussion in January 1998, were added,

- How do you conduct a radical and comprehensive review while simultaneously consulting with staff in a way which does not disturb or disclose options that prompt premature lobbying?
- How do you inculcate a sense of collective, cabinet responsibility among a group of volunteers whose coming together has been random, and who have neither payment nor future need to feel commitment to a particular group loyalty?
- What are the legitimate powers of a national Board to operate its business between Assemblies?

7.1.15 The Commission did not give practical answers to these specific questions although it did highlight the background culture within the CofS, noting,

*“When the Commission asked about staff appraisal schemes, it was told “that is not how things are done in the Church”. This seems an extraordinary state of affairs...Appraisal is for the good of all and an audit of performance is not generally intended to undermine but to lead to enhancement of staff members’ skills and opportunities.”*⁹

However, it is silent on how this **accountability** could have been possible when BofC, as with BWM, had no history in defining “service” with measurable goals, corporate or

⁸ 7.1.8, dated 13/1/98

⁹ Special Commission 1999, 33/21 para 8.1.2.

individual, which had been explicitly linked into appraisal procedures. It is this flawed relationship between 'service' and 'accountability' which seems at the heart of the problems.

7.1.16 Three anecdotal incidents cited to the researcher are instructive. They concern each an employee, a senior independent cleric and another Board's Convenor. In the first, an employee angrily asked his Board's Convenor, "*why don't you just go away and leave us alone!*", a curious echo of Matthew 8²⁸⁻³⁴ (and parallels) where the sentiment of demoniacs and then citizens of Gaderea alike was to ask Jesus to leave the neighbourhood. It was not that they felt they could validly object to his actions, simply that they were disturbing. So, in a combination of fear and dissatisfaction at change with potential losses to themselves (even though these might benefit others) there was a wish to be left alone. Connivance of paid and unpaid was sought in accepting the status quo rather than seeking improvement. Any party disturbing, questioning this was a threat. Very earliest Christianity involved a great leap of faith and commitment to uncertainty. This contrasts with contemporary ecclesiastical institutions where, it seems, employees expect a "certainty" lacking elsewhere.

7.1.17 Other advice had included, from an influential, middle-aged cleric, the general admonition that BofC should go on spending for "budgets are there to be used". The argument could be interpreted as follows. Parishes should be pressed to give, not be distracted by public wrangles over expenditure which might engender a reluctance to give. If presented with a target, church members would donate to CofS. If signs of maladministration were widely perceived, then overall CofS income would be reduced with individuals perhaps spending on themselves, or offering to another "competitive" good cause. Thus net savings through reducing "costs" might be overshadowed by lost goodwill, thence lost income. Ethically, this defence is sustainable only on the assumption that the action of "giving moneys" is more to be valued than the action of giving attention to their use. For congregations, performing an allotted task (i.e. fund-raising) would be the end of itself, so individual Church members (or employees)

should be discouraged from challenging the appropriateness of collective expenditure, by the centralised hierarchy. While this may seem loyal for the short-term support of the institution, at some point loyalty demands the courage and determination to change wasteful practices. Otherwise, ultimately, longer-term and wider loyalties are corroded.

7.1.18 The interviewee's letter describes the third,

"...the Convenor of a national committee who said to me at the height of the row last October, 'you don't know the mind of the Church...' (always said by people who infallibly know it themselves) '...you can't come in here with your... market economics, you can't change the Church just like this, you don't understand the mind of the Church'. All of the foregoing in one burst of venom. To which I replied... 'I represent a number of people who are also the mind of the Church and whose views are going to be reflected because they're paying your salary'.

Issues of representation; determining the "due weight" to existing and past practices to guide the future service; deciding the appropriate comparative influence of vested interests and the powers of paying laity, all are apparent in such an interchange. These require on-going sifting of issues and discussion which cannot be suppressed. This justifies efforts to include wider church membership in decision-making although it may generate much antagonism in the process.

Board experiences compared and contrasted

7.1.19 A common theme in the situations described at both BofC and BWM is that change was long overdue. In Faith, leaving the complex concerns of the future to the future, is within the Christianity, a deeply respected approach¹⁰. In consequence, innovation, such as at BWM or BofC may be viewed, in some senses, as an individual conceit. But Faith is not an excuse to avoid thinking creatively or courageously by pretending it should be unquestioning. It is about prioritising, not ignoring wholesale.

7.1.20 More disturbing, 7.1.17 represents advocacy of lack of transparency to minimise donor ill-ease. It assumes that a donor's stake is completed with the gift.

Expecting no return, donors should not question, only trust. That is simplistic. Just because some employees, as stakeholders, might resist change, that is no justification for accepting less than what might be achieved with similar resources. There can be ethical objections from two angles. While there might be a short-term argument for not disturbing donors with the facts that past subsidies had enabled change to be resisted, there is a practical Utilitarian case for being open lest disingenuousness damage perceptions of the religious/charitable sector as a whole.

7.1.21 Deontologically from a Christian standpoint, such secrecy is misguided for it fails to envisage either the wider community or even “God” as a stakeholder, whose interests are paramount. While it might be debatable what these interests are, accounts of Ananias’ duplicity¹¹ and of Jesus’ anger at the monopolistic activities in the Temple, condoned by the priests yet disadvantaging worshippers¹², unambiguously condemn lack of transparency over religious offerings by either parties. Church officials as agents should be first scrupulous in recognising conflicts of interest. Then they must minimise these, lest they face the serious charge of hypocrisy, the antithesis of liberality or fairness.

7.1.22 As noted in 1.2.12, Paul acknowledged the reasonable expectations of donors as to independent verification of the application of appropriate stewardship. A difficulty with such situations is the complexity and effort required of explanations. Nevertheless, despite the criticisms of BWM in chapter 6, this time-consuming task is a necessary cost of maintaining integrity, irrespective of also securing goodwill and future offerings. A simple comparison of outcomes shows BWM managed to arrange change more successfully than BofC even though the expenditure was much larger. However, in stating this, BWM’s task was simpler and far less potentially fraught for,

- it was dealing as much with buildings as people;
- the most-affected staff wanted changes;

¹⁰ Matthew 6³⁴

¹¹ 1.2.6

- any redundancies were further in the future and geographically more remote;
- SGC was only one of BWM's diverse activities;
- BWM was under less financial pressure than BofC.

7.1.23 Nevertheless, from comparisons various lessons emerge:-

- Exploring the ethical aspects at all levels helped produce a working consensus, or at least a mutual understanding of intentions. No SGC objector ever suggested that they had not been heard on several occasions. "Secrecy" of a small group was never an issue¹³;
- Exploring ethical issues helped refine SGC's mission from unfocused to coherent and more deliverable¹⁴;
- At both BWM and BofC, an assessment of financial needs and ethical implications should have been on-going and concurrent. Neither took place timeously. The radical nature of proposed eventual solutions which aroused opposition could have been avoided with a progressive evaluation and incremental development.
- Hence, in the planning stages of any initiative, timetables must match operational schedules to the deliberative strategic cycles of a Presbyterian Church¹⁵.
- Confusion as to the comparative roles of Governance and Management seems widespread. Board members do become deeply involved and yet, part-time, such involvement becomes hard to manage;

BofC worked with a Review Group of four which was ultimately proved too small, BWM used groups of varying sizes. These lacked cohesiveness, often seeming inefficient but their changeability may have prevented the appearance of any 'cabal' such as hardened the edges of the BofC dispute. However, the Commission on BofC points to the impossibility of indicating a standard size or solution for such circumstances. One of its key findings was the need to consider the appointment of single, authoritative figure, a CEO, an otherwise alien concept within a Presbyterian

¹² As in all four gospels. See also 9.4.13

¹³ 7.1.7.

¹⁴ 5.4.2 & 6.2.36.

¹⁵ 6.1.2-3.

system¹⁶. At BofC, those with specialist financial and media background skills felt forced to resign¹⁷. While this might be construed as a victory for general, “sacred” values, this was a Pyrrhic victory. By its nature BofC depends on integrating secular and sacred. By contrast the group charged with progressing SGC emphasises banking, finance, construction and hotel industry skills¹⁸.

“Reactive Planning” in an Australian Christian bureaucracy

7.1.24 That the situations described within the CofS were not unique is corroborated by research at a merged Methodist, Presbyterian and Congregational Church. Lee Parker, a professor of accountancy and also church elder, examined, including through observation and interviews, the planning processes in the Uniting Church in Australia, Synod of Victoria. His principal findings were:

- a plethora of committees with multiple agenda and objectives;
- meetings focused on procedure rather than strategy issues; and
- a high turnover of committee membership, with consequent loss of organisational memory and learning curve disabilities.

Additionally he noted:

- an annual meeting too large and unwieldy to be effective in setting priorities;
- a tendency for some skilled “lay” participants to adopt a passive style and fail to use their outside professionalism; and
- *“conservative self-interested tendencies inherent in some resource claims made by various levels of the hierarchy”* -- **Justice** and **self-giving**, negated by the systems.

7.1.25 The components, of what he describes as a reactive planning process, were,

“First, at all levels of the organisation, there appeared to be a suspension of belief that budget deficits were likely to deteriorate and that the organisation was facing severe financial resourcing difficulties. Second, when faced with rationalising programs or taking pre-emptive action “to balance the budget”, the organisation

¹⁶ Special Commission 1999. 33/23

¹⁷ 7.1.7.

¹⁸ Reports to the General Assembly 2000 25/15

tended towards resource decision deferral - opting for continuation of current activities, reliance on "reserves", further discussion of the issue or delegation to a committee. Finally the budget emerged as the only regularly undertaken formal planning mechanism, yet it operated on a short time frame (one year) and was primarily focused upon attempting to trim expenditures in response to the increasing prospect of significant shortfalls in income relative to expenditure."

Such outlooks were the antithesis of creativity.

7.1.26 Parker's interviews with staff reveal widespread recognition that this was unsatisfactory but for different reasons between those financially aware and unaware.

"Some feel that the theological tradition of the "call to service" (embodied in the theology of the covenant) has been seriously diminished in favour of an approach to decision-making that relies more heavily upon an assessment of costs versus benefits - at both the organisational and individual levels."

Hence,

"the concept of the individual, "empowered" to assess costs, benefits, net advantage and make decisions, has once again infringed upon the theological concept of covenant - i.e. the individual trusting in God and responding to His call to action (Often via the agency of the Church). Moreover, "some in the Church are suspicious of the forward planning processes on supposedly theological grounds, believing that the Holy Spirit guides actions rather than the plans made by humans".

7.1.27 For these interviewees, as employee or volunteer, their church commitment was positive in being about community service but also negative in,

"coping with the rate of change in social values, technology, organisational environments etc. For them, the Church has represented a refuge from such societal changes - an unchanging rock as characterised in the Church's concept of God".

Change is resisted and,

"proposed changes may also be perceived as threatening individual autonomy or personal beliefs and values that are important to members of, or participants in, a religious organisation. Then change must be implemented slowly (if at all) and... 'pastored through'".

7.1.28 Parker notes that this mentality concentrates on the preservation of,

"existing spheres of activity, structures and processes" in order to "survive as an organisation". As a result "Annual budgets were being drafted and set in the absence

of strategic operating priorities and therefore tended towards becoming incremental extrapolations of past performance”.

Budget reviews became breeding grounds for deficits and battle grounds as officials fought to retain resources in anticipation of reductions. Community service had become fighting for one's own community.

7.1.29 Another insight is the pre-occupation of the bureaucracy with itself, summarised with a quote from a divisional executive secretary,

“I believe we have developed, and in a dynamic sense are continuing to develop, a structure which focuses on doing business with itself within this building”.

The conciliar structure had become self-serving for the extensive consultation was about talking, not listening externally. Another put it as,

“locked into a bureaucratic way of working rather than emphasising interpersonal relationships.”

The dampening of initiatives was exemplified by complaints at frustration with delays and lack of creativity.

7.1.30 Ironically, despite this inward-looking focus, part of the problem was that the centre had not looked after itself well enough, for it lacked adequate resources for its functions of strategy and planning. Existing financial pressure had curtailed investment in the form of information systems (and staff) capable of detailed, alternative modelling, or to make allocations, except using outmoded formulae. There was a spiral of problems inhibiting innovation and creativity. Senior staff, trained to be parish ministers and theologians, admitted to constraints caused by:

- an absence of managerial skills to cover a broad scope of issues or planning;
- a pre-dilection to engage in the distractions of preaching and parish involvement (for which they had been trained);
- inadequate supervision of “overstretched” staff;
- committee work; and

- an overload devoted to report writing and processing.

It was also noted that,

“With respect to lay staff it was perceived by some that the propensity to pay below market salaries has sometimes led to the recruitment of personnel with less than the required management skills”.

A parallel can be noted here with ARK¹⁹. Although Parker makes no specific reference to any Human Resource Department, it appears a fair conjecture that, as with BofC, SGC, and also at ARK, performance appraisal processes were absent.

7.1.31 Overall, there are sufficient similarities with situations found at BWM and BofC to suggest common grounds. Addressing “Why?” Parker concludes that by its reluctance wholeheartedly to embrace changes in its practices, the Church might see itself as representing a stand against a prevailing trinity in contemporary society of materialism, individualism and immediacy. It is thus differentiated as “preserving a sacred culture” rather than syncretising secular values. A trusting, “stoical” approach is called for, as enunciated by an official who said,

“Let’s not worry about the deficit. What’s important is the work of the Church, and if we go bankrupt, then that’s obviously meant to be. I guess for me, provided that the things that are happening in the Church are appropriate and worthwhile and so on, then the deficit is a non-issue. If things are appropriate, the thing will turn itself around anyway”.

7.1.32 This may be “faith” but to members of churches claiming to be “reformata semper reformanda” there must be profound reservations which ponder, “what if more, or different, reform is appropriate?”. Finance may provide measures and force change but it should not be the driving force. Decisions dictated solely by finance will lack the wholeness and integrity which should be integral to a spiritually-inspired institution. Conversely, decisions dictated by naive trust, fatalism masquerading as ‘sacredness’, that deny the usefulness of a universalising language (like that of accountancy) to point groups towards possible alternatives, also lack integrity.

7.1.33 Parker ends by citing studies in two other denominations and the sentence, *“The findings of the study are also indicative of a sacred-secular divide and the central role of budgeting”*.

This indicates that to probe further the “why?”, comparing finance, accountability and theology may be instructive.

7.2 REFLECTIONS ON TRUST AND ACCOUNTABILITY

Discussion of literature

7.2.1 Attitudes to finance within BWM are ambiguous. Traditionally it has been the Board’s last agenda item. BWM’s Assembly reports refer only briefly to monetary matters, usually ascribing thanks for immaterial amounts. The minute (6.2.4), stating the wish of the Convenor that, *“SGC ... wash-its-face”* encapsulates the hope that it would be neither a commercial success or failure, though lacking an expected rate of return or valuation of the site even this was an indeterminate goal. The dissension at BofC was about the extent to which activities, capable of financing themselves, should be exempted from so doing. Parker indicates the paradoxical. In trying to escape from financial influence by marginalising its importance, a church’s freedom may become limited by pervading, if unacknowledged worries over decreasing income. Consequent internal fights over shares of reducing budgets become a far from liberating experience.

7.2.2 Reliable accounting has an essential role in the development of trust which, by definition, involves an element of vulnerability. While ‘trust’ may lead to familiarity, confidence or co-operation between individuals it requires one or more releasing some form of control and placing reliance on another to act on their behalf. The wordy description ‘risk-taking in relationship’ is indicative of this. Inevitably, trust is neither lightly given nor static but requires periodic checking and re-assurance. As an assistance to this complexity,

“Accounting is a multi-faceted set of technologies. In its constitutional role as an agreed set of measurement rules within which agreements can be made, it may

¹⁹ 8.2.51.

enhance trust. Whether or not this outcome is achieved in practice is likely to depend on securing of ... broader institutional and organisational conditions... ”²⁰

These include procedural fairness, predictability and consistency. Flexibility in reporting may seem a virtue in adapting to each situation, however, in excess it can damage trust. To be useful for decision-making, there must first be substantive agreement between participants on the fairness of the rules in setting the financial parameters for activities and for monitoring these.

7.2.3 While all churches have, at least retrospectively, book-keeping functions, stewardship and accountability require planning on future use of resources, which involve mathematical calculations and thus a degree of precision, however speculative the underlying assumptions may be. Conversely, theological debate about “the sacred” cannot have such precision, even in theory. In studies of the Church of England, Laughlin,²¹ as with Harris²² on the Church of Wales, argued that financial stress was an important factor in increasing clerical acceptance of accountancy and secular management practices. Financial resource shortages may trigger a willingness to acknowledge a “secular crisis” allowing some re-ordering of priorities so that what could be seen as secular solutions are allowed to modify “sacred” aspirations. Until then, churches with membership and financial strengths can more readily “afford” to assert dominance of deemed “purely” religious criteria, allowing perceived absolutes and ignoring the weighted prioritising practices of accountancy.

7.2.4 Booth²³ also notes that, “*the potential resistance of religious beliefs to secular management should not be seen as a simple, one-way, deterministic causal*

²⁰ Seal, W. & Vincent-Jones, P., Accounting and trust in the enabling of long-term relations. Accounting, Auditing & Accountability Journal, Vol.10, no3, 1997, pp406-431.

²¹ Laughlin, R., Accounting in its social Context: an analysis of the Accounting Systems of the Church of England. Accounting, Auditing & Accountability Journal, Vol. 1 pp19-42 (1988)

Laughlin, R., A Model of Financial Accountability and the Church of England, Financial Accountability and Management, Vol. 6 No 2 Summer pp 93-114 (1990)

²² Harris, C., Reform in a Normative Organisation. Sociological Review. New Series. Vol.7, No2 July 1969. pp167-185

²³ Booth, P. (1993).Pp37-67 cited 2.2.4.

relationship". Rather there might be a recognition of the secondary role of accounting, albeit with clear limits on its use. Considering this from an ethical rather than an accountancy perspective, what is less clear is the extent to which any genuinely sacred/secular divide **ought** to exist, particularly if "sacred" constitutes primarily a self-indulgent reluctance to accept the disciplines which go with the relative precision of accountancy as a means of communication. "Sacredness" gives no absolution from being reliably informed nor from attempting thorough interpretation and use of the information.

7.2.5 Any national church is an amalgamation of many individuals with many subtle variations of belief. Arguably it was always thus, for as Goulder²⁴ suggests,

"From as far back as we can trace it (to the 40s) there never was a single united church....There were two...missions...agreed about the supreme significance of Jesus, but they disagreed about almost everything else -- the validity of the Bible, whether the kingdom of God had arrived or not, sex, money, work, tongues, visions, healings, Jesus, divinity, and the resurrection of the dead, for example."

Julian in 361 sought through churches' own feuds the seeds of their destruction.²⁵ Augustine was not immune to applying the raw power of finance to force through doctrinal acquiescence, nor was Basil willing to forego revenues to another see without a fight²⁶. Generally, within communal religious practice there has to be an element of compromise, leading to restraint in rejecting the beliefs of others. The very expression "a broad church" signals a degree of necessary tolerance not found in a sect but holding in tension the potential for long-standing fractiousness.

7.2.6 The very fragile nature of these alliances on "sacred matters" forces two contradictory restraints. Firstly, there needs to be a tacit willingness to "live and let live", wherever arguments can be avoided. There are enough opportunities for dispute on theological matters without wishing, aggressively, to encourage arguments over pastoral practice or resource effectiveness which might embarrass close theological

²⁴ Goulder (1994) p. ix. See 1.2.8.

²⁵ 4.2.9-12

allies, or be seen as hostile towards those where there is a theological truce. Secondly, theological arguments are safer, for convictions can never be proved conclusively, howsoever fiercely pursued. By contrast, financial and management debates are more tangible and decisive. Arguing about theological opinion, however bitterly, may be less personally challenging than taking tough managerial decisions, perhaps requiring redundancies notified in face-to-face interviews. Conclusions, and criticisms, when required may be less scholarly and more invasive of alliances, requiring immediate actions and unpleasant solutions. The nature of theological training may therefore be inherently conducive to procrastination over management issues, ill-equipping clerics for such roles. Notably, both BWM's Management and Governance overwhelmingly drew from such a group²⁷.

7.2.7 Sometimes, as noted by Laughlin et al., dire financial exigencies may force challenges to be recognised. Prior to this, by not having crisp accountancy procedures (which might identify inequalities or potentially painful priorities) such issues may be obscured. This may seem meritorious but it is an important aspect of this thesis to argue that the explanation of "sacredness", does not permit laxity in any aspect of any organisation of religious foundations either through ignorance, arrogance or escapism. Basil's arguments for ecclesiastical self-regulation were to improve state inadequacies not indulge any clerical self-indulgence. Rather "secular matters" should be handled with such adroitness that these complement the principal functions of a church-based entity. Provision of financial information for informed decision-making is a service, it needs to be of a high quality, not as an end in itself but as means of enhancing what may be deemed "sacred" such that the two become seamless.

7.2.8 Pre-occupation with "sacred matters" cannot be an ethically valid excuse for failure to obtain reliable and prompt information in order to make **considered** decisions. Once that information is available, it is equally unethical to ignore it,

²⁶ 4.3.1 & 3.2.61. On Paul and The Collection see 1.2.12.

²⁷ 6.2.14

deferring hard choices. Similarly, an unwillingness to pay for proper advice, (or, more subtly, to curtail salary levels until they are so pared that any criticism of the recipients would be churlish) may be another, invidious, means to avoid proper analysis and appropriate decision-making. These actions may be presented as prudence but, as Parker noted²⁸, they do not necessarily represent effectiveness, -- or integrity.

7.2.9 In short, antipathy to well-managed, financially-disciplined regimes is not a “natural” consequence of “sacredness” but may disguise attempts to escape from appropriate tension, or robust debate necessary to make conscious ethical decisions. Commercial entities cannot escape such disciplines. Only a well-endowed, established charity, exemplified by Trollope’s Hiram’s Hospital, intended to last in perpetuity and without statutory arrangements for winding-up, could sustain such self-indulgence by its management and trustees²⁹. Booth (1993) p64, drawing on past literature, suggests that,

“The dominant ends in such organisations are transcendental, which makes any empirical assessment of their achievement impossible.” But this seems an unwarranted concession to spiritual pretensions.

7.2.10 ‘Impossible’ seems a strong claim for neither Paul nor Basil could resist scrutiny³⁰. ‘Difficult’ seems a more fitting description, but either way, without sophisticated criteria by which to monitor efficiency or effectiveness, this places a compelling burden on those involved with church leadership to be trustworthy in their own accountability.

7.2.11 Booth (1993) p 235 summarised one of his three major conclusions in the following single sentence,

“The dominance of the values of community and democracy, their emphasis on trust and the extreme non-calculable, particularly non-monetary, basis of the

²⁸ 7.1.30. see also 8.2.51.

²⁹ Trollope, A., Barchester Towers (Chatto & Windus, London, 1948). First published in 1857, it is a case-study of similar ethical issues as concern this thesis.

³⁰ 1.2.9-10; 3.2.48 & 3.2.65.

transcendental goals of churches, as represented in sacred functions and concerns, therefore, served as a significant source of resistance to the use of rational, means-end, low trust orientated management control techniques such as accounting, as represented in secular functions and concerns.

However, this view assumes that those claiming “sacredness” actually trust each other more than others. As noted in chapter 3, among the clergy of Cappadocia, distrust, if not outright animosity, seems to have been the prevalent relationship, only countered by reliance on family links³¹. Participation and observation at SGC, supported by the evidence on BofC, suggests that this was not necessarily a situation confined to history.

7.3 BARRIERS TO CHANGING MEDIOCRITY

Discussion of considerations and Reflection

7.3.1 The evidence of this study suggests that the assumption of qualitative, mutual trust within church-based organisations is founded more on theory than practice. Large committees, meeting infrequently, may be suitable to provide governance for periods of stability, transmitting information and giving advice where there is incremental development. In those circumstances, and up to a certain level, there may appear much trust. But where evolution has been stalled, committees may manifest a significant lack of trust, deferring decisions and requiring Commissions to investigate.

7.3.2 However, on another level its arguable that there ever was much trust in such arrangements. A lack of clarity of purpose with impossibly wide goals; a lack of accountability and transparency (despite the involvement of many people) may be evidence not of trusting but of comparative indifference. Large numbers of part-time volunteers may be pre-occupied with other matters and not feel personally answerable. “Trusting” is a pragmatic necessity but it is not a deep trust because the personal risks of loss are low. Donors (and those allocating funds on their behalf) are not risking monetarily anything they cannot afford to lose personally. Employees can be expected to look after themselves and the clerical career structure is far less formal than in larger

³¹ 3.2.53. Gregory(Naz) twice felt that he had been manipulated by Basil. (3.2.61 and 3.2.63)

commercial organisations or other professions. The demands of trust in such circumstances is comparatively low. The result may be mediocrity of quality.

7.3.3 Lovell³² in a comprehensive account of how the Church Commissioners of the Church of England came to mismanage substantial property investments found large committees of busy people were manipulated into accepting practices of dubious ethics. Large gatherings of those with proven business acumen were ineffective. Each relied that others were taking a greater interest than themselves in an area peripheral to their principal career activity. They were willing to be beguiled by the seemingly successful flows of excess profits. Those few who did challenge were frozen out until, eventually, a debacle (estimated at £800m lost) was exposed. Without adequate controls, Management engaged increasingly in higher risks but those responsible for Governance were unaware of the extent of their exposure. Ignoring systems of accountability was not so much a fine example of trust, as collective negligence which allowed mismanagement to flourish.

7.3.4 The findings of all these studies indicate that while churches may be susceptible to weak management and inadequate governance controls, there can be no fundamental theological or ethical justification for this. Although, as Pattison³³ says,

“It will be sad to say the least, if religious groups become unable to witness to anything other than the virtues of the managed, consumer-centred, market-place ostensibly focused on the perceived needs of religious “customers””.

Rather, part of the challenge of Christianity is to,

“promote a vision of human possibility, transcendence and mystery that stands over and against closure and control represented by much management theory and practice”.

7.3.5 But the frustrations and stultification described above in relation to SGC, BofC

³² Lovell, T. Number One Millbank, The financial Collapse of the Church of England (Harper Collins, London, 1997) *passim*.

³³ Pattison, S. The Faith of the Managers: When Management becomes a Religion. (Cassel, London, 1997)

or in Australia are not symptomatic of a transcendent church, nor one which can claim to be much of an exemplar to others. This should not be so. Greenleaf³⁴ outlined the nature of 'service' in different organisations including lectures addressed to Quaker and Catholic audiences under the title "Servant Leadership in Churches". His insights seem very apt. He notes the four essential elements to "institution-building" namely:-

- a goals concept (which only the participants can supply);
- an understanding of both leadership and followership;
- a structure to allow the exercise of power and authority; and
- a need for reliable trustees.

7.3.6 He urges a positive approach while warning against negativism recognising that, *"The reality we need to face...is that it is much easier for a person of goodwill to be negative rather than affirmative. This is not that human nature is preponderantly negative. It is simply that in a negative posture, someone else has defined an issue and taken an initiative that we believe is wrong and all that is required of us is to react against his initiative. And this is much easier to do than it is to define an issue responsibly and take an initiative."* ³⁵

7.3.7 That he suspects that there is a religious propensity for this seems encapsulated in another address on "The Growing Edge Church"³⁶ when he asks how such a church will,

"have a unique chance to rise conspicuously above the level of mediocrity in which so many of our institutions are mired?" (p247)

Mediocrity is defined as,

"anything that is substantially less in quality than what is reasonable and possible with available resources, human and material" He then opines, *"In the Western world I believe that this all too common fault, settling for mediocrity, derives from a flaw that is right at the heart of traditional moral law."* (p247)

7.3.8 He suggests that Moses, instead of ascribing the 'Ten Commandments' to,

³⁴ Greenleaf, R., Servant Leadership -- A journey into the nature of Legitimate Power and Greatness (Paulist, New York, 1977) pp 218-248

³⁵ Ibid p236.

“those higher up”, should have assumed the burden of justification himself and,

“as the inspired man he obviously was”, presented, “the law as a reasonable codification of experience and wisdom, a summary of those sensible rules to guide individual conduct and as a basis for a good society. This would have opened the way for continued growth of the law with further experience and would have made the rational justification of the law always a contemporary concern. The law, thus derived, would still have been essentially religious in the root meaning of religio, to rebound. Human beings are rebound to the cosmos so that, as intellectual individuals, probably estranged by their intellectuality, they can belong in this world and be at home in it.” (p247)

Greenleaf expands this theory noting,

“there may have been two further flaws in the original concept of the law. Most of it was “thou shalt not’s” and they are quite categorical. The few affirmations are general, and conformity with them is difficult to establish. This allows the interpretation that if one obeys the prohibitions, one is virtuous. Then by stating the law as uniform for all persons, regardless of their capacities, rather than placing the greater obligations on the more able, the better endowed persons are relieved of the obligation to measure up to their opportunities and their potentials. This permits many to be seen as law-abiding when, in fact, their performance is far below what it might be”. (p248)

7.3.9 Paradoxically, Greenleaf’s criticisms of ‘Moses’ (as he sees him) become justified when, with the benefit of recent Biblical scholarship, it is possible to see that it was Greenleaf himself who was in error, attacking a myth. As Johnstone³⁷ points out the Decalogue -- ten words -- was not wholly negative and was only intended as the minimum. The Decalogue begins with a statement as to the being and action of God, not human duties. As with the ‘rules’ compiled by Basil³⁸, Moses as ‘lawgiver’ appreciated that, with ethical matters, broad principles which then have to be applied sensitively in a myriad of circumstances, are appropriate rather than the provision of definitive statutes or detailed commands. What Greenleaf rightly challenged was a human predilection conveniently to interpret these principles legalistically, thence to

³⁶ Ibid p246-8. On the theological arguments for Mediocrity in churches, see 4.4.4.

³⁷ Johnstone, W., *Exodus* (Sheffield Academic Press, Sheffield, 1990) pp90-99. Professor Johnstone kindly showed me the proofs (pages 54-56) of a forthcoming commentary which explores this further concluding, “Perhaps these alternative possibilities simply underline the fact that the Decalogue expresses principles applicable in a great variety of circumstances”

³⁸ 3.2.31

aspire only to minimalism. Consequent results of such negativism, in awareness of dissatisfaction and unhappiness, is well illustrated by Tolstoy³⁹,

“To live with the sole object of avoiding doing evil so as not to have to repent is not enough. I used to do that -- lived for myself and spoilt my life. And only now, when I am living for others -- or at least trying to...only now do I realise all the happiness life holds.”

7.3.10 This mirrors the observation of 2 Cor 9⁷ that God loves a cheerful giver, marked by neither reluctance nor compulsion. The fundamental problem occurs when the exercise of self-giving is overly bound up with fulfilling duties, thence inciting personal fears over judgement. Excess concerns of whether or not the giver is doing “right”, or, more sharply, whether or not the donor will be judged ‘fairly’, encourage caution. In so doing, this focuses more on self rather than on others, thus distorting the fine balance between giving and receiving. Fears over fairness for self may obviate the search for fairness for others.

7.3.11 The personal liberation of enjoying liberality may be lost through this fear. Accountability has become negative not positive if it means risks are avoided. The need is for individuals to have an intimate sense of being accountable to God but this must be in a personal and trusting way rather than a mechanistic or legalistic concern with rights. It must be based on a joyous, loving desire to give, with confidence of God’s Fairness and Grace rather than holding back through fear and expectation of criticism. Within an ecclesial bureaucracy, minimalist solutions, altering as little as possible of the status quo, may seem safe and least troublesome for both others and self but thereby fear may prevail over fairness.

7.3.12 Perfect understanding, perfect harmony is not possible for humanity. The strength of Basil was his restless dissatisfaction and knowledge of the ultimately inadequate, provisional nature of the arrangements he espoused yet simultaneously

³⁹ Tolstoy, L.N., *War and Peace*, tr. Edmonds, R., (Penguin, London, 1978) p449 debate between Pierre and Prince Andrei.

combined with the satisfaction and the joy of what he was doing⁴⁰. His rules were there for guidance and thinking adherence. He himself would compromise but he was aware that he was compromising and doing so confidently -- with faith that he was attempting the best in imperfect circumstances. With an awareness of forgiving Grace, he saw change as an opportunity not a threat.

7.3.13 Greenleaf seems to be seeking this sense of aspirational in contemporary church leadership for he concludes with the challenge,

*“I have tried to delineate the **servant** as one who meets the test of a higher law whose requirements of both persons and institutions are proportional to their opportunity to serve.....**Will not the growing edge church become the chief nurturer of servant leaders, institution builders for the future?**”⁴¹*

So this study now turns from the cautious but frustrating organisational arrangements described above to a different model, that of a social business, adopted by ARK HA and others in the UK, particularly since the late 1970's. There the sense of 'ownership', albeit neither legal nor beneficial, appears at least superficially to provide a means for Christian groups to demonstrate their concerns for liberality and fairness, in practice, but with a different form of accountability to those of established churches.

⁴⁰ 3.3.

⁴¹ Greenleaf (1977) p248

CHAPTER 8: THE HISTORY OF MANAGEMENT AND RESPONSES TO CHANGE AT ARK, 1977 TO MARCH 1997

8.1 INTRODUCTION

Themes and format of Chapters 8, 9 and 10

8.1.1 An established ecclesiastical structure formed the setting in which the issues relevant to the management of change at SGC were explored in chapters 5 and 6. Chapters 3 and 4, then 7, reviewed a spectrum of embryonic and traditional models. By contrast, ARK Housing Association researched concurrently, is a charity legally separate from any church, albeit in origins closely connected with one congregation, an active, independent Baptist church in a middle-class area of Edinburgh.

8.1.2 Initially the dynamism of the latter seems to compare favourably with the ponderous “due-process” of the former. Circumstances and conditions enabled ARK, starting afresh, to avoid the delays of protracted incremental change and so to jump directly into the form of a social business, defined as

“an organisation managed in a business-like fashion, which delivers a product or service with a specific social content meeting community needs”¹.

Superficially it appears an attractive model for how, in future, not only religiously-motivated charities or VNPO’s might operate, but commercial ventures too². As with the Cappadocians, this seemingly new breed of entity appears as a possible paradigm shift.

8.1.3 However, as the next three chapters will demonstrate, and with clear echoes of the dilemmas faced by the Cappadocians, neither a fresh structure nor entrepreneurial flair provides any longer-term removal of the tensions found in the ethics relevant to

¹ Definition quoted by Sir Robin Butler, then head of the UK Civil Service, in the Newchurch Lecture Series, 1996, p 5, when considering accountability within public and private sector provision.

² Sadler, P. *Leadership in Tomorrow’s Company* (Centre for Tomorrow’s Company, London, 1999) draws on an inclusive sense of shared vision and values, and relationships of mutual trust with stakeholders, such as a social business could expect to engender.

the management and governance of Christian charities as they face internal and external change. Yet it is possible to describe apparent success, certainly explosive growth. Statistically, within twenty years, ARK had transformed a congregation's intangible sense "that something must be done" into an organisation providing continuous care for over 350 persons with learning disabilities; to employ around 500 and have 38 projects across the East of Scotland. Financially, by 1999 it managed property valued at over £20 million and income of £8 million p.a..

8.1.4 Given its genesis in a Christian congregational setting, with ARK itself repeatedly citing an ethos of "*love, care and concern*", the hope might have been for a narrative with an underlying theme of harmony, continually replicating itself in the same mould. In reality, creative tension was accompanied by deeply damaging dissension. After pioneering initiatives, evolutionary development fell behind. Management faltered under the pressures of expansion, unable either to sustain innovation itself or incorporate best practice from elsewhere. Despite high motives and good intent, the system of governance, proved inadequate. Long-term, constructive relationships internally and externally either failed to form, or became corroded. In September 1996, immediately before commencement of this research study, external Regulators graded the organisation with 'E' out of 'E' for 'Management Committee Control and Accountability' and 'D' out of 'E' overall, with the indictment "*...failing to meet Performance Standards in many areas of its work*".

8.1.5 This chapter is therefore a narrative describing both success and failure. Ethically, there had been achievement. Through **courage**, self-giving **service** and prudent **stewardship**, there was demonstrable **creativity**. **Justice** for others, was pursued and found. While these might have seemed sufficient for the conduct of any charity, crucially there was a consistent lack of **accountability**, of candid analysis and constructive criticism. Without proper communications, the communities which formed under the title, ARK, did not achieve a collective sense of shared interests and

responsibilities, so leaving individuals feeling isolated and embattled rather than supported.

8.1.6 Seeking a 20-year perspective may seem unduly long but thereby trends can be discerned. Disturbingly these include similar patterns of recurring weaknesses. The fact of their repetition is pertinent in the identification of systemic ethical issues. It raises questions as why arrangements in widespread use elsewhere, like Audit Committees and external consultancy assessments, proved ineffectual. Moreover it was over time that the quality of the product/service that ARK offered to those disadvantaged (for whom it had at the outset been a champion) became more linked to what the organisation could itself offer. This was not a sudden phenomenon nor was it necessarily apparent contemporaneously. Instead, progressively, an overly centralised management culture lost the benefits of collective wisdom and initiative so that organisational motivation deteriorated

8.1.7 8.2 provides an historical narration of ARK's management between 1977 and 1997, derived from internal minutes, reports and correspondence, as supplemented by interviews with significant direct participants. Interweaved with the descriptions is a commentary noting how the practice of ethics came to vary from the stated ethos. 9.2 and 9.3 provide triangulation through the summarised findings of interviews with interested third parties and referring to related research. A specific theological and ethical reflection is set out in 9.4. In particular, the analysis tries to tease out Christian interpretations of the concepts of "meekness" and of "accountability". These have significance for a view of "ownership", hence of the management and governance functions, which feature further in Chapter 10. An overall conclusion is that, had an ethical focus provided a greater emphasis on subsidiarity and less on recrimination, it might have promoted a spirit of openness, forgiveness and shared learning. If the organisation's power had been controlled and deployed for greater co-operation this

would have enabled innovation to continue, from which society and all of ARK's stakeholders would have benefited.³

8.1.8 Chapter 10 then explores unpredicted and difficult challenges encountered while implementing change. It concentrates on the ethical aspects of two which were faced between 1997-9, when, after the Regulator's report, more revolutionary change needed to be implemented. The qualities identified in Chapter 1 are re-examined before concluding with brief comments on Basil's concern over the relationship between 'Sacerdotium' and 'Imperium' as demonstrated by ARK's current situation.

8.2 ORIGINS, PHILOSOPHY, MANAGEMENT & GOVERNANCE, 1977 TO 1996

Origins and comparison with L'Arche

8.2.1 There is a unanimity of memory that, in 1976, individuals with the common feature of membership of Morningside Baptist Church ["MBC"] became concerned at the homelessness of a fellow member of the congregation. A relatively young woman, Miss Katie Higgins, had been released from formal care because of the need to look after her mother, whereas she was herself to need support because of her disruptive behaviour.

8.2.2 Many of the early meetings were in the house of Mr.&Mrs.A. Mrs.A, a trained solicitor, was then in her early thirties with a young family. The domestic setting, the fact that these meetings were subsequently described as, "around their dining-room table" was to become symbolic of the A's quasi-propritorial role and influence on the controlling cultural myths at ARK over the next twenty years. But, as the promotional literature prepared by ARK in the 1980's was to point out:-

"In their resolve to help, and in the ensuing discovery of many others in similarly unfortunate circumstances, Scotland's first specialist housing association for

³ Osborne, S.P., *Voluntary Organizations and Innovation in Public Services* (Routledge, London, 1998) is the first major empirical study of the capacity for innovation in the provision of public services. While not as significant as often asserted, nevertheless 'being innovatory' is widely seen as a core characteristic of VNPOs. Its perceived absence is a negative factor in the interdependence between voluntarism, business and organisations.

people with learning disabilities was established. After officially registering with the Housing Corporation in 1977, a group of volunteers began the work of establishing the first ARK project in Dalhousie Terrace, Morningside, Edinburgh. This home for 9 adults was opened in 1979. The success of the Dalhousie Terrace project confirmed the motivation behind ARK and provided a springboard for future projects."

8.2.3 The name, ARK, was anglicised from the "L'Arche", used by the French-speaking Jean Vanier to describe the small communities, designed to include those with learning disabilities, which he had pioneered since 1964. Vanier is a Catholic. As members of a Baptist church, ARK's founders came from a consciously Protestant tradition but they sought overtly to acknowledge their inspiration in the name. Both the needs and the example transcend denominationalism.

8.2.4 At L'Arche, equality of value before God whatever an individual's mental awareness, is implicitly affirmed by the lifestyle adopted, that of "*faith communities and professional centres for people with handicaps*".⁴ In this, Vanier himself, in his wide writings, acknowledges the influence of the Beatitudes and also the deep ambiguities and tensions inherent within what the communities seek to achieve. In L'Arche's contemporary publicity material the religious influence is simultaneously explicit yet subtle saying,

"L'Arche communities, founded on relationships between people of differing intellectual capacity, social origin, religion and culture seek to be a sign of unity, faithfulness and reconciliation. Home life is at the heart of a L'Arche community. The different members live, work, pray and celebrate together, sharing their joys and their sufferings and forgiving each other as in a family".

Christian motivation is assumed and all levels are expected to participate full-time in enhancing the lives of each other.

⁴ Vanier, J., *Be Not Afraid* (Gill & Macmillan, Dublin, 1976 and 1993) reproduces various spoken presentations from the early 1970's reflecting on the fundamental spiritual inspirations for Vanier, including both anger at injustice and fear of the extent of self-commitment.

Vanier, J., *Community & Growth* (Darton Longman Todd, London, translated 1979, revised 1989) is a written meditation on his development and experience of communities.

Spink, K., *Jean Vanier & L'Arche - A Communion of Love* (Darton Longman Todd, London, 1990) is an independently-authored, mixed history and biography

Vanier, J., *An Ark for the Poor - the Story of L'Arche* (Novalis, Ontario, 1995) is a personal account of the history and difficulties of establishing and developing the communities. Quote, p104

8.2.5 Despite this inspiration, the example of L'Arche was not adopted wholesale, which, given the indirect linkage through name, brought a written protest from L'Arche as to its similarity⁵. Perhaps symptomatic of an already aggressive determination to independence, a decision was made to ignore the protests and keep the name. This apparent usurpation, separate identity, and subtle variations in ethos outside of an established federation, are significant. In interview in 1997, another of ARK's principal founders, Rev.B (its first chairman and the pastor of MBC) explained the intention, namely a clear wish for ARK's projects, or community houses, to belong to the wider community, not of themselves to be individual communities⁶.

8.2.6 There were three major differences. With hindsight, each contributed to a subsequent slackening of ARK's hold on its Christian foundations:-

- Firstly, ARK's carers did not live as part of the community houses. They might live nearby, or its wardens occupy adjacent accommodation, but the distinctions between cared for and carers were more explicit than at L'Arche. ARK was thus more formal and hierarchical. While ARK's method sought to be less exclusive in distinguishing membership, it was, paradoxically, more exclusive, even "paternalistic", in differentiating between supported and support providers. In retrospect, "giving" of "compassion" took precedence over "receiving";
- Secondly, although Bible study or prayer-meetings might, and did, take place in some ARK projects, religious activity was not necessarily an integral part of daily, or even weekly, routines. By 1997 it was unusual in all but the oldest projects;
- Thirdly, while L'Arche is not itself part of an established traditional ecclesiastical order, it had closer affinities than ARK to the centuries-old disciplines of such orders. It could be said of L'Arche,

⁵ ARK archive. Letter, 17/7/77 from Rev T.K. Hollis, then L'Arche's London secretary, to Dr J Tester of ARK.

⁶ A idealised third way seems advocated by Hauerwas, S., Suffering Presence: Theological Reflections on Medicine, The Mentally Handicapped and the Church (T&T Clark, Edinburgh, 1988) whereby creative ways are found within wider Christian communities so to incorporate those that are "disabled" that the label is removed. Help is then given without any sense of discrimination. The overall aims are as Vanier's.

“it betrays its youthfulness and its nervousness about more tried and true forms of communal organisation which are basically contained in the structures of religious life..... but the fact remains that its structures take an enormous amount of time and energy and are not necessarily more sensitive to people’s needs, nor more flexible or charismatic”,⁷

If true of L’Arche, this was potentially the more so of ARK.

Philosophy, Governance and Management from 1977 to 1986

8.2.7 ARK was in many senses experimental. It was an early part of the now well-documented paradigm shift in the way social services are delivered⁸. While it had a legal constitution it was without experience of, for instance, tested constitutional processes for changing leadership, such as established churches and religious orders have honed through centuries of practice.

8.2.8 In that ARK’s purpose came more deliberately from its provision by one group (MBC members) for the needs of another (those with “special needs”) rather than satisfying the religious/disabilities needs combined, it saw as part of its purpose also, unambiguously, to proclaim the Christian bases for its Mission. As at 1996, statements of its philosophy, were still formally placed ahead of the Mission statement, as follows:-

- *Christian Compassion expressed by love, care and concern, illustrated by the teaching of Jesus Christ. This means that ARK’s roots are in the Christian Faith, having been founded by a group of Christians in Edinburgh. ARK requires all who are involved with the Association, in whatever capacity, to respect and work within its stated philosophies, policies and procedures.*
- *Community responsibility in that the local community should be involved in the setting up and continued support of the projects. The local committee is seen as important within the structure of the Association.*

⁷ Spink (p186), citing a priest from one of L’Arche’s communities who had had experience of a long-established order.

⁸ The literature on this is extensive. Exworthy, M., & Halford, S., Professionals and the New Managerialism in the Public Sector (Open University Press, Buckingham, 1999) and Horton, S., & Farnham, D., Public Sector Management in Britain (Macmillan, Basingstoke, 1999) are two recent additions which cover key developments and changes between 1979 and the late 1990’s. The latter is particularly concerned with the importance of accountability within reforming democratic institutions. More broadly the issues underlie much of the debate concerning the political approach termed, The Third Way (see 10.6.1-2).

- *All ARK's supported tenants with a learning disability share the same basic needs, rights and responsibilities, have the same human value and are entitled to the same consideration and respect as other people in society.*⁹

8.2.9 The formal abandonment of this statement, in 1999, will be examined at 9.5 Suffice to note here that seemingly subtle changes did occur. For example, in the early 1990's, it had also included that,

"ARK continues to receive spiritual and practical support from the Church, whilst recognising a variety of religious preference in its employees, residents and volunteers".

In earlier literature too, the origins at MBC had been emphasised, indeed it is not entirely clear whether "Church" meant that specific congregation, or the Church Universal. The reduction of this emphasis in the mid-1990's may reflect an increasing ecumenicalism as ARK expanded outwith MBC's catchment area. However, about this time the Mr.&Mrs.A moved from Edinburgh also changing to Church of Scotland membership. Their relationships with the founding chairman, Rev.B which had deteriorated in the mid-1980's, sharply worsened for reasons other than ARK. The significance of noting these seemingly minor points is that they illustrate how the anchorage of a venture such as ARK to an originating church may slip with time.

8.2.10 Another part of the philosophy which, progressively, received reducing emphasis was the role of the Local Committees ["LCs"], originally styled "House Committees". For example, publicity material in 1992 stated,

"ARK establishes and encourages a local committee of volunteers in each area where there is an ARK project, and it places great emphasis on the role of the volunteer" .

By 1994 this had been dropped. Increasingly, in the 1990's the costs, time and ability to service LCs was being questioned. As the organisation gradually spread

⁹ ARK archive.

geographically, the intention (hence need) to improve relationships with LCs became a refrain throughout MC minutes¹⁰.

8.2.11 Although Mrs.A's dominance in both management and governance, may appear criticised within this history, at the outset she was to prove a formidable fighter for the cause she espoused. In 1977, lacking precedents, neither Local Authorities nor their Housing Departments, were alert to the possibilities for specialist housing for those with learning disabilities. Combining tenacity and legal skills, Mrs.A cajoled the then Housing Corporation, Social Work Departments ["SWDs"] and Health Boards that since financial resources could be allocated, even though policies were not formulated, they should re-interpret existing policies and procedures to enable projects 'to happen'. "Ten-person community houses" emerged as what was achievable with the resources then available. These were to become standards of accommodation for ARK. As 9.2 will describe, by the 1990's these were to be seen as overly institutionalised, too large to enable individual choice, but in the early 1980's they were the product of **creativity**, **courage** and determination.

8.2.12 Within the emerging ARK, four key areas of **service**, promotion, finance, technical support and legal/administration divided relatively easily among the volunteers. Strategic development, and its external presentation, over the first nine years was undertaken by Rev.B, a charismatic individual with a technological and commercial background. His motivation, to deploy his skills outwith the confines of his immediate church activities, and then beyond Edinburgh, reflects a theological perspective instructive as to ARK's formative inspiration.

8.2.13 At research interview, his account of ARK's origins started before Mr.&Mrs.A's dining-room table¹¹. For him, ARK's conception came from his personal sense of **helplessness**. One Saturday night the police had phoned, as on a number of

¹⁰ refer 8.2.38 to 8.2.43.

¹¹ 8.2.2

previous occasions, asking that he collect Miss Higgins, who had been arrested for causing a public disturbance. The obligation on him was that she was a member of his congregation, albeit disruptive of his conduct of worship. As another member of MBC recalled, she had a penchant for setting-off her alarm clock in church.

8.2.14 For the first time, Rev.B refused this police request. He felt unable to impose the disruption once again on his family and himself. This was a practical decision but with a spiritual dimension, namely the compulsion, if not actual necessity, to refuse a request for help from someone in need. While personal, it is indicative of a tension within a Christian minister's individual responsibility, if not overt accountability, to four distinct community dimensions, namely:-

- the pressures of “fair” demands on self and family in conflict with expectations of,
- the immediate congregation, including to Katie Higgins as a member;
- wider Christian congregations; and
- society, as represented initially by the police.

8.2.15 At next day's service, he shared, within his sermon, the dilemma of whether he was right or wrong to have refused. In essence, **he chose to be accountable for a perceived weakness** and thereafter invited those who also felt challenged to meet in the vestry. Some fourteen came. 'Finding a practical response' was to be a theme he was to promote while ARK's chairman. This he did at public meetings, at evenings and on Saturdays, in varied locations throughout the East of Scotland among prospective LCs for new ARK projects. He described the message as being the same at each place, *“I don't know if the door is open or not but we can both try leaning on the door”*. It expressed solidarity, while making no promises.

8.2.16 In origin, therefore, ARK was not driven only by a compulsion, for MBC's members' own sakes, to provide examples of Christian good works or morality. It was from the sense of being accountable, of vulnerability in admitting that reserves of

tolerance and human empathy seemed exhausted. That is not to say that ARK was founded on guilt¹², rather constructive remorse, a frustration with human condition and its inability to provide comprehensively for others. Public acknowledgement of this weakness called for collective strength to meet the task. Co-operative working provided a solution. Certainly ARK, as a vehicle for service to those who were homeless and with learning disabilities, was also concerned with seeking justice for others, **but primarily it was moulded by compassion, humility and co-operation.** This was a message with which others could sense rapport. Local communities elsewhere welcomed ARK representatives, despite coming from distant Edinburgh, into a leadership role to help them to develop projects to meet their own local needs.

8.2.17 Financial matters were managed by a qualified accountant working unpaid. So too with technical support. An initial decision was made that the new enterprise should not incur monetary debt, lest subsequent failure damage those dealing with it on a commercial basis. This was seen as responsible **stewardship** on behalf of the community. While donated professional services could be accepted, as from architects, which might represent hopes of future paid work, that was neither implicit nor guaranteed. The voluntary principle was integral to the start of ARK, with neither contractual nor implied commitments for any donors.

8.2.18 Mrs.A was involved in the administrative functions, manning the "office" particularly when Rev.B was committed elsewhere, then, with her legal training, assisting in discussions on the implications of the 1974 Housing Act. Progressively, successful developments required voluntary involvement to be co-ordinated. From 1/6/79, Mrs.A was appointed as "The Director" for 20 hours a week, initially for one year, on a small salary, plus discretionary bonus. From unpaid voluntary; to quasi-voluntary, then salaried, the post grew, as did the need for office premises and other full-time staff. By April 1984, the Director had become full-time, with a salary of £11,500 p.a. plus pension, holidays etc..

¹² Luke 5¹⁶ provides a precedent in Jesus' need for personal respite from caring.

8.2.19 Two paragraphs from the detailed job description¹³ require comment.

“the Association has a Christian motivation and awareness of that origin and dependence upon the Grace of God characterises the members of this Committee.”

“A system of annual appraisals is used in the organisation. This is intended to give each member of staff the opportunity to consider his or her own performance, job evaluation and expectations and to share these with their immediate superiors. The Director will be given this opportunity also by the Management Committee.”

Whatever the linkages between the two statements, it is one of the most pertinent facts to this history of ARK's management that, between 1984 and 1997, no formal appraisals of the Director took place¹⁴.

8.2.20 The constitutional model of an independent, overseeing management committee was required to conform with the regulations of the development funder, The Housing Corporation. Requirements, standard for local co-operatives and large, diversified associations alike, are summarised in the Guidance note of December 1991 of its successor, Scottish Homes [“SH”].

“The Housing Act 1980 introduced legal measures to prevent the possibility of committee members, officers and staff of registered housing associations which are also Industrial and Provident Societies from abusing their position by prohibiting an association from making payments or granting benefits to such people or their close relatives subject to certain exemptions. (Mostly relating to tenancies) These measures were confirmed as Section 15 of the Housing Association Act 1985 and have been amended by the Housing Act 1988.”

The unpaid MC members, must be simultaneously independent yet sufficiently knowledgeable to be constructively critical. They must not perceive their involvement as a relaxing antidote to the pressures of professional or business activities. Subsequent research shows an increasing difficulty in finding suitable, willing volunteers.¹⁵

¹³ ARK archive

¹⁴ 8.2.88.

¹⁵ Discussed 9.3.1-8.

8.2.21 For ARK, this pool was narrowed by the expectation that they would be consciously inspired by Christian beliefs. Nevertheless, most, though not all, of MC members over the Association's history would seem to have had a church affiliation, if not more active Christian affirmation. However, as ARK developed, a perhaps equally common feature was friendship, or professional contact through the Director. Without tangible inducement, individuals needed to be identified who might contribute, then be prompted to take on the commitment and responsibilities. This required engaging their interest and enthusiasm to the possibilities and the vision.

8.2.22 The formal situation of those persuaded, with regards to appointment, responsibilities and accountability, can therefore be summarised as follows:-

- MC members are appointed at the AGM by the members of the Association, (application for this membership being open to anyone who subscribes £1 and is approved by the MC). In practice it is difficult to gather even twelve as an AGM quorum. The MC can itself co-opt. Exceptionally, under Section 17 of the Housing Association Act 1985, there are also legal powers for the Regulator to appoint¹⁶.
- Responsibilities extend much more widely than to "shareholders", in that the MC is responsible "for" all aspects of the association's operations. That is responsible "to", not just shareholding members, but:-
 1. tenants and their relatives;
 2. SWDs, who provide revenue funding from community resources;
 3. SH which provides capital funding;
 4. staff, including senior managers, that the terms and arrangements for their employment are fair and appropriate;
 5. given their church contacts, as the basis for involvement, it seems reasonable to assume that some would also see themselves as responsible also to God for stewardship of their own time and commitment.

¹⁶ The significance of this is described on para 8.2.69.

- however, formal accountability is more selective, being in theory limited only to the collective statutory obligation of the HA to report annually to members. In practice, over the years, all HAs have been required to submit increasingly larger quantities of data for monitoring by SH, itself a semi-autonomous government body with dual regulatory and funding responsibilities¹⁷. In many instances, this enables SH to exercise control by rewarding with new moneys, or by withholding development funding, rather than by direct intervention.
- Other “accountability” is non-specific which makes the distinction from “responsibilities” important. Without any contracts, ARK’s MC members can resign at any time of their choosing, without giving reasons. They may attend training events or conferences but there can be neither compulsion nor inducement.

8.2.23 Because MC members cannot receive remuneration, the incentives and penalties in relation to duties become more diffused. While there are legal constraints against deliberate misappropriations, commercial failings (e.g. arising from development opportunities lost or difficult decisions avoided) do not impact directly on the MC members. Even for paid staff, a significant inducement must be “professional pride”¹⁸.

8.2.24 In such circumstances there needs to be constant awareness of some form of ‘accountability’ to an external authority. The temptation otherwise is that the power generated by the organisation focuses onto managing it for the benefit of the existing participants, rather than leading the organisation to extend the benefits of its power to others. For those involved with a charity of Christian foundation, accountability to

¹⁷ It has a part-time, paid Board.

¹⁸ Incentives for participating in the development of an effective and expanding HA, as with most social businesses, are far less tangible than for entrepreneurial owner of commercial businesses. However, the skills required may be the same or more demanding as summarised in a study by Manning, K., “A New order in the Public Sector” in Birley, S. and Muzyka, D.F, editors, Mastering Enterprise (Financial Times/Prentice Hall, London, 1997) pp317-320.

God, might be exercised through the medium of a wider church group. In respect of secular charities the individual can choose how to fill the vacuum.

8.2.25 The situation of ARK's Director was that she was appointed by the MC as responsible for the Association. She was both directly responsible to, and accountable to, the MC. However, not only was her husband a respected and founder member of the MC, but from 1/12/82, as Secretary to the MC, was herself always styled as an MC member. She did not stand for re-election. As the only senior permanent staff member of the MC and through her far wider, and more intimate, knowledge, she became increasingly more difficult to be "held to account". While acknowledging her responsibility for staff (all of whom directly or indirectly, she had helped recruit), the internal arrangements did not make her responsible to them. This was to be a salient weakness.

8.2.26 However, ARK did aspire to a willingness to share. The active involvement of the LCs in initiating, and contributing to management, at each project was encouraged¹⁹. This was described by Rev.B as an important means of sharing power at ARK, for unlike with most conventional HA's or co-operatives, it was not deemed practical for tenants themselves to be on the MC due to their special needs. Many parents, relatives and friends of prospective (then actual residents), or simply interested local individuals, were willing to serve. Thereby "amateur" parents might find less threatening the fact that "professional" strangers were taking over responsibilities, previously exercised by themselves, for their, still vulnerable, adult children. Easing this transition and enabling the sense of family commitment to continue provided a major intangible benefit.

¹⁹ In this ARK followed L'Arche. A letter of 15/7/77 (ARK archive) from its then general secretary stated "...apart from our rather lengthy and careful procedure for the 'federation' of an existing organisation, our UK legal process for establishing a L'Arche House requires the formation of a LC, which must derive its authority from the central committee and work according to a constitution defining powers and responsibilities".

8.2.27 As publicity brought further requests for assistance, ARK's expertise was passed on, seemingly as with a franchise. But the Association, as raiser of Government-supplied development finance, was both legal owner of properties and employer of staff. LCs might be influential in an advisory capacity, but not more. Formal control was central.

8.2.28 The possibility that LC members might also serve on the full MC was opposed by the Director, as the following extract from her July 1987 report²⁰, in typically trenchant style, shows,

"It has come to the Director's attention that a suggestion has been made by a Management Committee member to the Training Officer, without consultation with the Director, that House Committee members be reminded that it is open to them to apply for membership of ARK thus making them eligible for election to the Management Committee".

There then came an explanation that,

"it has been the policy to date...not to encourage open membership of the Association for practical reasons." Moreover, "It has been the practice also for specific expertise to be looked for in membership of the Management Committee".

8.2.29 The procedure for MC recruitment is illustrated from the MC minutes of 1/7/87²¹,

"It was agreed that he [a prospective MC member] be invited to join the Chairman and Director in the usual way to discuss his possible contribution".

In that persuasion and enthusiasm alone, un-supplemented by any financial inducements, could bring in the necessary MC membership, the selection process was thereby the more dependent on the Director and under her control. Indeed, in a spiralling process, signs of such control's existence would tend to re-assure those who might seem most suitable to the selectors.

²⁰ ARK archive

²¹ Ibid

8.2.30 In this context it is noteworthy that in SH's Guideline (cited 8.2.22) abuse of position is seen only in terms of what is readily measurable, with putative forbidden rewards categorised only as financial. The legal regulations may seem to set the ethical parameters but the exercise of powers and patronage in the control of others (even if limited) is not directly covered in this Guidance. For social businesses such as ARK, this concentration on finance seems to ignore a pertinent dimension. For example, it does not cover when power for its own sake may be abused, as when a robust management style crosses a fine line and becomes bullying behaviour.

8.2.31 Legally, intimidation at work may have become highlighted only by the Criminal Justice and Public Order Act 1994. This created the new offence of "intentional harassment". While it is a complex problem, which can be found in any organisation, recent research suggests that it is more prevalent among teachers, nurses and social workers²². It has been conjectured that, paradoxically, legal changes may have exacerbated the problem because,

"since unfair dismissal legislation came in managers, cannot dismiss someone without going through a whole paraphernalia of procedures. Bullying someone in the hope that they will leave is a human solution to a human problem"

Very difficult to define, the real measure of such is the effect that it has on people. Thus an organisation's actual culture may be a more important safeguard than either the law or any stated ethos.

Tensions in 1986/7 and the role of Local Committees

8.2.32 In 1986, Rev.B ceased to be chairman. His 1997 observation was that it is "impossible to be pioneer, manager and pastor". Two issues concerned him, personal relations and attitudes to LCs. On personal relations, some members of his congregation, with varying levels of input to ARK, had sought his counsel on personality clashes within ARK and with the expectation that, as chairman, he could

²² Financial Times (18/6/97) quoting Brian Barr a solicitor specialising in this work and based on research by the Andrea Adams Trust. Further studies in Personnel Management (July 1999) and Hadikin,R. & O'Driscall,M., The Bullying Culture (Butterworth, Heinemann, 2000)

exercise some oversight, if not direct managerial authority. He felt, increasingly, ARK was souring relationships within the whole congregation, thereby potentially compromising his pastoral responsibilities.

8.2.33 Ascertaining detailed causes of dissatisfaction was often difficult. Employees and volunteers were reticent, with their loyalties pulled in different directions. Some were perhaps offended and hurt at a perceived autocratic style of the Director but anxious lest it appear “un-Christian” to complain. His summary of the situation was the advice “*Don’t employ friends and neighbours*” with the thought-provoking implication that, in such situations, jobs should NOT go to those in founding churches. Given that the craft of management is an amalgam of leaps of the imagination, accompanied by human empathy, but also requiring skilled techniques, mere church membership is indeed not enough for paid employment. With volunteers, the situation may be less simple for it may be a case of either using the resources known to be available and willing, or the proposed venture collapses.

8.2.34 With ARK’s new, quasi-commercial status, the differentiation may have been confused. Rev.B also commented that with her input as a volunteer, prior to the part-time appointment in 1979, “*it was inevitable that it had to be Mrs.A.*” In short, while ARK had been determined to avoid any monetary debts²³, nevertheless in its ‘start-up’, some less tangible “debts” may have seemed unavoidable. The MC members may have felt a subjective sense of obligation to recognise time and skills, courage and commitment already given, although unconditionally contributed.

8.2.35 With conflicting inter-personal relations, there are inevitably differing perspectives. In that the separation of chairman and CEO roles is a tenet of good governance yet can be notoriously fraught, the researcher had discussed the chairman’s role with the Director on 9/10/96, (prior to appointment and any specific knowledge of the history of the disputes). She spoke, with feeling, of past experience of having felt

²³ 8.2.17.

undermined when “*chairmen interfered*”. She commented that the role of Director could not readily be performed if staff felt able to go to speak about confidential situations with the chairman, as their pastor. It was prejudicial to good management to have a separate, loose hierarchy, with those responsible for governance operating outwith established disciplinary and complaints procedures. Re-inforced by her legal background, she believed that only formally-evaluated evidence should inform assessments of contractual relationships, not anecdote, innuendo or gossip.

8.2.36 In any organisation, roles of pastor and counsellor being exercised by a chairman can create conflicts of interest with management functions. If to this is added the status of ordained minister the risks are still greater (even within Non-conformist perceptions of priesthood)²⁴. Nevertheless, within an entity such as ARK, Rev.B suggested, is the need to have an awareness of the precedence of purpose of the individual’s activities as well as that of the charity. Volunteers, and staff who see themselves as quasi-volunteers (e.g. accepting lower salaries to satisfy religiously motivated aspirations) must feel able to explore their motives and find re-affirmation if they are to continue to contribute. A quasi-commercial entity employing volunteers must invest, as with the costs of training, in nurturing those whose services it receives at less than market rates. Without such a pastoring function, its VNPO ethos may become unsustainable.

8.2.37 Rev.B feared confused objectives were leading to loss of balance. Asserted claims to religious inspiration alone as motivations could lead to blindness as to the need to be flexible, or accept something other than own experience as best practice. He had felt his advice rebuffed such that ownership of ARK’s vision had turned into a struggle between full-time, employed Director and part-time, voluntary chairman. It was further complicated in that this coincided with widely-shared anxiety over health within the Director’s family.

²⁴ Distinguishing between pastoral care and management is a serious issue also for BWM. Special Commission Report May 2000. P94. See also 6.2.6; 6.2.11.

8.2.38 Having various alternative interests, Rev.B decided to “*get out for her sake*”. The next chairman, who was also to serve for nine years, until March 1994, was a full-time social worker. He was not an administrator and was primarily interested in social work aspects. He was an enthusiastic church-member and an actively confessing Christian.

8.2.39 Rev.B described another concern, that centralisation, as ARK grew, had the effect of reducing the functions of the LCs, who were increasingly seen (as he saw it) by the Director as existing to act like “*benevolent uncles*” or else as “*children*” with real responsibilities removed. The original senses of helplessness and of diversified “ownership” were (he feared) being subsumed under the need for “professionalism” and administrative convenience. This was not a sudden problem. Accountability of ‘House Committees’ had been discussed on 28/6/78. Minutes of 2/11/83 refer to the need for better links between the Association and LCs and on 5/12/84 there had been a meeting specifically to consider how, now with ten ‘houses’, guidelines and procedures could re-emphasise the importance of relationships.

8.2.40 These tensions are attested by The Housing Corporation’s Monitoring Report of 1/5/87 addressed to the new chairman. The issue is mentioned six times in a short report, perhaps most starkly as, “2.4 *There is constant tension between the various arms of ARK: Committee--LC--Head Office Staff--Local Staff.*” and “*The relationships between the complex elements of ARK continues (sic) to be a fertile ground for dispute*”. The situation had been analysed under 2.3 (b), as follows:

“In part the constant refinement of their activities has led to some of the tensions which exist in the association. Houses and their associated committees grew up in different regimes: the early houses when there were no staff, a middle group when there was some staff and the latest houses when there is now an emerging Residential Services Department. Each house therefore has a slightly different view of and relationship with Head Office and Management Committee. This can range from fierce independence from, to great dependency on Head Office”

8.2.41 Despite centralisation, control systems were far from uniform. At a 1997 research interview, the Senior Monitoring Officer who had drafted the 1987 report produced a chart he had prepared in 1987 to demonstrate the diverse communication and informal “command” structures. With the oldest projects, LC members, acting sometimes individually, would raise matters informally with the Director or MC members, sometimes allegedly quoting tenants. Thus they would by-pass not only the new Head Office [“HO”] structures but also local staff. Some long-serving staff exercised similar independence, seeing this as the norm for a small, caring organisation. Later-added projects would be more formal but still went direct to established contacts. Only the newest routinely passed information and requests to the new HO departments. For HO staff this was at best confusing, at worst de-moralising and a potential cause of wariness of a Director, with access to her own information network.

8.2.42 Yet the same report highlighted the importance attached by the monitors to the LCs, noting at 1.6, the MC comprises an interesting mix of professionals:

“Minister and church members who are motivated by Christian charity and service to the community. Psychiatrists and Social workers who have a professional interest in the client group. Housing people who have a personal interest in housing for the handicapped. It would be possible to argue that this is an unrepresentative group. However given the presence of the LCs to whom running of the houses is devolved this is not a real issue”.

This implies some form of federal model which, as already noted at 8.2.27, ARK, legally, was not. ARK was the properties’ legal owner and sole employer. Minutes of 4/9/85²⁵ had noted that, while ARK wanted “*an equitable partnership*” rather than an agency situation, management agreements could not be given to voluntary groups. Management control had to rest with the Association.

8.2.43 Staff views on LCs were not recorded contemporaneously, although subsequently appear, at best, ambivalent²⁶. Clearly skills and enthusiasms of LCs varied with locality and personalities so that, for example, at 5/3/86 the MC acknowledged

²⁵ ARK archive.

deficiencies among LCs. MC minutes (4/9/85) note a policy to be relatively understaffed and to rely on volunteers. This may have engendered gratitude or resentment. In subjective areas, such as recruitment, tensions seem inevitable unless there were good working relationships, for as Pearce²⁷ notes,

“...this remains one of the unpleasant secrets of nonprofit organisations.... volunteers and employees by the very nature of their different relationships to the organisation, tend to undermine each others legitimacy.”

8.2.44 Although several members of LCs did come to serve on the MC, this was coincidental. LCs could only offer advice. This was channelled through The Director, who, with her husband, worked long hours, particularly at week-ends or at evenings, to visit these volunteers in scattered locations. Consciously or otherwise, the outcome was that the Director became the principal authority, and point of referral, for this shadowy source of influence. Its potential as an independent counterbalance to the central administration was never realised.

Centralisation in the early 1990's

8.2.45 By the nature of the client group which ARK serves, standardisation and centralisation can only be partial. Each individual resident has different care needs and, increasingly with new, “Care in the Community” developments in the 1990's, these were becoming more demanding for intensive support. Historically, ARK had provided only low, or intermediate, levels of support. The new challenge was to extend this provision to those with more serious conditions as they were ‘released’ from institutions, and for whom most new funding was targeted.

8.2.46 With geographical spread came different perceptions of solutions and standards, from different SWDs, with different funding levels for on-going operational income. The models that ARK had created in Edinburgh then replicated elsewhere became less appropriate and were increasingly seen as insufficiently flexible. Although in July 1981

²⁶ 10.3.25 and 9.2 for views of Directors of Social Work.

²⁷ Pearce, J.L., Volunteers, The Organizational Behavior of Unpaid Workers. (Routledge, New York, 1993) p176.

ARK had come to an informal agreement with KEY HA, its biggest potential competitor, not to compete for sites,²⁸ other HAs and operators, with or without charitable status, sought to provide solutions. Nevertheless, ARK continued to increase the number of its projects, with several new builds opening each year²⁹. Although ARK was sometimes now only landlord, this increased pressure on the personal capacity of the Director to service the many interested parties without more delegation.

8.2.47 Attempts to provide the Director with senior specialist assistance failed in the autumn of 1992, leading to an Industrial Tribunal hearing³⁰. Although ARK won, this was a significant distraction and suggestive of unproductive tension in management. In 1990, a senior member of staff resigned. Supported by five managers, she wrote to the MC criticising the Director's management style. The MC seems to have approached the issue informally, on the grounds that the complainant had not followed designated procedures, making allegations only after resigning.

8.2.48 Within ARK's records, details are unclear, although both a complainer and a member of the then MC recall that the Director was present at both the "hearing" and the subsequent MC discussion. Their memory is of the chairman advising the complainers that the complaint had been dismissed. Whatever the legalities, or the MC's own views of their loyalties and responsibilities, appearance was that MC members' accountability, like their appointment, was controlled excessively by the Director. The MC, perhaps in its eagerness to support someone they trusted, had lost its semblance of independence. It was a remote body, where, alone of staff, the Director could influence for veto or approval whatever was presented to it. From the MC came her authority yet she was the principal interpreter of its decisions to staff, and

²⁸ An agreement which both still respected in 1999

²⁹ A legacy of previously invested time. Some projects had a 10 year gestation.

³⁰ Director's Report, 19/4/94 to the joint meeting of MC and the staff 'Management Team' covering the period from the previous such meeting on 27/1/93. The agenda for 19/4/94 exemplifies the environment of control. It states that the items had been formally approved by the MC on 30/3/94,

vice versa. Simultaneously, she was also the dominant conduit for all information to it, other than in exceptional circumstances. Even then her version had prevailed.

8.2.49 Trying to reconstruct the facts would be of limited value. More informative is the account of the next chairman, who said, at interview in 1997,

“I think the committee wanted unity and, given the way it was handled, the committee had little option but to back the Director who was in post.”

In late 1996, a regional manager commented at a interview that he felt that his signature on the complaint had caused friction between himself and the Director ever since. He then commented that, having a family, he could not afford to fall out again with someone so powerful. This may have been a misguided perception but it will have inhibited frank discussion of problems at even senior manager level. Socialising between staff and MC was rare and, given the origins of the organisation, at any events, tongues were definitely not loosened by any alcohol! Themselves without any personal experience as tenants of ARK, the MC were dependent on the information which they were given and imprecise performance indicators. New MC members were unaware of how potential whistleblowers had been discouraged³¹.

8.2.50 A further problem was securing competent staff. ARK was known as a less than generous payer³². In the boom period of the late 1980's, recruiting then retaining, appropriately qualified and experienced staff was difficult. For example, after the departure of an able and dedicated accountant, who, from Christian motivation, worked long hours using an antiquated computer system, three accountants were employed in the space of less than a year. Two left incapable of doing the job and the sum of £30,000 (around double their salaries) was spent on consultancy reconstruction of the

thus making explicit that within the 'partnership', the MC through its Secretary/Director, literally, controlled the agenda.

³¹ Lawton, A., *Ethical Management for the Public Services* (Open University Press, Buckingham, 1998) pp112-114 cites research in the USA showing widespread serious repercussions suffered by whistleblowers.

³² As acknowledged in 1986, (10.4.7-9)

accounting records over an extended period. The accounting year-end had to be changed to accommodate this.

8.2.51 Writing in 1988, Handy³³ captures well a sense of the prevailing culture,

“The voluntary world is in the gift economy. People give of their time and their skills for no money or very little money. In such a world, poverty becomes almost a badge of virtue; we must make do and mend rather than invest in better equipment, better premises, better people. More careful thought might suggest that more investment could lead to better delivery, but without proper managerial-type disciplines this calculation can never be made.”

So at ARK, it is not possible now to quantify empirically the effect of low salary levels, only to note the possibility that this contributed to a protracted management crisis.

Management Crisis of 1994/5

8.2.52 Finding a balance between appropriate expenditure and potential charges of extravagance was not easy. In 1992, ARK purchased, renovated and moved to new premises. Its previous offices had become very cramped, but the “Head Office chandeliers” -- even though ‘gifted’ by the architects -- created adverse reactions at projects. Problems of management remained, if still just below the surface³⁴. In 1993, external developments, such as the Cadbury Report on corporate governance, had encouraged consideration of establishing an internal audit function. This was contracted out to Coopers & Lybrand in the autumn of that year. Its January 1995 report, highlights not only findings in July and November 1994 but points back still earlier,

“Unfortunately, relations between project staff and management do not appear to have improved. Again, of the projects visited, a general impression of a “feeling” of “them” and “us” was received”.

8.2.53 A subsidised “Investors in People” review exercise also identified a problem, which it described as “communication”. At 30/3/94, by moving to a pattern of monthly

³³ Handy, C., Understanding Voluntary Organisations (Pelican, London, 1988) p5. Parker (7.1.30) notes a similar problem.

³⁴ Quotations 8.2.50 to 8.2.61 are from ARK archives.

MC meetings, a decision was made to simplify the system of sub-Committees, thereby reducing the time and effort required to service the MC.

8.2.54 A new Audit Committee was established to:-

"...provide, if necessary, an independent channel for information about ARK to that provided by the Management Team. As such, it confers with the external auditors on the nature and scope of their statutory audit and directs the internal audit function in its activities." (Internal memo, 11/4/94)

It had also been suggested that this might be an appropriate channel for "whistleblowers" although the Director cautioned orally against any arrangement outwith the usual grievance and disciplinary procedures.

8.2.55 Three responses to the formation of this committee are instructive. Pragmatically, the external audit partner in a letter of 19/4/94 welcomed the prospect for a longer meeting with a smaller group. Legalistically, SH on 4/5/94 noted that although the statutory auditor might report to the Audit Committee, the MC remained ultimately responsible. Ominously, the Director in a hand-written postscript to a letter of 31/3/94 to the newly-appointed chairman of the Audit Committee, expressed concern that the committee had no member with "*development experience*". This reflected that the membership of the Audit Committee, which otherwise comprised the former convenors from each of the sub-committees (now-disbanded), excluded that of the Development sub-committee, Mr.A.

8.2.56 Within weeks, the Director was to protest angrily to a MC meeting that the Audit Committee had met with the external auditor to discuss financial statements without her present, albeit with her full knowledge. At her request, the MC then appointed Mr.A to the Audit Committee. This was, thereafter, styled "Internal Audit Committee". It never subsequently met, existing only as names for any ad hoc, specific, confidential issue that internal or external auditors wished to raise. As chairman of that Audit Committee, I accept that it was to serve little tangible purpose except to act as a conduit for internal audit reports, then only once these had been

checked with the Director and managers for “accuracy”. Faced with the Director’s clear suspicion, and with a potentially compromised membership, the Audit Committee’s ability even to meet privately was as limited as that of the MC. In theory, it existed, in practice it was moribund to consider or press on broader ethical issues beyond the operation of existing financial systems.

8.2.57 A fourth response to the Committee’s formation is contained in a hand-written letter, dated 16/4/94, from ARK’s new chairman, Mr.C a former Regional Authority Chief Executive and a qualified solicitor. He had had close links to a LC for many years but had been on the MC only from 1990. He wrote,

“I share your view that the Audit Committee should be a positive help... though this may be outwith the remit... as yet -- I feel particularly after my long involvement in the Job Evaluation Working Party, that the management structure may not have moulded successfully with the expanding role and activities of ARK over the past decade.”

8.2.58 The history of that management is also summed up in the confidential minutes of a meeting on 7/12/94³⁵, the minute being written by the Director herself.

“The Chairman introduced the discussion with a number of comments based on his experience since he joined the Management Committee -- the association had grown rapidly, at one point there had been a large turnover of managers, two cultures had developed between the projects and head office, the Director was overloaded. In addition several external observers and external consultants had observed problems of communication, problems in the nature and tone of directions from Head Office to Projects, and the Management Team had never appeared to work as a team.”

8.2.59 The new chairman had initiated action on these concerns. A decision had been made six months earlier to commission an external consultancy review, the tender for this being awarded to KPMG. Its report, by way of slides, in November 1994 indicated many detailed problems, best summarised by bullet points from the presentation of major findings:-

- *Organisation needs to re-emphasise service delivery, i.e. housing and care to client group as critical business success factors;*
- *Roles and structures needed to support local managers to “Make it happen”;*

³⁵ ARK archive

- *Clearly defined roles, accountabilities and performance measures are required at all levels to ensure service delivery achieved (need to develop competencies);*
- *Cultural change required to underpin roles and structure changes;*
- *Communication processes to be reviewed to 'open up' organisation;*
- *Work processes and systems review necessary to be based on revised structure to ensure efficient running of the organisation;*
- *Performance indicators to measure change and its impact should be developed.*

8.2.60 How to address these was discussed at a MC meeting on 12/12/94. A solution of appointing a deputy to oversee operational matters was agreed. However, this was not a "cure-all" and KPMG were to be appointed to an intensive training and monitoring role to try to implement improvements in management practice by the existing management team.

8.2.61 Minutes³⁶ prepared by the Director are, in retrospect, indicative of a subtly different perception of responsibilities. Having noted that,

- *the association faced a serious situation,*
- *it had been suggested that the problem was attitudinal rather than organisational,*
- *basically the problem concerned the departmental managers' operation, but there was concern to encourage them to take responsibility for improvement rather than to apportion individual blame,*

8.2.62 The minutes then record that it was restated that, "*It was the Management Committee's responsibility to lead ARK strategy*". Moreover,

"the Committee may have been too kind in the past to the managers (noting e.g. the inadequacies of sub-committee papers which had not been understood by the Managers even when criticised). The report must not be used as a vehicle for avoidance of the seriousness of the situation-- the negative cycle must be broken. The situation had to be dealt with before the Deputy Director arrived".

8.2.63 This happened. An "Assistant Director" was appointed to start on 1/5/95. As reported to MC meetings on 29/3/95 and 26/4/95, decisions were made (in conjunction with KPMG) so that two of the four managers left at short notice. Apart from legal formalities there was no subsequent communication between the two and the MC. The

³⁶ Ibid

other two both left ARK in due course. There was wholesale change and a fresh start at every level, below Director.

8.2.64 At the time, the ethical demand on the Director seemed to be the exercise of tough but fair management, “gripping” the problem, undertaking a duty, unpleasant for all, but necessary for the good of the whole. For the MC, there could be a sense of satisfaction of **service** conscientiously delivered. With full advice from independent, professional consultants, challenging management problems had been addressed. Difficult decisions had not been shirked. A tortuous, but necessary process had been carried out by part-time volunteers working in unison. It seemed that the MC could consider that ARK had lived up to its philosophy and ethics. The MC had exercised **good stewardship** with **courage**. In the absence of contrary evidence, it might also believe that **justice** had prevailed.

8.2.65 However, in retrospect, it can be seen that without a full understanding, the solutions had re-created an existing hierarchical structure. Even while assembling an almost new team, the **creativity** had not been radical enough.

Unresolved Issues, mid-1995 to late 1996

8.2.66 Initially new appointees appeared to fit in well, until mid 1996, when the newly-appointed Quality Assurance Manager (a new post reporting direct to the Director) resigned before the end of her probationary period, citing allegations against the Director. For the MC as a whole this was not known. The MC, being the possible final body for any disciplinary appeal, was deemed by the Director (in consultation with the chairman) as best kept uninformed of the existence of complaints or incidents on which it might in future have to make a judgement. Confidentiality was in conflict with openness.

8.2.67 This silence and consequent state of ignorance seems to accord with natural justice, to minimise prejudice. However, it provides a significant, if partial, explanation

as to why the MC appeared aloof, while the history of personnel problems seemed to repeat itself. In the wider context, the MC was not aware, despite the great volume of paperwork accompanying each monthly agenda (always over an inch thick) of the proportionately very high turnover of HO staff.

8.2.68 After two and a half years in the chair, Mr.C intimated his intention not to seek its re-election in October 1996, while willing to continue on the MC. In a letter dated 2/9/96 to the prospective new chairman, he set out a view which is illustrative of the practical position of the MC in its attempts to be true to ARK's Christian philosophy and its perception of the management situation,

“Without [Mrs.A's] commitment dedication and determination, I doubt whether ARK would have reached its present position. I am hopeful that the new management team will “gel” and relieve, to some extent, the unreasonable burden of work and decision which she has borne. I have reiterated to her that she must delegate and not regard as personal criticism, constructive suggestions from staff which may not accord with her own perceptions. I know that apparently peremptory rejection of constructive suggestions, though not intended as such, has contributed to an atmosphere of apprehension. This has been heightened by the succession of departures from head office, some of which were inevitable and sometimes necessary.....(account of matters relating to the situation described above)I have spoken to [her] on this theme. She does not necessarily agree with me but we remain firm friends, she being the subject of my considerable respect who deserves and requires all support”

8.2.69 In July 1996, SH had undertaken a monitoring visit. At the start of the MC meeting of 25/9/96 the Committee members found on the table, for each, a copy of the report on this giving a rating for “Committee Control and Accountability” an “E”, the lowest possible. Moreover, SH stated a determination of compulsorily appointing two nominees³⁷. Although there had been an awareness of problems past, the scale of the criticism and action came as a major shock. Even so, the MC's response was to support the Director.

³⁷ As permitted under section 17 of the Housing Act 1985, see 8.2.22.

8.2.70 Many criticisms were in respect of extensive “out of date” documentation, but the report included the comment,

“ARK has no formal policies or procedures covering discrimination and Equal Opportunities. It is possible that the statements about an ethic of Christian Compassion are indirectly discriminatory and ARK should seek advice from its solicitors and the Commission for Racial Equality”.

Without having time to focus on the report’s totality, this apparent external challenge to a Christian motivation for being volunteers focused indignant reaction against SH, rather than concentrating it on the reported defects³⁸. It was agreed that staff should prepare an appeal, with a catalogue of rebuttal. This was also seen as being supportive of the staff. The issue of an alleged breach of Section 15, in respect of “benefits” when the Depute, a former Committee member, had been appointed, was seen as technical. A counter legal argument was sought³⁹.

8.2.71 Criticism of the continuity of Mr.A on the Committee for almost 20 years raised a deeper dilemma. In an unpaid capacity, Mr.A had frequently acted as chauffeur and attended week-end events with his wife, in her role as Director -- for example, when visiting LCs as described above. Whatsoever his motivation⁴⁰, he had been a diligent and hard-working committee member, with extensive knowledge and interest in the organisation. Finding new MC members was far from easy. It seemed that the Mr.&Mrs.A were being criticised for having tried to contribute too much, an unjust reward for dedicated service.

8.2.72 It can also be seen as an area where there is a distinct difference between expectations for the social entrepreneur and for the commercial entrepreneur. With the latter, family support may be applauded as intrinsic to collective success rather than construed as a conflict of interest, and so insidious.⁴¹ From a Christian ethical

³⁸ See 10.4.16ff For a fuller account of this.

³⁹ On section 15, see 8.2.20.

⁴⁰ Pearce (1993) pp 61-107 postulates a wide range of possible motives for volunteers.

⁴¹ Spouses work together in about half of all small businesses but there has been little academic research into whether this enhances viability or durability. The situation is complicated because

perspective, the sharing together of practical interests by spouses would seem an important part of the development of their mutual affections, and so to be encouraged, particularly in the circumstances of charitable involvement. Gregory(Nys) certainly thought so.⁴²

8.2.73 An appeal was submitted on 6/11/96 but rejected by SH on 21/11/96. Meanwhile a fresh dimension to the nature of the management situation at ARK had emerged. At 22/9/96, the Depute had notified by letter his wish to resign. Apparently triggered by the SH's comments over Section 15⁴³ (although no criticism of his integrity or competence to be the postholder had been expressed), nevertheless he cited a breakdown in confidence between himself and the Director. He was persuaded by the Director to withdraw this letter and to keep the matter confidential until 17/11/96 when he resigned, not withdrawing the comment made in the earlier letter:

*"...the changing senior management structure and occasions when confrontation rather than a spirit of collaboration occur at senior management level have combined to leave me feeling disillusioned and sometimes disempowered. I continue to hold the same values and religious beliefs but I feel I have now to look to my own personal well-being and quality of life."*⁴⁴

8.2.74 Having resigned without going through the complaints or grievance procedures, there was no formal need for the former Depute to be contacted by any member of the MC, nor even for this letter to be shown to them. However, with the Director's agreement, the new chairman met with him. An oral account emerged of an organisation where the management was operating in an atmosphere of what he called "blame". Having himself served on the MC and so being well-known to its members (ironically, precisely the legal violation which SH particularly condemned) the former Depute's account had a credibility beyond that of previous whistleblowers.

collaboration may come from economic pressures rather than choice. Wheelock, J., & Oughton, E., Households as a Focus for Research Journal of Economic Issues 30 (1) March 1996 pp143-159

⁴² 3.2.9 and 19.

⁴³ 8.2.70

⁴⁴ ARK archive

8.2.75 Further corroboration of unrest emerged when, on 20/11/96, another senior manager resigned. Through chance, a copy of his resignation letter⁴⁵ was obtained and subsequently, on 27/11/96, read to the MC. It ascribed no faults but contrasts starkly with ARK's desired image as a model of Christian love, care and concern.

"The organisation is faced with a huge task to re-establish its credibility externally and its belief in itself internally. I have worked for ARK for over 11 years in a number of different positions and I am reluctant to leave while it is in such a state but it has been a recurrent condition. I have been delight (sic) to contribute to some of ARK's achievements, but feel let down at the failure in many ways to live up to its promise. I am disappointed that so many staff have left dispirited, burned out or disillusioned"

8.2.76 This discontent contrasted most sharply with the face of ARK presented in a video produced in the summer of 1996, at a cost of some £20,000, for general promotional purposes. It had extolled the virtues of ARK's professionalism at management. The Director had described it as a popular success among staff whereas, according to the former Depute,

"The feedback I had had, and the Community Services Regional Managers had had, was significantly different. We scored it four out of ten and took exception in particular to the bath scene at the end of the film. I was unable to comment at Committee unless 'invited to' and still feel you (The Committee) were not given the full picture. As Depute Director I feel uncomfortable with this and I cannot be party to such selective reporting."⁴⁶

The video was both the climax of the Director's presentation of ARK as the epitome of a charity's management success story but also, as if in a Greek tragedy, an act of hubris which contributed to her leaving.

Managing the Change of Director, early 1997

8.2.77 8.2 now concludes by summarising events up to Mrs. A's retirement. The MC rapidly realised that it had to learn more of the views of other staff and external partners. For example, it was discovered that staff attending Committee(s) believed that they were forbidden to offer comment, except in response to direct questions, as

⁴⁵ Ibid

⁴⁶ ARK archive.

indicated by the Depute above⁴⁷. Eliciting further information had depended on knowing the questions to ask, whereas the MC unwittingly had construed silence as assent or lack of contribution.

8.2.78 Such lack of debate had speeded meetings and, seemingly, also decision-making. Restricted awareness might seem a reasonable price for these benefits. However, subsequently it became clear that the crispness of MC meetings was deceptive and asymptomatic. Without the prospect of proper debate or revision by the MC, the Director had taken the burden of many decisions on herself, then often deferred these through their volume of detail.

8.2.79 Hence, in January 1997, senior staff were to describe the Director as “indecisive”, in contrast with the opposite impression at meetings. Notes recorded by Mr.C include,

“incapable of addressing problems, went off at tangents, reminisced at past history...seemed incapable of recognising present and urgent problems.....considering important policy reports from H(ousing) Manager, [the Director] concentrated on correcting grammar and punctuation.....some suggestions were never listened to -- ‘Committee would never agree to that’...‘Committee decided’.....probably never brought before Committee !”⁴⁸

Without the trust to delegate the backlog had become unmanageable.

8.2.80 With rumours of low morale now emerging, a “Directorate Liaison Group” was constituted by the MC on 27/11/96. Comprising the chairman, two long-standing and one newer member it met with the Director on 2/12/96, seeking through frank discussion of the emerging situation with her, to ascertain alternative ways ahead. Mrs.A expressed strongly her view that the problems had been exacerbated by the failure of the MC to realise the organisation’s complexity. She recognised the natural reluctance of unpaid volunteers to spend more than a few hours a month on the affairs of an increasingly regulated entity. She felt she had carried too a large burden,

⁴⁷ 8.2.76.

essentially on her own. All involved in a social business such as ARK were victims of a structural arrangement which demands knowledge, skills and responsibility but without realistic appreciation of the time commitment involved.

8.2.81 Whatever the causes, the MC could not avoid recognising a blockage in the channels of communication for a properly trusting partnership of MC, Director and all other staff. Perhaps this was most bluntly apparent when the Director rejected suggestions of low morale, requesting that any such allegations should only be made if supported by the names and comments of the individual employees making them, so to enable investigation before either rebuttal or action. The needs of legality, orderliness and confidentiality seemed, in combination, to preclude tackling a renewed crisis with human empathy.

8.2.82 MC sub-groups sought to address immediate issues of recruitment and strategy with constructive debate at an extra meeting in mid-December. Almost without precedent, the MC rejected a number of management proposals. Some members, who previously had rarely spoken, proffered views. Through these discussions, not only the insecurity of staff became apparent, so too the MC started to share past misgivings. Simple steps, such as sending to each MC member the phone numbers of the others, disproportionately enhanced communication, although even to disseminate this information seemed to risk rumours of conspiracy in a sensitive situation.

8.2.83 Confidence and change were needed while balancing respect for past service. Fundamentally, it was necessary to recognise the reality that ARK is not an independent voluntary association, more a voluntary agency, dependent on the approval of SWD's and SH, as the sources of all future funding.⁴⁹ The SH report had been a catalyst for change, options for which were considered in a detailed paper prepared by the chairman and distributed selectively on 16/12/96. From 29/11/96,

⁴⁸ ARK archive

⁴⁹ The significance of local authorities to the capabilities of VNPOs is a key finding of Osborne (1998) p198

against various eventualities, an experienced “interim Director” had been briefed and put on standby by external consultants. Confidence that a replacement could be “parachuted” into ARK was one of the more important factors in assessing possibilities, now including early retirement of the Director. However, all of this required much time and emotional commitment by unpaid volunteers. They had wanted, and did still want to trust the Director, whom they liked and respected, but the scale of the problems was in conflict with this as a practical outcome.

8.2.84 In January 1997, it proved possible to meet (on return from an extended trip overseas) with a consultant who had facilitated “team-building” exercises with the Director and senior staff before and after the management changes of 1994. To the direct question as to whether there was anything about ARK which might distinguish it as having a “Christian Philosophy” the answer was “no”. Both teams had been dysfunctional, lacking trust not because Mrs.A had wanted this but because ARK was so much part of herself. Although wanting to be part of a team, she had been unable to release responsibility. She had worked very long hours with great dedication. Her integrity and principles over money were undisputed. Her ethics of care and concern for others were rightly dominant, but on the ways and means to implement these she needed to be advised and influenced. This had not happened over a prolonged period.

8.2.85 Crucially, this had needed to be in ways that were not seen by her as aggressive. Sadly there had been no individuals in either team who had had the skills or personality traits to “manage” the Director. They had either attacked or opted out. “Distrust” not “Love” was the prevailing feature, with “fear of blame” the main motivation. The consultant expressed surprise that the situation had lasted as long as it had. Asked about her own **accountability**, as a consultant, she had not been clear to whom she should have reported such matters, or indeed what ‘they’ could do about it if she had. The consultancy appointment had been made by the Director with MC approval, but the contract had never envisaged briefing the MC.

8.2.86 Hence, even the MC's use of consultants and independent internal audit as a surrogate, had failed to provide a funnel for alternative views. Their accountability had been too vague. Because no potential informant, individual or corporate had believed that the MC would either act or be confidential, whistleblowing had been forestalled. For many employees the solution was to leave, a pragmatic protest but too low-profile to be noticed.

8.2.87 As a paid employee, Mrs.A's career and lifestyle were intimately bound up with ARK. She herself could not easily leave to a position of comparable salary, status or power elsewhere. Instead, even though they did not own ARK, the A's effectively had come to have a quasi-proprietorial stake and to dominate it. The risks inherent in such situations are of particular significance within the entrepreneurial social business sector, for it lacks the mechanisms of commercial rewards and disciplines which might influence practices of management for owner/managers. Moreover, unlike a large civil service, it lacks the opportunities to offer alternative posts as new outlets for energies. SH's prohibition of extra-contractual inducements for severance, as found in the private sector, will be considered in chapter 10.⁵⁰

8.2.88 Arrangements had been approved at 30/10/96 to introduce a staff-appraisal system, prepared but frozen since 1994. However, since its aim was to concentrate on objective setting (a future activity) it could not, as the Director pointed out, comment on the past. With this proviso agreed, arrangements were made for mid-January 1997 for what would have been the first formal appraisal of the Director in her career, despite the clause in her 1984 contract⁵¹. Due to illness it was postponed and never took place. Instead, at an informal meeting the new chairman discussed terms for early retirement. This was announced to staff on 31/1/97, then taking place with friendly and dignified ceremonies at the end of February 1997.

⁵⁰ 10.3.29 and 10.5.9

⁵¹ 8.2.19.

8.2.89 Through much of that month the Director had undertaken “farewell” visits to all the projects. Her companion on these visits, despite having witnessed the tensions at HO, was deeply impressed, commenting on the warmth and respect at projects for Mrs.A and of her intimate knowledge and sincere affection for individual residents and their families. Her leadership in such individual circumstances was inspirational.

8.2.90 Before moving to triangulation, then theological analysis, one further observation is relevant, that in discussions of impending retirement could be seen the various characteristics associated with dying/bereavement. Initial acceptance was followed by anger, denial, bargaining, sadness and hope.⁵² Subsequent personal correspondence suggests that the transition away from ARK was made relatively swiftly and successfully. However, it would be difficult to overstate the A’s personal commitment, emotional and quasi-proprietary interest in ARK, whereas in the social business, rather than commercial, environment they can only be employee and volunteer.

8.2.91. As with the Cappadocians, issues of how a Christian charity is “owned”, “managed “ and “accounted for”, are fundamental ethical questions which this case-study of ARK addresses at 9.4. First, in 9.2 and 9.3 it is necessary to describe corroboration and independent views on this history by recourse to the perceptions of those who, as representatives of the imperium, provide its on-going funding. Thereafter the attempts to draw on this research for practical future implementation is described in chapter 10.

⁵² As described, Murray-Parkes, C., Bereavement (Penguin, London, 1986) and Ainsworth-Smith, I, & Speck, P., Letting Go, Caring for the Dying and Bereaved. (SPCK, London, 1982)

CHAPTER 9: EXPLORING ISSUES AT ARK AND ETHICAL REFLECTION

9.1 INTRODUCTION

9.1.1 The previous chapter traced ARK's emergence, then rapid expansion, as a social business and the apparent tragedy as, managerially, it lost its way. This chapter first triangulates and explores that situation as at 1997. However difficult it may have seemed at the time, merely changing the Director neither constituted changing the ethos nor could it have of itself been anything other than the start of a process. It therefore draws on the research to prompt meditation to discern pointers for possible improvements. The narrative of ARK's history resumes in chapter 10.

9.2 EXTERNAL OBSERVATIONS: FROM INTERVIEWS

Perceptions of commissioning agencies

9.2.1 To triangulate the validity of the selective narrative set out in 8.2, a series of external and also literary-based observations will now be presented. This is not comprehensive but places the narrative in context, while confirming the validity of memories derived either from ARK's internal documentation or close participants.

9.2.2 In any fully commercial situation the customer, through market preferences, is deemed to have an essential role in determining the longer-term viability of a service provider. By definition, those who benefit directly from ARK can have only a limited role in expressing their opinions of its adequacy. Therefore, in January and February 1997, ten directors of SWD (or their nominated representatives) were interviewed seeking their perceptions of ARK and the distilled findings, with commentary, now follow.

Point 1

9.2.3 Initially ARK had been an innovative pioneer in leading the way from institutionalised care but is now just one of many. It still offers, primarily, only one approach, as in the combination of landlord and carer, which has been superseded by

others. This suggests its older projects have themselves become institutionalised.

Comment 1

9.2.4 To separate the supply of accommodation from support activities between two organisations is administratively more complex and may seem anomalous. However, it enables potentially more freedom of choice for those needing care. A “key” worker can still support an individual who has moved to other, more appropriate accommodation. The focus is on people not buildings. This may prove more cost-effective to SWDs. ARK’s resistance was seen as self-interested and so unethical.

Point 2

9.2.5 ARK had become well-known as “difficult” over contracts, taking a legalistic approach with extensive “niggling” over small points, often at a late stage when the negotiators reverted to HO for final approval. Although the SWDs in the 1990’s were new to contracts (and may have created some of the problems themselves) the sense of “partnership” was, in some locations, eroded by a perception that ARK argued over points to make points, rather than seeking co-operation. ARK without a profit-motive in its purpose might have been expected to have embraced a less confrontational approach of co-operation. Conversely, unlike “for-profit” entities, ARK had lacked the initiative to compromise.

Comment 2

9.2.6 These observations, made in various ways by different SWD Directors, were confirmed by ARK’s Finance Manager. Her view was that many late amendments required by the Director, while reflecting in part the Director’s undoubted knowledge as a trained lawyer, had served as a very public refusal to accept that senior staff could be trusted to commit ARK. While criticism and blame (predominating over praise) might have been accepted internally as part of a criticism-orientated culture, the specific refusal to delegate over contracts had publicised management friction. SWDs had commented on the absence of trust thus demonstrated.

9.2.7 The catalytic significance of the “contract culture”, introduced by the

Community Care Act 1990, for changing relationships is attested in various studies, for example, Wistow et al.,¹

“It would...be misleading to understate the ‘cultural ‘revolution which this legislation implies for traditional ways of working... one of the most fundamental aspects of this revolution is the development by social services departments of purchasing and contracting functions within what has increasingly come to be described as a social care market...This in turn implied a knowledge and skills base almost entirely lacking in the personal social services; it was also incompatible with many of the dominant political and professional values that had shaped their organisation and management”

9.2.8 ARK was therefore not alone in finding problematic this paradigm shift in the ways services could be delivered, but the “revolution” magnified the inherent weaknesses of ARK’s culture, exposing its inability to adapt. Crucially, because contracts are not grants it has made ARK, as other voluntary organisations, more precisely accountable for how specific resources are utilised and therefore what it is obligated to provide. Increased accountability might seem wholly beneficial but ‘accountability by means of contracts’ has inhibited voluntary sector bodies. The flexibility, independently to decide how to adapt resources to changing circumstances, has been lost. A substantial risk now exists that VNPOs will have to become increasingly bureaucratic to be capable of justifying detailed variations. The voluntary sector ethos may thereby be jeopardised and new compromises and models required.

Point 3

9.2.9 LCs can be misused by an organisation such as ARK in the formative period before a project is built. Such Committees may constitute a local, vocal, single-issue lobby group pressing for limited SWD funding to be concentrated into areas of particular concern to that Committee. Its interest may have been created through self-interest, on behalf of relatives. An ARK-style solution may not be the priority needs (as identified by the more objective professional social workers with an awareness of wider requirements). Promoting such may result in manipulating vulnerable people.

¹ Wistow, G., et al. *Social Care in a Mixed Economy* (Open University Press, Buckingham, 1994), cited by Gann, N.M., *Managing Change in Voluntary Organizations: a guide to practice* (Open University Press, Buckingham, 1996) which devotes Chapter 2, pp7-21, to this subject.

Comment 3

9.2.10 This problem seems an inevitable consequence of any human political system where there are competing demands for finite resources². It is important to recognise the fact of an individual being a volunteer does not, ipso facto, make for objectivity, although the absence of overt vested interest may give this impression. With parents of potential tenants on many LCs, the function of an entity such as ARK must be along the lines, quoted by Rev.B, "*I don't know if this door is open or not but we can both try leaning on the door*" Thus solidarity and hope are evoked without prescribing the solution. By approaching in weakness rather than badgering from strength, co-operation with SWD's rather than confrontation may follow. A feature of Basil's lobbying was that it covered all sorts and conditions of humanity, not single issues³.

Point 4

9.2.11 The potential dysfunction caused by LCs may extend beyond the conceptual stage of a project. Staff may resent apparent monitoring by individuals, not only untrained in the tasks but with particularly complex emotional ties to individual tenants, so reducing objectivity. The preferred SWD solution is that the LCs be encouraged to confine their activities to fund-raising for "extras" and social visiting. Any functions of "ownership" beyond this should be removed, lest the volunteers attempt to use their status in manipulative ways.

Comment 4

9.2.12 This is a branch of the issue of "ownership" in that it involves comparative status for two stakeholder groups. Indirectly it challenged one of the three central tenets of ARK -- the importance of the role for the community beyond the paid employee and "professionals". The complications are diverse. For a simple example, an LC member, having contributed greatly in fund-raising, might expect power and

² 3.2.42. For contemporary comment, Mahoney, J., Special Interest Groups Lecture 3 in the Series Who is Responsible for Ethical Business? Gresham College, May 1993, p14. "*In the area of individual customer ethics there (is) a place for ethical restraint, and this seems to apply even more to the case of special interest group ethics. For it entails not only ethical restraint in the methods chosen and used to press one's case and to overcome opposition, but also ethical restraint in situating one's quite justifiable case within a wider social context*".

patronage in the local community through recruitment, as compensation. The individual might be either wholly unsuited to recruitment, or foster nepotism.

9.2.13 More insidiously, while the LC has vested interests in wishing to create the “best” environment for the immediate “local community” of their project, either as presently constituted or as they feel it should be, this also creates potential risks. For example, LCs may be particularly vehement in excluding from entry into “their” existing project those with greater levels of handicap, lest they be disruptive. Such attitudes could impact not only on those currently outside, but could lead to the avoidance of change for a tenant -- i.e. after time, some supported tenants may be able to move to less supervised accommodation but parents resist. While ARK was formed to oppose prejudice and create opportunities, its LCs might become determinedly exclusive and risk-averse.

9.2.14 By 1997, LC’s involvement in recruitment had already eroded with increasing need for interview panels to be well-versed in the sensitivities of employment legislation. A residual function of “whistleblower”, able to draw inappropriate practices to the attention of “Head Office”, will always remain. However, this is only complementary to publicly available, formal complaint procedures.

9.2.15 With their overt powers reduced, so too the direct risks from LC’s member’s possible conduct. However, the lack of trust implied thereby may challenge the individual LC members whether their motivation for fund-raising and general assistance is diminished. Accepting the need to motivate, a new role may need to emerge whereby LCs specialise in official befriending or “advocacy” of supported individuals. Such a function will require a clear distinction from ARK as a pre-requisite to maintain independence. The whole structure and skills of LC’s may need to change.

³ 3.3.2 & 4.4.15

9.2.16 Handy (1988)⁴ identifies the importance of consensus or consent in democratic involvement in charities. For most of ARK's history, including the period 1996 to 1999, not even consent has been required of LCs. Local contribution to governance is negligible. This may have been a lost opportunity for there is to ARK a parallel organisation, KEY HA⁵. Interviews with its Director, and subsequent discussion with its former chair, ascertained that while it has no formal LCs, half the seats on its MC are reserved for relatives of supported tenants. This has worked well. It may explain why, after a similar timespan, KEY's service provision is double that of ARK.

Point 5

9.2.17 There was no expressed opposition to ARK because of the Christian claims of its Philosophy.

Comment 5

9.2.18 The ability to see needs, and then be creative in offering solutions, before these have been envisaged by others, is seen as part of a "prophetic" function which the Christian community can play in society. A comparative example was the Christian inspiration to the hospice movement, before this became widely developed⁶. However, SWD Directors indicated a wish not to be preached at. Failure to sustain the combination of enterprise and constructive criticism into fresh programmes, so reducing the effectiveness of the entity to serve society, was seen as a far greater issue. In theory at least, this position was not fundamentally opposed to perceptions of the mutual relationship between 'Imperium' and 'Sacerdotium' that would have been acceptable to Basil⁷.

9.3 POINTERS FROM OTHER RESEARCH

Discussion of literature

9.3.1 Resistance to change reflects issues of "ownership and power". Where these are

⁴ pp137-8. Cited 8.2.51.

⁵ refer 7.2.46

⁶ Du Boulay, S., Changing the Face of Death, The Story of Cicely Saunders (Religious & Moral Educational Press, Norwich, 1985)

not clearly demarcated, as at VNPOs, 'Effectiveness' might be expected to be an essential factor. However, a literature review of 21 different empirical studies undertaken during the period 1977-1997 points to the widespread lack of success in identifying any agreed measures for effectiveness at organisations such as ARK, even in North America where VNPOs have had a long-standing role in healthcare and education⁸. Moreover, the review's recommendations -- of accepting an 'emergent approach' -- is qualified by the recognition that even a minimal expectation of uniformity in measuring effectiveness would be widely misunderstood or opposed. Hence, published, managerially-useful generic advice seems limited.

9.3.2 However, Hind⁹ outlines a general scenario readily comparable to that at ARK with a description under the heading "The chief executive's management style must change", as follows:-

"This is the person who is likely to have steered the charity from its earliest days. The leadership qualities required from a CEO as an organisation matures are very different from those required to get the organisation off the ground in the first place. The energetic, charismatic visionary who inspired a small number of staff in the organisation's formative period can be a counterproductive force as the organisation grows and requires more stability. At this point a higher premium must be placed on staff communication and consultation processes, management development and appraisal structures and careful strategic planning. These management disciplines are an anathema to the entrepreneurial CEO who is more interested in the results than the process. The CEO's early style becomes unsustainable as the organisation matures. Capable staff, who should have formed the nucleus of the organisation in its new phase will begin to leave if they do not feel that the CEO is capable of adopting the appropriate leadership style for the new organisation. In particular, staff will wish to see the CEO delegating authority to capable managers so that they feel sufficiently in control of the events for which they are responsible. The crucial question is, can the CEO identify the need for change? If he or she can, is he or she prepared or indeed able, to make such a change? There are relatively few examples where the transition from small to medium-sized or large charity has been successfully made under the leadership of the same CEO. The

⁷ 4.4.5-15

⁸ Forbes, D. P., Measuring the Unmeasurable: Empirical Studies of Nonprofit Organization Effectiveness From 1977 to 1997. Nonprofit and Voluntary Sector Quarterly, vol 27, no 2 June 1998 pp183-202

⁹ Hind, A., The Governance and Management of Charities (The Voluntary Sector Press, High Barnet, 1995), p 339. The issues are considered particularly in chapters 17 & 18, pp 309-344. No specific sources are given for the description quoted.

trustees have to take responsibility for finding an appropriate way of resolving this critical issue."

Legally, formally, the responsibilities of ownership are thereby clearly placed with the "Trustees", howsoever they are styled. However, it seems naive to view "trustees" like a "deus ex machina" in Classical tragedy, reliably there to be wheeled out at crucial moments to avert disasters and provide solutions which defy mere mortals. Trustees are fallible humans. With only a part-time interest, trustees may easily miss warning signs. More problematic, they may have a pre-disposition to be distracted from taking a long-term view if thereby they avoid the short-term pain and uncertainties required, such as for the removal of a CEO. For such circumstances, trustees rarely have funds or opportunities to offer alternative employment as outlets for the energies of dynamic people. The absence of palliatives, or negotiating chips, which trustees can offer is raised in 10.3 and 10.5

9.3.3 Given that many VNPO's are increasingly voluntary agencies acting on behalf of SWD's, it seems an ethical question for society, why it should expect those who are unremunerated trustees to undertake such an unpleasant task, rather than those who seek pay and professional status in SWD's, or substantial allowances as local authority convenors. While 10.2.1-3 may provide an explanation for those with Christian inspiration, this could constitute a fundamental problem for the future. The numbers of those willing to undertake trustee responsibilities from religious motivation, or "pro bono", could continue to dwindle, despite government promotion of 'The Giving Age' with donated time rather than money deemed more valuable. There are several signals of the widespread concern, not least a period of formal consultation (between September and December 1999) by the Charity Commission for England and Wales on legal changes to permit remuneration of trustees. This has been prompted by the pressures of applications for this from an increasing number of charities.¹⁰

¹⁰ The Charity Commission for England and Wales Trustee Remuneration Consultation Document p5. I submitted a paper to the consultation based on this research. Continuing evidence can be found in the agenda of the quarterly meetings of 'Chairs of Scottish Voluntary Bodies' arranged by 'Volunteer Development Scotland'. The problem is discussed in Gann (1996) p24 "*Certainly, members with the*

9.3.4 A study¹¹ based on a variety of general English housing associations, identified how the increasing expectations of their performance has effected management committees in four principal ways:

Composition has changed with an emphasis on the need for development, financial, legal and other specialist skills rather than for representatives of local communities. Access to private, political and government decision-makers are seen as desirable;

Polarisation between committee members with divisions between strategists and tacticians and “old” and “new” is cited, though this may be a perennial problem. More specifically, with increasing complexity and sophistication, many tenant members have found themselves feeling unable to contribute;

Recruitment has become more difficult in part due the alienation referred to above. Also the sense of “risks without reward” has jarred at a time of changed expectations on retirement, that paid work should be sought before unpaid;

Tensions between committee and staff have increased as role and composition changes follow the emphasis by regulators on the legal responsibilities of control. The notion of a partnership between CEO and committee may be reduced if greater and explicit intervention is expected. As aims within the housing association movement are changing, so too may previously common assumptions on shared views and values.

9.3.5 The situation is summarised as follows:

“the legal framework, with its clear-cut distinction between staff and committee roles and statusss, is thought to be quite inadequate to describe what happens in practice. The model of a committee that has the strategic overview, guards the organisation’s mission and makes policy: and staff who simply implement the policy and do the work was not regarded as realistic by many participants. Staff are

time, interest and skills to serve on ‘higher level’ committees, pitting themselves against local politicians and senior officials are likely to be in short supply”.

¹¹ Billis, D., Ashby, J., Ewart, A., & Rochester, C., Taking Stock. Exploring the shifting foundations of Governance and strategy in housing associations (Centre for Voluntary Organisations, London School of Economics, 1994) pp15-18

seen as having much more influence than that. Staff are largely responsible for selling the values of the organisation, they control information and are capable of initiating policy development and sharing the power and responsibility for the decisions."

9.3.6 The report concludes:

"In fact there was a sense in which --it was argued -- the committee might be regarded as dependent on the staff to empower them so that they could then control the staff. The boundaries between the respective roles are seen as blurred and changing, and the relationship as a dynamic tension which some participants viewed as creative."

By implication some did not. The solution is a team effort. But the problem lies in the nature of the team's communication, with Committee members, half of whom, on average, act as such for only 10 hours a month needing to rely heavily for **objective** information on the full-time paid staff. As research, sponsored by SH, notes¹²,

"It is a symbiotic relationship, in which staff and committee must form a "partnership" approach...For the relationship to work, staff have to be able to pitch issues in a way which allows the committee to understand, contribute, debate and take ownership of policies and other decisions...an example of what Handy refers to as the "trust-control dilemma" in which managers must judge how far they can delegate on the basis of confidence or trust in their subordinates. Handy notes that "in more successful organisations there tends to be more trust and less control"

9.3.7 In short, these separate authorities suggest that management problems at ARK arose not merely because of individual foibles or moral weakness but rather because there are serious systemic challenges in the relationships between the governance and management of social businesses. Determining the respective roles will be explored further in Chapter 10. But the deeper conundrum remains (much as noted in the fifth century where the church authorities applied coercive measures for completion on those who had volunteered to build churches¹³) how to achieve an enforceable contract and place standards on those for whom there is no legal obligation even to participate.

¹² Scottish Homes Supplementary Report to Research Report 48, Supporting Voluntary Committee Members: Case Study & Trainer Interview Findings. (Centre for Housing Research and Urban Studies), The University of Glasgow, May 1996, p6, citing Handy, C., Understanding Organisations (Penguin, London, 1993)

¹³ 4.3.10.

9.3.8 Ethical dimensions and issues are an unavoidable part of the solution. Therefore ARK as a charity of Christian foundation should have excelled but, as the records show, it did not. Trust was initially only partial then further corroded. Indeed, its claims to a Christian philosophy may have not only masked problems but even exacerbated these. Theological reflection is therefore also necessary on how to build on the good features of the past ethos, while simultaneously facing up to change for the future.

9.4 REFLECTIONS ON OWNERSHIP, MANAGEMENT AND ACCOUNTABILITY

Ownership

9.4.1 Three major issues emerged from chapter 8 which required reflection. These are ownership; management methods/style and accountability. These will be addressed in turn. First it is appropriate to state the major “stakeholders”. These can be identified primarily as,

- on behalf of tenants, the LC’s being often parents with a sense of family values;
- SWD’s as the providers of revenue;
- SH as provider of development funding;
- Mr.&Mrs.A having devoted much time and energy in ARK; and
- other staff.

This list excludes MC members because, as considered below, arguably, they have no directly measurable, vested interests in ARK.

9.4.2 Rev.B concluded the research interview in March 1997¹⁴ with the question:

“where does ownership lie and how is the vision passed on from one committee member or employee to the next?”

He then answered this by saying :

“Ownership must rest with God. If you try to control it yourself you will infect it. It should be held with open hands, not seeking to close over it or dominate but to

¹⁴ 8.2.13

be accountable to those whom we serve and ultimately to God'.

9.4.3 ARK's Philosophy tried to specify ownership. The 1984 employment contract had referred to dependence on the Grace of God¹⁵. Publicity material made explicit claim to Christ's example. Successfully, ARK encouraged widespread support, irrespective of denomination, from those with a live church connection. There was involvement and encouragement from among many staff with none. But in determining appropriate actions this required each of the stakeholders noted above to be respectful of the overall interests of others.

9.4.4 In that the MC was not a direct stakeholder, it could therefore, in theory at least, be available to act as God's agent, wanting the best possible outcome for every other group, but with none of its own members dependant on any particular outcomes. While there is no intrinsic problem, danger comes if the MC's independence, actual or perceived, is marred by confusion as to its accountability. ARK's model broke down because the MC became overly dependant on the Director for information. With limited time, it relied on her advice and knowledge. It thus lost its impartiality and simultaneously was unclear as to its accountability. In effect, MC members instead of being wholly servants to ARK, served themselves and the short-term, individual interests of the Director, without realising that in the medium and longer-term they were failing appropriately to serve all parties and, perhaps particularly, the Director. She tried to match very high standards and felt unable to trust others. Probably all other close stakeholders witnessed, with increasing exasperation, the limitations of the MC to fulfil the role they expected of it and wondered why. The MC needed to be assertive in a creative and courageous way, facing the opposition that it might have provoked. Arguably, in 1994, the MC tried to do this but, despite extensive external advice, an important dimension was not identified clearly.

9.4.5 A compounding restraint was respect accorded to the Director as being the

¹⁵ 8.2.19

residual founder-member within ARK's organisational story. References to Mr.&Mrs.As' dining-room table contributed not only to ARK's ethos but re-inforced authority¹⁶. To new participants it could have seemed not only presumptuous to challenge her wisdom, but also unfair. This was a mistake. While organisational history and myths may help develop a culture of pride and self-esteem in being a part of a tradition, the need is for individuals to see themselves and others as a part of a process. The aim is to enhance a team, not single out a hero or heroine. At ARK, credit for foundation could be attributed to Rev.B, or Mr.&Mrs.A, or the first treasurer, or the Congregation who encouraged them, and also Katie Higgins, who unknowingly inspired them. But what too of Vanier? In some senses without his vision, the entity would not exist, even though formulae of management different to those at L'Arche were adopted. Vanier himself acknowledges inspiration from Christ and determining 'merit' is not a human responsibility. A clearer, continuing emphasis on the ownership by God of ARK might have assisted, hence an argument for a more formal Church linkage¹⁷. Running counter to this were the pressures of secular funding agencies to minimise the imputation of religious inspiration.¹⁸

9.4.6 Arguably in seeking guidance to ethical, rather than legal, questions of ownership the past is only partially relevant. Detailed wishes of founders' cannot dominate forward¹⁹. From an accounting perspective, the real worth of ownership of any commercial entity lies with its future, and its potential to achieve its aims. The past may provide a base to value potential but if the base is flawed then its value could even be negative. Ownership of assets or liabilities "matters" only if this matters to the individuals who might have some legal claim upon, or responsibility, for them. With an entity such as ARK, ownership of the continuing culture, even more than the stated ethos, is its core attribute. Ownership must lie with those who will sustain and develop it.

¹⁶ 8.2.2.

¹⁷ 8.2.6.

¹⁸ See 10.4.

¹⁹ See 5.4.4-6.

9.4.7 The challenge for any organisation is for all stakeholders to receive the opportunity to own its aims and thus to transcend issues of ownership. The function of ARK's MC is to act as collator and co-ordinator of these disparate contributors and to ensure that the voices of those 'not present' are also heard. However, in listening there are two requirements. The first is not to dwell on the past rather to include the future, sharing with the next generation. Christ was dismissive of those who focused upon the past, or the dead, rather than future salvation²⁰. The second is, while hearing, not to let the uncertainties of those 'not present' to delay unduly implementation of what those who are accept as necessary²¹.

9.4.8 The tensions of "ownership" at ARK are complex but mirror features identified elsewhere in the thesis. Neither saints, Paul or Basil, were allowed by contemporaries to 'own' unfettered by external interest their entrepreneurial initiatives of The Collection or the Hospice respectively²². Perhaps a Christian resolution lies in an awareness that the owning, **creator** and **judging** controller Father God is simultaneously in the Son the loving **servant** of the created, while through the Spirit the **steward** of their welfare and their **inspiration**. This dichotomy of divine interests is one of the foundations of the Christian recognition of a triune God. Manifestly this Trinitarian concept cannot be transferred directly to humans but it is fundamental to an understanding that, for a Christian-inspired social business (unlike with a commercial business) ownership cannot be separated from service and the qualities found in varying degrees in many people which make it happen.

Management Culture, Methods & Style

9.4.9 The practical issue that emerges from the narrative of ARK is the recurring difficulties facing those with powers and patronage at charities is how to avoid, unwittingly, succumbing to the malign aspects of power. As bishops, like Basil and

²⁰ As Matt 8²²

²¹ As 6.3

Theodoret²³, discovered, an indirect consequence of their activities was to provide each with authority to decide how to deploy, both directly and indirectly, substantial resources with profound effects for others involved, recipients, co-workers or contributors. This situation may have been far from original intent and incidental to developmental progress but, as 4.3 describes²⁴, it may be a not insignificant part of being a director of a Christian charity. The challenge is then to use this power and influence simultaneously as servant, manager and leader. These have subtly different tasks. Management is concerned with controlling and problem solving rather than leadership which aligns individuals so that they are committed to the realisation of a collective vision²⁵. Humans acting as servants have to be controllers, as well as inspirers, while not losing a sense of their own commitment to liberality and fairness.

9.4.10 When individuals give sacrificially, if following the requirement noted at 1.1.2 of John 13^{34,35} this means subordination of own interests to that of others in the community, even to the extent of death. Such subordination of self ought then to allow for determination by others of how, when and why the resources donated are used, including the time and skills still to be exercised by the donor. But complete transference of decision-making and foregoing control would be an odd requirement when it is precisely these managerial attributes which constitute the essence of the gift.

9.4.11 Management is an activity which simply cannot mean eternal passivity and withdrawal of control. Management power, if only as a possibility, must at some stage be exercisable, or it ceases to exist. This dichotomy of human possibility is paralleled in the celebrated passages of the Beatitudes, traditionally translated as "*Blessed are the meek for they shall inherit the earth*"²⁶ where those least domineering will become the

²² 1.2.7-12; 3.2.64-68 and 4.5.8. They may have been reluctant to admit it.

²³ Basil, Chapter 3 passim; Theodoret, 4.1.1-3. for generality, Geller (1998) quoted 1.4.2.

²⁴ Also 4.5.12.

²⁵ Higginson, R., *Transforming Leadership: A Christian Approach to Management* (SPCK, London, 1996) p26

²⁶ Matt 5⁵ REB. translates "Blessed are the Gentle; they shall have the earth for their possession." In my view, 'meek' is preferable for it catches a particular and distinctive meaning. While gentle, as in

masters, despite their seeming lack of assertiveness. This appears a paradoxically selfish ambition, even frustrating outcome -- why should the meek wish to inherit the earth, when others want it? -- until the responsibilities which go with the 'ownership' are recognised too.

9.4.12 This paradox within Christianity is particularly insightful to a practical understanding of servant-management. However, it is necessary to explore the concepts underlying "meek", being the traditional translation of the Greek adjective "πραυς". The next five paragraphs will argue that these should be construed not so much as, "gentle", in terms of weak or passive, but as "power under control".²⁷ At Matthew 11^{v29}, following the ethical injunction to learn from Christ's example, the adjective is used of Jesus, while referring to his "light yoke" on those who labour. Nevertheless a yoke, a harness, is involved. The implication is not of "control surrendered" but of its shared retention to be deployed in order for a task to be accomplished. Power is exercised sensitively, appropriately to the circumstances.

9.4.13 Such meekness is far from total forbearance from self-determination, for it accommodates a need for assertiveness in appropriate circumstances. The full depth of this term used, by Matthew alone of the gospel writers, is dramatically shown in his Chapter 21. Jesus is, at verse 5, described as riding into Jerusalem on a donkey amid celebratory crowds. It includes a quotation from the Septuagint (Zechariah 9^{v9}), seemingly with post-exilic expectation of the Messiah who renounces violence. Yet immediately after this scene, at verse 12, the "peaceful king" initiates the only recorded incident of violence where he is the instigator. Apparently single-handed, he successfully drove out of the Temple precincts all those engaged in trade therein. Whatever the facts of the actual incident, recorded variously in each of the four

"gentleman" if a sparingly used term, would be respectful and distinguishing of a person in control of their basic instincts, it can also imply weakness.

²⁷ Uses are listed by Frankemolle, H., Exegetical Dictionary of the New Testament (edited, Balz, H., & Schneider, G., Eerdmans, Grand Rapids, 1993) Vol.3, p147. However, the full significance of the concept is better brought out in Jones, S. L., & Butman R. E., Modern Psychotherapies, (Intervarsity Press, Illinois, 1991) p165 ff.

gospels²⁸, what seems the point Matthew makes is that the “meek” king could rapidly, and without warning, respond to provocation with a wholly effective, physical attack on a large group of people to assert his authority -- specifically referring to the Temple as “my house”.

9.4.14 In short, the king on the donkey was neither passive nor weak but, more accurately, a symbol of “power held in control”. The power could be, and was, unleashed but only at the proprietor’s discretion when **he** decided that what was happening was “not proper”. This display of power was not a loss of control but rather demonstrated complete control, asserting the spiritual above the secular at the heart of religious practice.

9.4.15 The writer of 2 Corinthians 10¹, cites this Christological and ethical virtue in contrast with his own both reticence and bold assertiveness, a balance between timidity and courage. At Galatians 5²³, together with Patience, Kindness and Fidelity, *πραυτης* is a fruit of the Spirit, alongside fundamental desirables of Joy, Peace, Love and Goodness. Gospel usage is limited to Matthew but in the Greek translation of the Hebrew Bible it is applied to Moses, the other great Judaeo-Christian ethicist, as at Numbers 12³.

9.4.16 The concept pre-dates Christianity. Plato saw the exercise of control and composure as signifying greatness and wisdom²⁹. Aristotle included it among the “ethical virtues”³⁰. More guardedly, Proverbs 25²⁸ implies it is the pre-requisite for self-preservation³¹. Most evocatively for Management Studies, in the classical Greek of Xenophon³², it was an important attribute of a war-horse, the half of the team of “mounted warrior” which gave the combination its pre-eminence in battle. Powerfulness and endurance in such an animal is a necessity but it would be a serious

²⁸ John 2¹³⁻²² puts it at the start of Jesus’ ministry.

²⁹ Plato *Republic* 566E p540

³⁰ Aristotle *Nicomachean Ethics* I 13 (Loeb p69)

³¹ “Like a city breached and defenceless is a man who cannot control his temper”

liability without the essential spirit of “meekness” to enable control. The horse must be the absolute servant of its rider, lest potentially, through misplaced aggression or fear, it might carry both into extreme danger. Confidence is needed that the harnessed physical power can be utilised at the right time and circumstances to be, literally, of devastating effect. Such a relationship between horse and rider would need to develop through training, being both taught and caught through example. As Xenophon concludes of war-horses, *“those who are conscious that they have been well drilled are certainly more courageous in the face of the enemy.”*

9.4.17 War-horses may seem a long way from ARK. The analogy is nevertheless relevant. To paraphrase, ideal managers for a Christian charity might possess all technical knowledge; have received all authority to direct operations; have been given all resources; they may give themselves completely to the task but if lacking “meekness” these may be worth little. Meekness provides the humility to achieve the perceptiveness and self-control to judge when to intervene powerfully and often decisively. By “powerfully” is meant, maximising every beneficial effect but with the minimum intrusion into the independence and self-interests of any other party.” Vitally, for a full-time manager, this is not a single occurrence, or static event, but part of a dynamic process. ARK’s philosophy of *“love, care and concern, illustrated by the teaching of Jesus Christ”* did not exclude his example of “power under control” but this concept did not evolve as the charity grew and new projects were developed. The power inherent in these was suppressed and that in the centre was not controlled. An opportunity for subsidiarity was lost.

9.4.18 Mahoney³³ describes the concept of subsidiarity, defining it as follows:-

“what is at issue...is not the idea of delegation, or of a trickle-down idea of authority or power carefully doled out. Subsidiarity recognises authority and power as already existing at ‘lower’ levels, respects it, and above all takes care not to absorb it” moreover *“it recognises that ethical responsibility is spread throughout the company at all levels and in varying degree, from the shareholders to the workforce.”*

³² Xenophon, *Cyropedia* II 1 29 (Loeb Vol.I p153)

³³ Mahoney, J., *Gresham Lecture 3* 1989. Two lectures in 1992 looked at the roles of loyalty and courage as contributors to the ability to delegate, a pre-requisite to subsidiarity. See also 1.3.3.

The manager's leadership role is,

"to promote, co-ordinate and monitor ethical responsibility and responsiveness in all those for whom he or she is responsible."

Elaborating on this he adds,

"On the one hand, it involves non-absorption on the part of superiors, but at times it can also call for intervention on their part, either for the common good or when lower agents do not have the necessary resources, or are not capable of discharging their own responsibilities."

Greenleaf might challenge the wording even of this, noting,

*"the hierarchical organisation postulates the leader as the superior of his followers...we need a principle of organisation that postulates the leader as the servant of his (sic) followers."*³⁴

9.4.19 Subsidiarity is a profoundly Christian concept. For example, John 1¹³ (...*to all who did accept him, to those who put their trust in him, he gave the right to become Children of God*") makes clear the universality of access and hence the contribution possible by any willing to make the trusting step of belief and engagement. However, subsidiarity does involve trust and that must involve some vulnerability to what is unpredictable. As noted at 7.2, trust is different from both confidence, and also co-operation, although both will require trust.

9.4.20 As part of trust, subsidiarity requires a sharing of responsibility in such a way that forgiveness, rather than punishment, encourages hope rather than fear. Where criticism is feared then the timing of the provision of the necessary 'subsidiary' is more difficult. Too early intervention from above may infringe independence and be construed as implied criticism. Worse still, if those below fail to seek support timeously, then fear to admit both, this and the original error may be compounded. Meekness in superiors -- manifestly servant-leaders -- will facilitate trust.

³⁴ Greenleaf, R. K., *On becoming a servant-leader: the private writings of Robert K. Greenleaf*. eds. Frick, D. M., & Spears, L.C., (Jossey-Bass, San Francisco, 1996) p334

9.4.21 In that trusting, forgiving, co-operation enables not just restoration but also continuity of progress, so too re-novation enables innovation. Innovation has been an essential part of the purpose of charities/VNPOs in the paradigm shift to social businesses for the delivery of social services. The opportunity and ability to make mistakes and to learn from them is a key attribute³⁵. Retaining the freedom to have such flexibility will be a vital part of their ability to contribute positively to the wider community. This requires communication.

Accountability

9.4.22 The ethical issues found at ARK have wider application among businesses generally³⁶. For social businesses, the search for responsive, pragmatic accountability was a major force in the provision of state funding which fuelled their growth.³⁷ In summary, the aim was to create an entrepreneurial alternative to delivery methods traditionally provided by governmental departments. Such departments, bound by rules and regulations, allow little discretion or “forgiveness” lest this might breach individual expectations of impartiality.

9.4.23 By contrast, Christian charities, owing ultimate allegiance to a loving and forgiving God, ought to have the broadness of approach whereby those involved therein can admit mistakes and share the lessons from them. With a sense of God-given freedom, with an assurance of being given a further chance after imperfection and error, the organisation, individually and collectively, ought to be able more readily to experiment; take risks; make commitments and expect communal understanding of faults or failures arising thereby. The ability and opportunity readily to admit to, and learn by, mistakes is perhaps the essential ingredient as to why a charity of Christian

³⁵ 8.1.8

³⁶ Mahoney, J., *Gresham Lecture 3 1989*..... “*business is a human activity conducted in a society which is not made up of interchangeable parts but of members each of whom is unique and beyond price. The conduct of business need not, and must not be allowed to, introduce a moral schizophrenia into the lives of business men and women. It must also respect and leave room for the exercise, and proper understanding, of individual conscience. And it is also a most suitable field for the development of responsible and satisfying moral leadership*”.

³⁷ as 8.2.7(note).

foundation ought to be more responsive and effective than a secular equivalent.

9.4.24 Accountability therefore must not be seen as the means for condemnation or criticism, leading to defensiveness. Rather accountability ought to be the means whereby relationships are strengthened through transparency and trust. This view of accountability, when underwritten by the belief that God forgives, makes it incumbent on all humans to help each other by being constructive over errors and not attempting to rationalise them into insignificance. Individually and corporately there can be a positive response which avoids the otherwise overwhelming consequences of repeated mistakes, continually concealed or denied. Unlike in Greek tragedy, failure is not ultimate, without room for repentance and redemption. In the Hebraic tradition, despite a history of failure, the human struggle, wrestling to find understanding, can, indeed must, continue.

9.4.25 ARK had broken out from ecclesiastical structures. It has grown in size and scope when many church activities are contracting, but it still shows an interesting parallel with the history of the Church, as Shanks³⁸ describes it. A community feeling under continual threat, at the outset, in order to survive and prosper, may need to be preoccupied with its own unity and hence be discriminatory³⁹. It seeks clear leadership and boundaries with a sense of who is in or out, so avoiding externally-provoked schism. It must also insist on its own radical uniqueness, as early mainstream Christianity did in proclaiming that outside the Church there was no salvation. ARK was one of the first to identify with those whom society chose largely to ignore, championing and providing for them. In due course society, government and other social businesses recognised its example and developed alongside. Yet ARK continued a tight, centralised, “fighting” control structure. Internal criticism, let alone whistleblowing, was discouraged. As Shanks notes,

“A church institution on the defensive will gladly celebrate its own collective

³⁸ Shanks, A., Civil Society, Civil Religion (Blackwell, Oxford, 1995) pp18-19

³⁹ As 4.3.1-3 in respect of other Christian communities and 4.3.4-12 on increasing ecclesiastical dominance at the expense of other groups.

dissent, in so far as it has not yet attained cultural hegemony; yet it will never be so inclined to celebrate the courage of the conscientious individual dissident, simply for civil liberty's sake. And this reluctance surely does tend to result in a distinct moral impoverishment of its Christology."

9.4.26 The challenge to ARK at mid-1997 was to re-design itself as an innovator looking at the means to find fresh ways, not yet identified, to enhance quality of life for others. Given ARK's experience, the question was not, whether subsidiarity could be achieved without financial profit as an imperative -- financial reward was not a major factor in ARK's successes or failures. Rather it was whether, without pressures of fear of blame or failure, the unstated rewards of "power under control" and subsidiarity could be the incentives, the models, to help individuals fulfil themselves in helping others to be as fulfilled as possible so finding a practical expression of Christ-like love.

CHAPTER 10 : ATTEMPTING CHANGE AT ARK, 1997-1999 AND ETHICAL REFLECTION

10.1 INTRODUCTION

Themes and Format

10.1.1 Discovering the history of ARK then drawing out reflections, as in Chapters 8 and 9, were a necessary base for the practical challenge of the research, testing the demands of implementing change through chairing the Association, between late 1996 and 2000. This type of action research over a sustained period at one organisation is essentially very different from more analytical research, such as posing different hypothetical dilemmas at directors of VNPOs and commercial entities and seeking to score their moral reasoning. Interestingly, the most recent research of this kind emphasises the importance of decision-making ability¹. As discussed in Chapter 2 the drawback of action research lies in risks of subjectivity of interpretation of the researcher. The benefits are the depth and realism of facing actual and uncertain issues in times and ways which are unpredictable as to their significance. It also means facing individual foibles, emotions and inconsistencies. As such, neither the problems of change nor the solutions present themselves in tidy ways. They emerge as a variety of complications amid routine managerial tasks from which they need to be distinguished. Ethical decision-making is rarely about discrete tests or issues readily identifiable as such at the outset.

10.1.2 This chapter describes how over two years, ARK tried, with mixed success, to recover and evolve. It explores just two aspects of change:-

- responses to the impact of protracted illness of the CEO on the management and development of ARK (10.2 & 10.3);
- changes in the corporate Mission Statement and publicity material removing direct

¹ Brower, H.H. & Schrader, C.B., Moral reasoning and Ethical Climate: Not-for-profit vs. for-profit Boards of Directors Journal of Business Ethics, Vol.26 no2: pp147-167 (2000) concludes tentatively that the VNPO directors seemed less adept at moral reasoning, although there were many caveats to the research.

reference to “Christ” (or derivatives) (10.4).

Other relevant ethical issues, such as the changing role of Local Committee members², (including recruitment, training, appraisal, functions, limitations, lobbying) or assessing appropriate rates of pay for staff have been excluded, except where these impact on these two.

10.1.3 Both topics were enmeshed in on-going operations and initiatives. Both are multi-faceted. This has presentational implications. It is a part of this study to try to understand how decisions with a particularly ethical dimension are reached within an entity such as ARK. This chapter, as 8, records their protracted nature, requiring many meetings and discussions, with a long series of little steps, and subtly changing factors, over a period of time. Tidiness with finite beginnings or ends, as written case-studies might imply, are illusory in practice.

10.1.4 The chapter concludes (10.5) with an evaluation of the attempted application of the Christian attributes common to the separate studies but particularly concerned with Accountability. It ends (10.6) with brief observations on the apparent state of relationships between the ‘Sacerdotium’ and ‘Imperium’ revealed by ARK’s current situation.

10.1.5 Before resuming the historical account of ARK as from mid 1997, it should be confirmed that its overall environment was largely unaltered. It continued, as a housing association, offering a mix of housing and support. Its regulator continued to be Scottish Homes [“SH”]. Social Work Departments [“SWDs”] provided all ARK’s income from budgets having competing demands. Most of the Senior Management Team [“SMT”] and Management Committee [“MC”] members were unchanged.

² For the broader benefits of a group additional to trustees & executives, Saidel, J.R., *Expanding the Governance Construct: Functions and Contributions of Nonprofit Advisory Groups*. Nonprofit and Voluntary Sector Quarterly vol. 27, no 4, December 1998 pp421-436. On training, Harris, M., *Do we need Governing Bodies?* in Billis, D. & Harris, M., Voluntary Agencies (Macmillan, Basingstoke, 1996)

10.2 ATTEMPTING CHANGE, MARCH 1997 TO MAY 1998

Initial success and Management drift

10.2.1 This is the most personal of the case studies. I was simultaneously researcher and Chair of the MC and Association. At the outset, influential on my expected role for both was an article in 'City Ethics', quoting Greenleaf³:-

"The servant-leader is servant first. It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. The difference manifests itself in the care taken by the servant-first to make sure that other people's highest priority needs are being served. The best test, and most difficult to administer, is do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And what is the effect on the least privileged in society; will they benefit, or at least not be further deprived?"

While unpaid, part-time and non-executive I saw the purpose of both MC and Chair as to avoid past mistakes and to nurture the institution and the individuals affected by it. This could help form the bedrock for good management practice and restoration of the tarnished image of ARK as a charity of Christian foundation.

10.2.2 Attempting to address the known imperfections was the priority for 1997, following the early retirement of the Director. There had been no succession planning, so an interim Director, with conventional housing association expertise, was employed to provide the impetus for substantial improvements necessary for the next SH review, expected within the year. Meanwhile, through an extensive recruitment process, with specialist external help, a generic manager was sought. Religious affiliation was never considered during this process, although visions of management methodology were shared.

10.2.3 The post of Community Services director, vacant since November 1996, was not filled in order to allow the new CEO first to re-organise, then participate in

¹City Ethics, Newsletter of the St James' Centre, Sydney, Issue 20, Winter 1995, citing Greenleaf R.K, The Servant as Leader (Robert K. Greenleaf Center for Servant-Leadership, Indianapolis, 1970) p7.

selection of this key team member. This significant decision for deferral fitted the wishes of the specialist care Regional Managers ["RM"] who welcomed the opportunity to work co-operatively as six 'equals', rather than hierarchically. The RMs therefore rotated in pairs onto the SMT. The new CEO joined in October 1997, coming from neither social-landlord nor a care background. Regional business meetings became his principal innovation, aiming to de-centralise.

10.2.4 Improved gradings in SH's re-review were essential for internal confidence and external credibility to maintain existing projects and prospective developments, assuming ARK's continuity as a distinctive operational entity. This review eventually took place in February 1998, reporting in April. The extensive report concluded,

"The association has undergone a period of turbulent change following the last monitoring report, but has emerged with an enhanced organisational and committee structure and a more open and inclusive culture. Committee and staff members handled this difficult process of change in an extremely competent and professional manner. An immense amount of work has been undertaken by everyone involved and these achievements are recognised in the grading awarded for each function and for overall performance."

This outcome appeared as a major boost to morale, particularly with Management Control re-graded from 'E' to 'B'⁴.

10.2.5 The overall 'C' reflected several factors, including the newness of the CEO and expected reductions in centralised funding administered by SH itself. Throughout the eighteen-month period, from November 1996 to May 1998, the potential loss, without replacement, of Special Needs Allowance Payments ["SNAP"], affecting some 15% of ARK's operational income, hampered budgeting, hence re-structuring and replacement of equipment and postholders. Lobbying managed to reverse SNAP reductions but this was only fully confirmed in May 1998. At that point, the re-gradings and retention of SNAP seemed a signal that ARK's strategy could proceed beyond survival to consider a range of options, including organic growth; local or national merger(s) or splitting off

⁴ ARK archive. Scottish Homes Monitoring Report April 1998

the Care functions, albeit recognising many legal hurdles exist for the latter.

10.2.6 However, any euphoria was tempered by a growing ill-ease among staff and MC members. The SH review and funding anxieties had diverted attention from the fact that, six months after appointment, the CEO still had not finalised a managerial structure for the Care side of ARK. Concurrently, the arrangement of six RMs working co-operatively seemed increasingly fraught. Their consensus seemed possible only when confronting challenge. The CEO insisted further time was needed for his major policy review.

10.2.7 Nevertheless, in early May 1998 all local project-managers were suddenly gathered to a day-conference. This concept had been introduced in May 1997, then repeated in November 1997, intended to enable the individual projects, by sharing experiences, to derive the benefits of being more than isolated or regional units. It also aimed to improve communications between centralised service functions and projects. The conference was to prove a watershed. A subsequent independent report describes that the CEO failed to control the meeting, presented poorly and undermined himself to all present. ARK's communication channels were improving, but the message seemed to be that the organisation's leadership was awry.

10.2.8 By February 1999, a very different outcome from 1997 aspirations for inclusive 'servant-leadership' is discernible, in a project-level view, quoted by a RM:-

"Local manager resigned...to move to a post with the CofS. From his exit interview, the manager stated that he considers there to be a lack of leadership and direction of the Association which has meant a loss of identity. This has led to a disaffection within the workforce. He also considered that the centralised approach of the Priory has meant that the prime reason for the Association, i.e. the tenants, has been marginalised. He and other Managers of staff are concerned about the long-term future of the association, therefore their jobs." (Exception report, Community Services Committee 10 March 1999),

This may have been unrepresentative, arguably even progress, in that the MC knew of such messages but 10.3 will seek to explore "how" and "why" the progress reported in

1998 seemed so transient, and the ‘servant leadership’ theory had failed, thus far, to be noticeably translated into practice.

10.3. ATTEMPTING CHANGE, MAY 1998 TO FEBRUARY 1999

The emerging problem

10.3.1 Kotter⁵, setting out eight steps for transforming an organisation, places great emphasis on the sense of urgency even though the overall change will take a long time. He also stresses the importance of the shared vision (steps 3 to 5). He warns,

“in reality even successful change efforts are messy and full of surprises.”

A significant cause of the disappointing medium-term outcome at ARK was tardiness, lack of vision and weak communication but hindered by unpredicted illness.

10.3.2 The study will **not** consider in any detail the nature or causes of the non-physical illness from which the CEO suffered. Suffice to note it does have an ethical dimension in that during the research the Chair learned of four instances of senior employees (current or past) suffering from what was loosely described as “Depression”. That this illness’ prevalence is obscured by its taboo status was explored in a series of articles in *The Lancet* (26/9/98) under the heading of “*The Stigma of Mental illness*”. So too, *The Economist* (19/12/98 pp 123-129) referred to Depression as, *The Spirit of the Age*”, describing malignant sadness as “*the world’s great hidden burden*” . While it was beyond the scope of this study to explore the medical or legal Health & Safety aspects, including whether staff or volunteers at charities dealing with mental health matters are more prone to such illness, their implications provide an underlying cause for concern.

10.3.3 Fears and uncertainties because of the taboo nature undoubtedly complicated the situation. The process of discovery by the MC of the CEO’s situation was slow. Through a perceived team loyalty, the SMT were reticent about describing problems

⁵ Kotter, J.P., Leading Change, Why Transformation Efforts Fail. *Harvard Business Review*, Vol.73 No2 March-April 1995 pp59-67.

they encountered. Subsequently, it was explained that the CEO would spend much time on exhaustive discussion, sometimes with junior staff, before extensive analysis. Decisions would be delayed, or, if communicated to one individual, that person might discover later that this decision had been changed when the CEO discussed his analysis with another. SMT team loyalties found this divisive, with inter-manager relationships becoming increasingly strained.

10.3.4 First concerns were passed to the May 1998 MC's chair through the Human Resources manager giving an edited account of the conference and asking about processes for a 360⁰ appraisal of the CEO. What was not mentioned was that the CEO was receiving medical treatment for an illness which affected his decision-making capacity. MC members met the CEO relatively rarely, so there was only a limited sense of urgency. Seeking to provide more leadership, albeit from a distance, the Chair addressed this obliquely in four concurrent ways:-

- (1) having set up a sub-group of MC members and in conjunction with 'Employers in Voluntary Housing' ["EVH"], a specialist, not-for-profit consultancy, initiated a series of meetings to discuss directly with the CEO his personal objectives within the appraisal process. This seemed an essential for communication;
- (2) private discussions which focused on the lonely nature of leadership; the need for moral courage in decision-making; different types of meetings, and understandings of consensus. These were intended to be companionable (literally), being conducted over meals;
- (3) produced a two-page "ARK's purpose" as a base for the CEO to draw on; and
- (4) still awaiting a comprehensive strategy review, himself prepared a supplementary paper setting out the respective role and functions of MC and permanent staff. This was intended to prompt discussion and clarify responsibilities.⁶

10.3.5 (1) was hampered because discussion of objectives became too readily diverted into reviewing general problems. CEO appraisal by gathering information from

⁶ ARK archive. Paper 98/41.

subordinates and third-parties but without under-mining the authority of the post-holder, proved a delicate and time-consuming task especially for unpaid volunteers. It had been a principal weakness at ARK between 1984 and 1997 and was still not successfully overcome.

10.3.6 Under (2), one image stands out from the discussions, particularly because of its parable-like nature. The Chair, recommending external mentoring (at ARK's expense), suggested that a CEO is like a naval captain, in command and so only ever a guest in the ward-room. This lonely status is necessary for authority on board lest camaraderie with subordinate officers imperils the whole ship. To this the CEO replied that, unlike on a naval ship, or in a commercial entity, it was as if MC members were passengers of the Titanic, partying in a cabin above his, while mutinous officers were scheming in that below. This sombre picture seemed to illustrate the complications of volunteers mixing pastoral support with managerial authority. As the CEO subsequently observed⁷ no member of the MC could be seen by him as simply a disinterested friend. A traditional role for a voluntary Committee member, that of being an informed counsellor with an independent perspective, is difficult to sustain alongside contractual relationships involving formal appraisal. Legal requirements of accountability may run counter to the giving of pastoral support and ethical guidance, so diminishing the value of volunteers.

10.3.7 With (3), while available, this was not pushed for it was accepted by the Chair that a vision for ARK could not be imposed but must incorporate the goals of the, full-time staff who would implement it.

10.3.8 The aim of (4) was more specific, to set clear parameters by promoting between MC, CEO and SMT co-operative exploration of respective tasks. Definitions cited were from Wood⁸ namely,

⁷ Interview 23/3/99, see 10.5.1-2

⁸ Wood, M.M., Nonprofit Boards and Leadership, Cases in Governance, Change and Board Staff

“Management consists of decisions and actions linked to the performance of either an organisational sub-unit or the organisation as a whole”
whereas,

“Governance is a broader concept than management; it consists of decisions and actions linked to defining an organisation’s mission, to establishing its policies, and to determining the control mechanisms it will use to allocate power, establish decision-making processes and set-up procedures for performing specific tasks.”

10.3.9 Proposed essential functions of Governance, were distilled from Cornforth & Edwards⁹ and refined by participative discussion at several day-conferences with auditors and other volunteers within the HA Movement. These were defined as:-

- determining the **purpose and broad strategy** of ARK, in consultation with senior staff and other interested parties;
- deciding on the **appropriateness of policy proposals** put forward by staff and designed to implement the strategy, acknowledging that, in practice most policies will be required by, and based on comprehensive “guidelines” provided by SH and SWDs;
- acting as **stewards** of the resources entrusted by the wider community in ARK, in conjunction with various bodies that have statutory obligations in this area;
- as stewards, being **accountable**, and therefore being the commissioners of audit and supervisory activities, and making the results of this known to members and regulatory bodies etc.;
- Some **external relations**.

10.3.10 Trying to ensure that the CEO/SMT understood their own respective, delegated authority, the paper then stipulated that the MC would only,

- give advice;
- criticise constructively;
- act as the focus for the analysis of information and marshalling of arguments for and against various courses of action, structures, etc. by the CEO/senior staff to help

Dynamics (Jossey-Bass, San Francisco, 1998) p3

⁹ Cornforth, C., & Edwards, E., Good Governance, Developing Effective Board-Management

THEIR decision-making among their recommendations;

- act as ultimate decision-maker in certain areas;
- sometimes to act as arbitrator or to judge an appeal;
- intervene only in exceptional circumstances. This should be infrequent. As soon as possible after intervention, management responsibility should be restored to the full-time, paid staff.

10.3.11 Intentions were twofold; to liberate staff as, by inference areas not specific to the MC were the responsibility of the CEO/SMT and to try to limit the rapidly expanding service expectations of volunteers with limited time. Yet when the HR manager was asked informally for the SMT's reaction, she responded that the paper had caused concerns lest the MC wanted to "*walk away from the problems*".

10.3.12 With hindsight, each of these four steps (10.3.4) was too oblique. The CEO should have been challenged directly on staff frustrations. The nature of the problem became further apparent at the MC meeting of 24/6/98. It started with the CEO's request that the minutes of the previous meeting be changed from, "*Regional Managers had agreed to this structure*" to "*Regional managers said that they could work with different structures*", thus indicating that the organisational proposals agreed three months before were not only un-implemented but new proposals were still being considered. The CEO's strategy paper, some eight months in gestation, was distributed only just before the meeting¹⁰. It provided seven pages of analysis but concluded with questions and pointers for further strategy considerations rather than pragmatic recommendations or clear vision.

10.3.13 The MC approved the document for immediate implementation while indicating a wish only to consider specific issues as they arose. This would include the extent to which ARK should act as campaigner, refusing sometimes to reduce proposed

Relations in Public and Voluntary Organisations (CIMA, London, 1998) passim

¹⁰ ARK archive Paper 98/38.

“best solutions” for specific tenants to match finance offered by SWDs. This would differentiate ARK from being a re-active provider of services specified by commissioning SWDs, to a pro-active proponent of improved services.

10.3.14 However, ARK’s overall vision remained uncertain with more immediate goals also unclear. For staff there was no explanation as to how the disparate cultures of Care Services (people orientated and seeking ideals) and Property Management (buildings and pragmatism) could become more closely reconciled. Among the MC, distinctions between “providing a service”, “effectiveness” and “campaigning for improvements for those with learning disabilities” remained hazy.

10.3.15 There was no overt disagreement, only a pervading sense of ill-ease among the MC that, having in late May instructed the CEO to set out personal objectives, these were unfinished. Prospects of disciplinary action against the CEO were informally discussed, although being within eighteen months of the enforced resignation of his predecessor this was viewed as deeply disturbing. Subsequently, sub-group members agreed that it would have been the unavoidable next stage. However, Chair and MC were reticent to act. Perhaps this was symptomatic of lack of moral courage to recognise mounting evidence.

10.3.16 However, throughout June 1998 the Chair had particular professional requirements outwith ARK. The Nolan/Neill Committees on Standards in Public Life have endorsed the continued importance of unpaid part-timers for Governance functions at Public Sector Organisations.¹¹ Any juggling of duties requires compromises. At best, these systemic arrangements may create periodic personal ethical dilemmas over prioritisation when less-pressing but still necessary obligations with paid employment may conflict with more urgent attention required by charities. At worst, the absence of a formal contractual relationship may prove potentially costly

¹¹ Local Public Spending Bodies. Second Report of the Committee on Standards in Public Life (May 1996)

when governance functions rely on the goodwill of unpaid part-timers who, feeling obligated primarily to their employer, may need to subordinate 'pro bono' commitments and defer participation, however urgent. This can also be stressful for them.

10.3.17 Facing up to the unsatisfactory CEO situation became unavoidable when a senior manager formally resigned a week after the MC meeting, confronting the CEO on lack of leadership. While not precisely an act of whistle-blowing, it had parallels with the challenges to the Director in 1990 and 1996. ARK's internal mechanisms for resolving such crises were still inadequate without some form of personal sacrifice by a staff member. The CEO advised only the Human Resources manager of the resignation, before commencing sick leave, explaining that this had been prescribed medically two months before. The Human Resources manager, by now an informally-recognised conduit, phoned the Chair, whose response was relief. Coping with illness rather than incompetence seemed, initially, a preferable option. The ambiguities, of discussing with subordinate staff the problems arising from CEO's management style without being subversive, appeared lifted.

Searching for an ethical solution

10.3.18 While waiting for the CEO to make contact, an urgent meeting was called with the sub-group and EVH (3/7/98). The Chair formulated an approach for how a Christian-based entity should respond to these specific circumstances. This was minorly revised after a meeting with the CEO (8/7/98), but is set out in Appendix B, as the 'Ethical Approach' which influenced the search for solutions over the subsequent months. At the MC meeting of 19/8/98 the Approach was effectively endorsed by agreement that the CEO should continue in post, returning to the duties only when fully fit.

10.3.19 Within the "action research" aspect of this study, this 'Ethical Approach' was an unexpected necessity, but also the opportunity to set out, then test, an explicitly

ethical policy. It was based on the determination that ARK should aim to conduct itself, as best it could, in an unpredicted situation, in accordance with its Philosophy of "Christ-like love, care and compassion". For research purposes, each step was documented in much detail, although, for reasons of space, only essential features have been written-up.

10.3.20 A significant factor is that the CEO was only eight months into contract, so would (under legislation then operative) have been ineligible for recourse to an Industrial Tribunal, if seeking compensation for unfair dismissal. However, illness seemed the cause. Allowing space for recovery before resumption of duties appeared ethical, even if not legally necessary. Although hostility and loss of authority arose before he decided to take sick leave, the consequences of any return too early could be the exacerbation of both problems and illness. Parallel to that decision, it was incumbent also to ensure that no other staff suffered.

10.3.21 To summarise the eventual outcome, the CEO was absent 1 July to 30 September 1998 on sick leave, then from 1 October to 21 December 1998 suspended as a precautionary measure pending medical advice. Despite sustained protestations by the SMT, the CEO returned on 21/12/98 with the full formal support of the MC. Some initial progress seemed to be made. However, a full SMT delegation to representative MC members on 17/1/99 stated that his continuation was so unsustainable that senior staff would leave. In a situation starkly reminiscent of 18/1/97, on 25/1/99 the chair went to see the CEO to state that a negotiated resignation was the only alternative to dismissal. This arrangement would avoid protracted dispute and allocated blame.

10.3.22 Throughout the six months there were additional managerial requirements including:-

- in July, reporting in August, instigation of an independent enquiry by EVH to assess the situation and views of the SMT (who opined against the CEO's return);
- initiated in August, but not received until late November, a fully informed,

independent, specialist medical opinion;

- From mid-August and on-going to February 1999, specialist legal advice;
- from late September and ongoing, briefing SH as Regulators and to avoid their individual officials from excessive probing of ARK's staff;
- in October, the search for, then early appointment, of a part-time-interim to maintain the CEO function and to support his return. This person needed to be authoritative, available, willing to be flexible and also not a competitor to the CEO;
- from October through to February 1999, selection and provision of a counselling service by a Chartered Occupational Psychologist for senior staff;
- from July and ongoing, MC/sub-group consultation among the Committee members, to obtain advice and to monitor each step.
- a series of "shuttle diplomacy" meetings, initially monthly, then frequent in December, prior to the CEO's return between an opposed SMT and CEO, setting objectives.
- Extensive time (unpaid) by volunteers in arranging above, Administrative support from ARK was minimised to maintain confidentiality.

10.3.23 Confidentiality over personal medical details created major complications. The MC could agree that, given ARK's purpose, it must guard against any prejudices connected with mental health but it could not state this publicly. The staff being, "care professionals" were known to have formed their own assessments. However, taboos about non-physical illness and uncertainties over timings of return encouraged a "communication strategy" of minimal disclosure. This sense of "covering up" created significant stresses for all participants. Members of the SMT expressed irritation at the perceived need to provide "*excuses stretching personal integrity*" when potential development partners, staff disciplinary cases or statutory matters required explanation of the CEO's continued absence with return date unknown. The fact that the CEO was relatively unestablished among third parties, exacerbated rumours which were hard to counter without detailed disclosure until, on his return, the CEO himself could explain his absence.

10.3.24 The MC's goal horizons contracted to managing the immediate problem, while awaiting information. A major strain was the uncertainty of success. Despite substantially increased time input, sometimes on an almost daily basis, many other ARK priorities, such as contacts with LCs and SWD's, received less input from key MC members. So too did personal interests including MC members' families. Within the SMT, operating in a vacuum of both power and certainties, various individuals sought to fill those vacuums. Without clear objectives, different individual agenda came into play, undermining team unity and creating spiralling distrust between MC and SMT.

10.3.25 Confrontation between RMs and MC occurred in August when the latter, following recommendations of its July Care sub-committee, resolved to advertise for the Community Services directorship¹², whereas the RMs argued for further delay until the return of the CEO. Given the inconclusive discussions on the subject since 1996 and with lead times for start extending to 1/3/99, the MC had decided not to acquiesce. Resenting such assertiveness, in early September, there was, in effect, a manager boycott of a long-planned conference for LCs, otherwise well-attended by volunteers. Although there had been a specific, prior meeting to hear their concerns, none attended the MC meeting (30/9/98) when both subjects were on the agenda. The explanation offered was "stress". The MC members in turn felt aggrieved at the negativity this symbolised, formally minuting their irritation. Without a CEO in place, excuses for indiscipline seemed exploited. The planned development of "Servant-Leadership" throughout the organisation¹³ seemed stymied in a spiral of frustration, not nurture.

10.3.26 There were diverse signs of anxiety and distrust. New initiatives had continued but the respected, entrepreneurial Development Manager during this period decided to resign, as did several important support staff. The sudden and unplanned change, moving within 18 months from an autocratic management (under the Director)

¹² Vacant since 1996, 10.2.3

¹³ 10.2.1.

to that of complete consensus (the nine-person SMT operating without a CEO), exposed managerial inadequacies. Staff had grown accustomed, when all decisions needed to be cleared centrally, to long delays before implementation. Delays were familiar but vexing when arising because of failures of decision-making responsibilities within their own group. Lengthy, unfocused meetings, formal and informal, turned into inconclusive debates. Progression from a blame-emphasising, centralised culture to an effective consensus style needed an intermediate stage of having a CEO acting as a co-ordinator, with relevant SMT members consulted and responsible for implementation if not the decisions. This stage had been started successfully by the interim CEO in 1997 but it was too early for it to have developed. Experience suggests that changing an ethos takes years not months.

10.3.27 Hence, the early 1997 decision¹⁴ to respect the RMs' wishes and to defer the recruitment of a Community Services director, who might now have taken on an "acting-up" role, was seen as a serious misjudgement by the MC. As the Occupational Psychologist noted,

"...Members of the MC have been attempting to fill the gap on specific issues. Unfortunately, with the unclear accountability, this has been fraught with difficulties".

While some occasional intervention had been anticipated by the draft Governance paper¹⁵ this was not expected to be for any protracted time or without secretarial support. Distinguishing between Governance and Management risked becoming blurred even in the four month period until another interim CEO could be appointed. However, even that appointment, in November, was of itself a time-consuming process, requiring sensitive definition, then careful communication. Another lesson from the experience was that volunteer non-executives, except in the very short-term, cannot substitute for executives. Expectations and authority are different.

¹⁴ 10.2.3.

Financial evaluation of the solution

10.3.28 Having summarised the complex nature of the steps necessary for the route actually taken, the principal alternative needs to be described. The independent EVH review had provided some evidence that, on grounds of incompetence, the CEO might be dismissed. Prior to the CEO's taking sick-leave, or in early August 1998, the MC contractually could have waived six month's worked notice and, perhaps achieved termination, only paying to him an amount similar to that, eventually, paid six months later in 1999. Legal advice was that this might have risked a claim, unlimited by elapsed time or sums awarded under the Disability Discrimination Act. In that this is an uncertain area for litigants, some compromise might have been possible. However, this would have had to conform with tight SH regulations on non-contractual payments¹⁶. Nevertheless, with hindsight, had a determined stance to change CEO been adopted earlier it is possible that there would have been far less stress on all persons, particularly the CEO. Moreover, the indirect costs of distraction and conflict might have been minimised.

10.3.29 There could have been far lower direct costs. As part of an exercise of subsequently determining accountability, the Chair subsequently identified that the direct additional costs amounted to £65,000. This was made up of six month's sick leave on full benefits etc. (£28,000); legal fees (£16,000); counselling (£5,000); cost of interim support (£13,000); additional travel and phone expenses (£3,000). To put £65,000 in context, this represents around 1% of turnover. More emotively, in March 1998, the MC had decided, because of SNAP uncertainties, to restrict the annual pay increase below inflation thus saving £55,000¹⁷. Clearly there were alternative uses for £65,000, directly beneficial to ARK's other stakeholders, of staff, tenants, or simply available to SWD's to use elsewhere.

10.3.30 While the MC followed the 'Ethical Approach', as set out in Annex B, from

¹⁵ 10.3.8-10

¹⁶ 8.2.20. for its sensitivity to ARK. Discussed 10.5.9

financial, developmental and short-term organisational perspectives it could be construed sub-optimal, having substantial direct and indirect costs but few immediately discernible benefits. 10.5 examines whether what set out to be very deliberately 'Ethical' was the most appropriate course of action. In preparation for this, the researcher sought by letter the views of each MC member on their perception of the state of the Association and conducted an extended informal interview with the CEO, two months after his dismissal (23/3/99).

10.3.31 First, other developments relevant to ARK's stated ethos which arose simultaneously, will now be described.

10.4 CHANGING THE STATEMENT OF PHILOSOPHY

The Statement's history

10.4.1 At 3/3/99, the MC accepted a revised Mission Statement,

"ARK promotes the rights and aspirations of people with learning disabilities, and others in need, through the provision of inclusive and flexible opportunities for housing, support and other services, thereby enhancing community living, throughout Scotland".

The Director's departure on 28/2/97 had been deemed symbolically "the end of an era" but this change characterised the pace and actuality of ARK's evolution.

10.4.2 As a public statement it excluded two of ARK's three foundational principles, including reference to, "*Christian Compassion illustrated by the teaching and commands of Jesus Christ*". Both impetus and proposals for change emanated from the SMT. Their formal explanation, in the accompanying Committee paper noted that "*volunteers and staff should have a common understanding*". This was not rejection of the foundations but re-defining and seeking "mutual ownership". It was also a recognition that in a mature charity the initiators have a reducing influence by contrast

¹⁷ Paper 98/72

with the continuers¹⁸.

10.4.3 Explaining the prompt for change, they cited the evolving Regulatory framework,

“The introduction of Performance Audits, bringing with it the emphasis on Planning, and the introduction of Internal Management Plans, meant that very many organisations like ARK had to re-examine how they publicly demonstrated what they are about”.

10.4.4 However, they went on to say,

“While in many ways, what goes into such planning documents is a restatement, in print, of what people believed was their understood values, many organisations took the opportunity to re-examine these values to ensure they were relevant and understandable to others”.

By implication, existing statements were inappropriate. The full-time staff considered the words, “Christian Compassion”, to represent values which appeared too narrow to attract widespread support internally, and to be misleading among contacts in connected organisations. Indirectly, it might also reflect an assertion of perceived “objective professional” approach to obligations as superior to perceived “subjective amateur” preferences of those involved with ARK

10.4.5 While actual words altered in 1999, the process of change had a long history. ARK’s correspondence files relating to 1986 and 1987 shows that there had, a decade earlier, been a substantial debate on this core aspect of corporate motivation. The then Director’s confidential minute of 5/11/86 gives a flavour¹⁹. Firstly, a determination was noted to try to involve more Churches with projects, but

“at the same time there is a shying away by some staff, of making statements about what Christian motivation means and even using Association material which refers to it”.

Perceptively, it then added,

¹⁸ As noted 9.4.6.

¹⁹ ARK archive

“we are all aware that many organisations started out with high Christian ideals but that these have deteriorated with a nodding acceptance of the original ideals while accepting working methods more acceptable to society generally. ARK could follow the same path very quickly unless a deliberate stand is taken and the implications of so doing accepted.”

10.4.6 The 1986/7 MC did take a deliberate stand after weeks of drafts and deliberation. Two quotes stand out from many possible, showing the struggle over ARK’s ethos. In a letter of 24/2/87, one member recommended that the Philosophy should state,

“As an organisation founded from the motive of Christian compassion, we believe that our style of management and our staff must alike be inspired by a recognition of the duty to give our hearts and our minds, our time and our talents, wholeheartedly and without sparing ourselves, in sharing the burdens of those whom we are trying to help”.

10.4.7 While “duty” and “unsparing” self-sacrifice might have been the inspiration for this volunteer, his contribution was, none-the-less, part-time. The same motivation could not necessarily be mandatory for all of the full-time employed staff for whom ARK was their source of secular, contractually delineated, livelihood. This had already been acknowledged, albeit reluctantly, in an internal report of September 1986 which had noted,

“many staff did not fully appreciate the Association’s pioneering efforts, nor understand the background of salary levels etc. This lead to murmuring about unions...”.

Union recognition was resisted until 1998, by implication as seeming to represent the self-interests of the staff ahead of those of others²⁰.

10.4.8 The dilemma was that although the MC, individually and collectively, might feel impelled by the personal sense of “**a duty to give freely**”, ARK’s founders did not attempt to make this a test of employment. Its founding church had worked not only ecumenically (eschewing aspirations to national status itself) but had not introduced

²⁰ see 8.2.50-1

any formal controls offering either exclusivity or preference to those able to demonstrate an active church membership²¹. Its lower than average levels of pay, meant it had sometimes attracted only those with a willingness to forego. However, where these were in limited supply, particularly in urban areas, there had been difficulties in attracting candidates with appropriate skills for some posts. Low pay, a sense of enforced giving, could occasion resentment rather than a sense of vocation²².

10.4.9 Although unable to claim that ARK's participants were even nominally doing so, "in Christ's name", nevertheless, some form of stand by the MC, effectively creating a test for employees was needed. The second 1986/7 quote shows where that stand was taken, notably on "Personal Relationships". This subject occupied nearly a third of the revised statement of "Philosophy, Policy and Principles". Having outlined the right of tenants/residents to develop and express personal relationships, it concluded,

"The Management Committee also recognises the association is a Christian organisation and has developed from that baseline. It wishes to make clear to residents/tenants, staff and House Committees that in respect of development of personal relationships, it believes that the ultimate expression of sexual love through sexual intercourse must always be reserved for marriage".

Consequently, staff would only be employed and partnerships developed with groups who,

"understand ARK's basic philosophy and accept the principles laid down."

Perceptions of the Statement's meaning

10.4.10 The nub of that issue (that was to come to the fore again in 1997) was that while volunteers might be expected to give of themselves unconditionally, the entire funding for ARK came from public bodies, increasingly imposing conditions. For example, these have progressively sought to implement policies of "Equal Opportunities" that construe as discriminatory obligations to accept traditional Christian morality as part of either tenancy or employment terms. Thus ARK, which

²¹ As with a church-based enterprise, see 10.4.17

²² See 8.2.51. Situation noted also by Parker, 7.1.30.

had been established to counter discrimination, might, for some, appear as promoting discrimination, at the behest of a small, self-perpetuating and unrepresentative minority. As one manager commented in 1997, "*Few see the Christian Philosophy as about their own self-giving, more about stopping vulnerable people from enjoying sex*". The Philosophy statement was widely acknowledged as having an historical relevance but was not necessarily owned by those most fully involved²³.

10.4.11 The subject had remained formally unconsidered by the MC for a decade. It emerged at the very first MC meeting without the founding Director (26/3/97). The interim Director, tasked to prepare and implement the backlog of policies required under SH's "Guidelines" saw change of this issue as a pre-requisite to continuity and future funding. Within days, he alerted the unsuspecting Chair that this was the foremost contentious, but unmentioned, issue for staff. Using an interim CEO was a benefit for communication, for he could raise sensitive issues without fear of the consequences of causing offence. However, it was a measure of past distrust that such an issue should have seemed sensitive.

10.4.12 Staff representation cited the United Nations Declaration on the Rights of Mentally Retarded Persons,

"That a mentally retarded person has, to the maximum feasibility, the same rights as other human beings".

Given ARK's purpose and history, it would have been incongruous for the MC to dispute this statement on a practice level. Nevertheless, discussion at the MC of 26/3/97 was tense. One recently-appointed member expressed outrage at discovering the policy's existence; one normally silent member spoke determinedly for retention. Polarisation appeared inevitable when a proposal for an investigative sub-group was rejected. Unity which had successfully held when facing the potentially divisive removal of the Director seemed broken. Eventually, on a majority vote, the subject,

²³ The problem discussed at section 9.4.2-8

“whether guidance ought to be given to staff on tenants’ adult relationships”²⁴ was deferred forward to the meeting on 30/4/97. For this MC members sought assurances over issues including;

- potential exploitation;
- reactions by relatives who valued ARK’s stance as protective;
- rights of staff who might feel pressured into facilitating sexual relationships which they could not themselves condone;
- privacy in buildings built for communal dwelling by up to 10 people.

As one older member commented,

“This is not just a generational matter but a real concern that vulnerable people are not made to conform to satisfy other people’s views of conventional behaviour.”

Nevertheless, he cautioned the Chair against intractable conflict developing between MC and staff.

10.4.13 The answers came in a paper²⁵ that there are penalties under Section 106 (Mental Health Act (Scotland) 1984) for any sexual abuse of women, and Section 80 (Criminal Justice (Scotland) 1980) for men, with mental deficiencies. With regard to protective parents, these have no more authority over their adult children’s conduct than any others. Indeed, parents deemed as over-protective and inhibiting should be challenged, for staff have a professional obligation to enhance the independence of those in their care. While privacy would be a problem in older properties, this was not so in every project. Attention was drawn to the widening body of relevant literature²⁶ and the detached involvement expected of professional staff. LC volunteers would need to conform to “best practice”.

10.4.14 ARK’s proposed Equal Opportunities policy was accepted on 30/4/97,

²⁴ Ark archive, minute 97/36.

²⁵ Ibid, paper dated 30/4/97

²⁶ e.g. Craft, A., editor Mental Handicap and Sexuality, Issues & Perspectives (Costello, Tunbridge Wells, 1987)

effectively allowing senior care staff discretion to amend the ARK Operations Manual on any subject, including “Adult Relationships”, without further reference to the MC. This was after assurances that, each individual situation, would be considered in detail as to whether individuals understood the nature and effect of a sexual relationship and were able to give informed consent. The prime significance of this decision was acceptance that MC members had no locus of control, even veto, over activities of tenants or staff within projects, provided these conform with legal and SWD requirements.

10.4.15 Although not openly mentioned at either meeting, by implication, if MC members had seen the opportunity to uphold traditional Christian views on marriage or sexuality as the “reward” for free voluntary service, such reciprocation was no longer available. Staff recruitment no longer had the filter of specified acceptance of attitudes to ‘adult relationships’. Also by implication, in that the 1986/7 MC had seen the policy as the residual, non-negotiable feature of its Christian heritage, so with its removal, albeit discreetly, the entity could no longer claim overtly Christian aspirations, as these had been understood.

10.4.16 The SH 1996 Monitoring report had commented that references to Christianity might be construed as discriminatory²⁷. This suggestion had been countered by the Chair²⁸ citing Christianity’s anti-discriminatory credentials as in 1 Cor 12¹³. The response had assured,

“SH hold no views on any religious system of belief” nor had it sought “to challenge the concept or value of Christian compassion” merely “drawing attention to the need for ARK to ensure that its published commitment to this ethic could not be construed under equality legislation as constituting indirect discrimination.”

Although further checks confirmed no legal need to change, SH had raised doubts as to the appropriateness of the wording, if not the underlying sentiments, of ARK’s stated ethos.

²⁷ 8.2.70.

10.4.17 The topic and debate moved into the wider public domain. A report for the CofS 1997 Assembly quoted in the 'Scotsman' newspaper of 20/5/97 referred to complaints lodged against the policy of its Board of Social Responsibility that it specified in job advertisements for potential care workers that these should have active church membership. The ensuing debate was to receive much prominence in coming months, especially as the Scottish Federation of Housing Associations ["SFHA"] in a circular to all associations, and in its magazine²⁹, stated that it considered,

- the Board's policy to be discriminatory in practice;
- while not illegal,
"excludes from employment many who are qualified to provide effective and high quality care...as they hold different religious beliefs or no religious beliefs at all"
- all associations should look carefully at the policies of the Board/ other agencies to see if these were consistent with their own, which should also be updated.

10.4.18 ARK's policy, exemplified in the advertisement for the new CEO (12/3/97), was to state, in a footnote,

"Developed with Christian motivation and in partnership with local communities...." while adding, *"We welcome applicants from all sections of the community for any vacancies with ARK."*

As recorded as early as 1986³⁰, in practice for many advertisements, ARK staff had ceased to use any such formula. The Human Resources manager explained that, at interviews, the references to Christianity sometimes prompted questions as to whether staff should expect pay below the 'going-rate', whereas, from 1997, ARK had sought to promote that its salaries' policy was based on market rates.

10.4.19 After consultation, through a personal letter (2/3/98), ARK's Chair pointed out to the SFHA that The European Convention on Human Rights sets great store by

²⁸Letter 6/11/96 to SH's CEO with reply dated 25/11/96.

²⁹ Focus, September 1997.

religious freedom, with Article 9 guaranteeing freedom of thought, conscience and religion. If churches cannot be forced to appoint atheists as head teachers of church schools³¹ could not a similar test be applied to a care-centre's manager? It was suggested that the SFHA policy might be as doctrinaire as that it opposed. In that the CofS's position was not illegal, it seemed discriminatory for all associations to be urged to shun contracts with it. Given the wide nature of the overall social-housing movement, a choice of ethos among landlords ought to be possible and might be welcomed by some tenants. This choice was being arbitrarily narrowed³².

10.4.20 It was agreed that ARK itself should give no opinion, although the letter was discussed in draft with MC members and senior staff. Enquiries indicated no urgency to removing reference to whence, historically, ARK's founders had received inspiration. However, internal memories of ARK's management experience were negative. Externally, this protracted, well-publicised dispute, while one stage removed from ARK, progressively challenged the purpose of communications which specified the word "Christian". Reflecting further, including on a letter of Professor Duncan Forrester to 'The Glasgow Herald'³³, the Chair/researcher carried out a personal re-evaluation. Neither the MC nor its Chair participated in the SMT's discussions. Thereafter, faced with an initiative coming independently from the full-time staff, no MC members objected, either formally or informally, to the change.

Theological evaluation of the change

10.4.21 Initially, continuance of ARK's public references to Christianity seemed important in supporting the stance that church-based entities should be at liberty to proclaim their Christian motivation. On deeper reflection, there are prevailing counter ethical arguments to such proclamation. In Matthew 25³¹⁻⁴⁴ the 'serving' matters more than the 'proclaiming'. Those there commended support the needy without even

³⁰ 10.4.5

³¹ Home Secretary, Parliamentary Debates (Hansard) 16/2/98, House of Commons Official Report. Vol.306, No 120, col 779.

³² On withholding resources for charitable work to enforce various beliefs, see 4.3.2-3.

recognising, certainly not advertising, their actions. It is the theme within John 13^{34,35} that Love, indirectly, acts as its own evangelist. Examples of Jesus' paradigmatic servant leadership, such as washing his disciples' feet, take place unobtrusively.³⁴ Being, doing, loving and giving, not verbal claims, are Christ's crucial message.

10.4.22 Thus, in Christ's teaching, as exemplified by the Good Samaritan, risky, aid-giving actions are commended more than the religious allegiance of those who passed by. Mark 9⁴⁰ and Luke 9⁵⁰ suggest that Jesus cautioned against insensitive rejection of parallel initiatives supportive of his own aims and objectives. The spiritual dimension, vital to specifically Christian care, brings with it an obligation of being neither exclusive nor domineering. Quality is the aim and incidentally the witness.

10.4.23 Internally, without any expectations of church-membership for staff, and with the majority of SMT members having no specific church linkages, the Philosophy's retention might be attributed to the motivation of the MC. However, members' church linkages are not discussed, formally or informally, at meetings. On becoming Chair, I introduced the practice of opening MC meetings with a short prayer or meditation, and this has continued without objections. There is no other overtly Christian symbolism within ARK's activities. Service must speak for itself ~ as it is.

10.4.24 As was mentioned at the meeting of 3/3/99 the statement of ethos might be justified if signalling a striving towards perfection, as in Matthew 6⁴⁸. However, in that Regulators had, in the past, awarded ARK, 'D' overall and 'E' for management control, any statements which could be construed as claiming Christ-like perfection merely publicised the gulf between aspirations and poor corporate practice. ARK's public image, rather than being cause for celebration, or source of admiration for secular society, should prompt humility. ARK needed to demonstrate its ethos in practice before it could claim it publicly.

³³ Letter dated 4/3/98. This had been published a year before the SMT proposals (10.4.1)

³⁴ John 13⁵. John 13^{34,35} is cited at 1.1.2 emphasising the importance of mutual love for witness.

10.4.25 Historically, as in 1977, ARK's statement effectively requested, "allow us the opportunity to show we, as Christians, can make a difference". In 1999 that request had been granted. ARK had. The contemporary ethical issue is now whether ARK exists primarily so that Christians can fulfil perceived duties or whether it exists to provide housing and support for those otherwise without. In that the revised statement places greater emphasis on the latter, this may paradoxically make ARK more Christ-like even though the word "Christ" is excluded.

10.4.26 The history of ARK in chapter 8 showed it had ceased to offer a vision which unified staff. Focusing on short- and medium-term regulatory issues, cannot provide an imaginative or independent, longer-term vision needed for the future. This should not be focused on the mere continuation of the existing entity rather provide a wider vision, urging "enhancement of the provision of services for those with learning disabilities". In such, the development of ARK is incidental, rather than central, to the mission. This is more likely to bring about ARK's own preservation, for it is an important tenet of Christianity that those who seek to preserve for their own benefit what they value, are most likely to lose same³⁵. Thus ARK's vision needed to go beyond itself.

10.4.27 In November 1999, for all the professional staff at each project, a "Common value base" was introduced aiming to release the potential of those with learning disabilities. It sought for them five accomplishments³⁶,

- choice,
- dignity/respect,
- presence,
- participation;
- and competence.

Notably these values are focused entirely on those whom ARK aims to serve, not on

³⁵ Matthew 10³⁹, 16²⁵; Mark 8³⁵ & Luke 9²⁴

³⁶ These are based on the work of John O'Brien of the 'Center on Human Policy'.

the servers nor the motives of MC members. These have now been introduced throughout the organisation along with a conscious effort to increase subsidiarity to projects.

10.4.28. It is now appropriate to test the two experiences described against the criteria already discussed.

10.5 ASSESSING THE ETHICAL PERFORMANCE

Service

10.5.1 Service is about more than measurable time incurred. As considered in 7.3³⁷, it is about an attitude which enables the subordination of one's own interests to fit with those of the community being unconditionally served. In a long research interview on 23/3/99 the now former CEO gave his perceptions as to whether ARK constitutes an ethical organisation. His observation was that, "*it lacks passion*". No one, staff or volunteers, had ever successfully defined for him how ARK might be seen as providing a distinctive service. Staff seemed self-interested and focused on completing contractual obligations; volunteers had too little time or scope to make an impact through periodic committees.

10.5.2 Time alone is not an appropriate measure of service. The size and geographically dispersed nature of ARK could absorb immense amounts of time -- simply to spend one hour a year at each project would involve around three working weeks of time. The former CEO acknowledged with gratitude the substantial time commitment of the MC, especially members of the sub-group, given without cost, to meet and correspond about his situation. But voluntary time, given "part-time", cannot compensate for lost enthusiasm or instability among full-time staff. There is a need for a "willing service" ethos to permeate the whole organisation. This is not evident where individuals are unwilling to work co-operatively together, although each may put in

(<http://soeweb.syr.edu/thechp/rsapub.htm>) Source: -Community Living Jan/Feb. 1999

³⁷ Discussion of 'Servant-Leadership'.

very long hours of work.

10.5.3 With MC service, the issue is that of commitment and the motives why. For the two key members of the sub-group, involved in finding a solution to the CEO impasse, their willingness can be attributed to a continuation of their professional roles in SH from which they had retired in 1996 and 1998. Both described themselves as keen “to put something back”, while also maintaining skills and establishing personal, on-going interests with paid consultancy related to social housing outwith ARK. For the Chair there was a sense of pride, of needing to complete the started task, together with the academic interest of seeking both understanding and finding a solution. Increasingly, only professionals with SWD connections and those retired may be interested and able to undertake service on MCs.

10.5.4 Attempts to find new committee members have proved unsuccessful with no obvious inducements available, monetary or spiritual. This reflects a fundamental tension. As Basil broadly recognised, state funding comes with conditions attached which require fulfilment in reciprocation for receiving the moneys³⁸. In that the recipients have received preference over other competing groups, there is leverage for the state to insist its obligations are fulfilled. While, arguably, Christian volunteers ought simply to give of their time and resources unconditionally, nevertheless because in so giving they are substituting for what the state might otherwise be expected to provide, that might seem reasonably to justify counter-leverage. This creates a still unresolved question as to what, if anything, is a suitable recompense or recognition, (even if never contractually defined) for the Christian to seek in response to their contribution. Rightly or wrongly, church members may opt not to contribute except to charities with Christian labels. Denied this, their potential contribution may be diminished. In short, tensions between ‘Imperium’ and ‘Sacerdotium’ continue much as Basil might recognise.

³⁸ Chapter 3 passim

10.5.5 As the researcher also discovered, the ethos of ‘servant leadership’ cannot be achieved without significant gifting of time, energy and focus. A mere willingness to serve cannot compensate for their absence. Whatever the aspirations, there will be conflicts with other demands and responsibilities.

Creativity

10.5.6 Enthusiasm and interest were features of ARK’s formation. A willingness to pursue imaginative solutions to social problems, which others ignored, was its initial strength. It was creative too in that others, now recognising possibilities, proposed alternative solutions. Such competition was good for those with learning disabilities, but it also showed ARK had no monopoly of creativity nor could it practice ethical interpretation in isolation.

10.5.7 Legislation and regulations developed. As Caiden³⁹ pointed out, “*Whenever public laws use such terms as ‘advisable’, ‘appropriate’, ‘beneficial’, ‘convenient’, ‘equitable’, ‘fair’, ‘fit’, ‘necessary’, ‘practicable’, ‘proper’, ‘reasonable’, ‘safe’, or ‘sufficient’, or their opposites they oblige public servants to exercise discretion and make ethical judgements*”. ARK had to be sensitive within the formal and informal constraints and regulations of those who provide its funds -- and their different perspectives as described in the summaries of SWD interviews⁴⁰..

10.5.8 Respecting the requirements of others brings benefits. Complacent reliance on the certitudes of piety may be challenged by the prudence of reason. Renewal of creativity may be stimulated thereby. But some external controls may also be restrictive of creativity in several ways, including:-

- as shown by SNAP, funding uncertainties encourage procrastination, slowing change;
- under present SH practice, ARK operates within a regulatory regime that seeks to

³⁹ Caiden, G.E., Public service ethics: what should be done? (1983) cited Chapman, R.A., Problems of Ethics in Public Sector Management (Public Money & Management, January-March 1998) pp 9-13

provide a single framework for small co-operatives and major entities alike. This can be inhibiting as SH consultative papers admit;

- moreover, although, primarily ARK's work is that of supplying Care, it must comply with many regulations for housing. Attempts to give Care services more independence are thwarted because the legal ownership of the accumulated financial resources from past activities must remain with an HA. Legal provisions twenty years on, need amendment.

10.5.9. Ironically, further restriction follows from regulations intended to enhance perceptions of probity. To prevent staff from receiving any benefit of a non-contractual nature, Section 15 of the Housing Associations Act (1985) precludes, for example, even giving a bunch of flowers to a retiring staff member as a goodwill gesture, unless privately subscribed for by individuals⁴¹. This can be a disproportionate irritant when the MC may already have given much unpaid time. However, the serious effects of these regulations, in ARK's circumstances of the illness of the CEO, meant very limited flexibility to offer any inducement to the CEO to take voluntary termination ahead of exhaustion of all legal steps. Had any greater incentive been available in August or October 1998, it might have been possible to conclude a mutually acceptable arrangement earlier, with substantial savings of direct or indirect costs⁴².

10.5.10 In short, it is an issue for any VNPO drawing state-funding that both commercial and ethical decisions may be constrained by externally imposed, rule-based interpretations which do not allow for independent creativity.

Courage

10.5.11 Three lessons on the role of moral courage can be gleaned from these experiences. Firstly, often overlooked, is that inability to make decisions may not evidence lack of courage but be caused by illness. Secondly, is the importance of

⁴⁰ 9.2.1-17.

⁴¹ Guidance quoted, 8.2.20.

resilience. Although the 'Ethical Approach' (Appendix B) had been determined, there was considerable pressure from staff to resolve matters more quickly than it allowed. Given the constraints described above, there were several difficult months when the agreed policy of 'supporting the CEO's return, but when fully fit', required resilience. On 23/3/99 the CEO commented that he had found it helpful and re-assuring that he had never had any sense of being treated as an outsider or "nuisance" .

10.5.12 Conversely, the third requirement when courage might have seemed most necessary was at the time of informing the CEO that he had been unable to re-establish the confidence of the SMT. In the event it was not an unduly awkward meeting. Notes made immediately after, under the headings of the criteria, are empty for 'courage'. By that stage, all parties could be confident that everyone had co-operated to try create an ethical solution. The outcome was not to be a cause for blame, fear of recrimination or loss, only recognition of the need for constructive alternatives.

Justice

10.5.13 The CEO when retrospectively asked if he considered that ARK had treated him ethically, responded that it might have been "Too fair". A re-start in October 1998 might have been sanctioned. It might have worked as the loss of momentum would have been less. That attempt might have saved significant time, energy and monetary expenditure, which others might have seen better applied elsewhere. However, he agreed that this would have been more risky with his health. Probabilities were unknown.

10.5.14 Indirectly ARK did benefit. Social justice for those with disabilities underlies ARK's existence. Respecting the value of the work of staff is a part thereof. In that none of ARK's staff have suggested that the CEO's treatment was other than how, in similar circumstances, they themselves would have wished to be treated, this suggests a recognised "fairness". Longer-term the charity may benefit from demonstrable re-

⁴² 10.3.28-30.

assurance of support available for those requiring support.

Stewardship

10.5.15 As noted in 10.3 funds may have been expended sub-optimally. It is pertinent to note that for the Chair and MC the “fair” solution was the safest, being least vulnerable to legal redress. With a more risk-based approach, ARK’s costs and delay might have been avoided. Incurring costs for legal and other professional advice is an option that Trustees can, generally, exercise within their duties without any fear of criticism. Yet putting the Trustees’ peace of mind ahead of expenditure for other priorities, may be an ethically inappropriate judgement, however tempting a lawyer’s commendations of prudence.

10.5.16 Ironically, safeguarding human resources through provision of external mentors or counsellors may seem to involve extravagance. Rather than self-indulgent, although not legally necessary, as a means to securing staff’s effectiveness and well-being, it may be more ethically appropriate on grounds of stewardship than legal advice.

Accountability

10.5.17 *“To give and not to count the cost, to fight and not to heed the wounds.....”*. In seeking unqualified giving, the prayer attributed to St. Ignatius of Loyola seems to urge against accountability. But defined as, “Responsible, answerable for an outcome” accountability has the obligation of providing an honest explanation. Openness ought not to create any difficulties for ARK being a VNPO, or perhaps more precisely a ‘not-for-loss’, seeking that its resources be deployed for the benefit of others⁴³. Hence, in negotiations with SWDs, there is considerable transparency as to its financial affairs.

10.5.18 Yet, throughout much of 1998, poor communication seemed the predominant cause of distrust. The CEO felt unable to disclose his illness timeously. Appraisal

⁴³ The importance of the concept of ‘not-for-loss’ is raised at 11.2.11-12

systems that might be expected to enhance accountability discouraged openness. The issues were only addressed more openly once another member of staff had resigned, using a very personal act not an established system to disclose a common experience⁴⁴. Confidentiality on both medical and legal grounds significantly complicated MC/SMT relationships until an interim CEO was appointed. The temporary tenure of that post provided trust that its holder would not exploit the information and powers given. It provided a focus whereby all parties could explain their hopes and fears and to use the centralised administration to share. Earlier an interim Director had been the means to alert the MC to the issues of 'Adult Relationships'⁴⁵. ARK still seemed dependent for critical communications on temporary arrangements.

10.5.19 Accountability goes deeper than honest communication. Failures of communication were symptomatic, exposing the fundamental problem of loss of vision within ARK. There were many stakeholders with varied interests, and with consequent responsibilities. Mostly they were trying to undertake these competently. However, as presently constituted and regulated ARK seemed unable to provide either inspiration or inducements to excel. ARK had a valued product; was and is capable of complying with defined service delivery and demonstrating probity, but not currently with passion, or delivering more than a contractual service. The liberality, the passionate self-giving so evident within St. Ignatius' prayer, must extend also to communication. Accountability requires a willingness to give-of-self, to be vulnerable, in order thereby to enhance future services

10.6 ENDURING TENSIONS

'Imperium' & 'Sacerdotium' in 2000

10.6.1 In determining its ethics, ARK had become increasingly focused on the requirements of its Regulator and the SWDs who are the direct providers of its income.

⁴⁴ 10.3.17.

⁴⁵ 10.4.1

In the November 1999 Hugh Kay Memorial Lecture⁴⁶, Griffiths suggests it is not a unique situation,

“Typically a charitable organisation starts, not infrequently, with a religious affiliation, with a small number of highly committed and enthusiastic individuals who are prepared to devote their time, skills and money to a cause. The organisation is then “discovered” by government and politicians who are eager that they be seen to support it through public funding. Full-time staff are hired to make the programme more professional, then new members are added to the board because of their experience on other government funded bodies. Certain of the original objectives are downgraded because of their more controversial character and because of this decision significant amounts of public funding are obtained. Volunteers however begin to feel their support is now unnecessary and begin to drop out. Some of the founding members of the board begin to leave because of disillusion. Eventually the whole character of the organisation has so changed that it has become virtually indistinguishable from an arm of government. ... The renewal of civil society requires a vitality in the life of little platoons, which in turn allows them a spontaneity and an operating freedom which provides the space in which voluntary organisations can develop.”

10.6.2 The history of ARK resonates with this description. Although structural forms cannot ultimately prevent the exercise of Christian qualities, the quoted problem seems real. Future control of ARK is dominated by prospects of state funding. It no longer overtly looks to any religious body for any spiritual sense of responsibilities or answerability. ARK’s formal aspirations, as perceived by its leading participants, are now a function of, and reflected in, the nature of its more limited accountability, answerable legally to its Regulator and somewhat nebulously to the ‘wider community’ from where it might hope to draw more volunteer MC members. In the Fourth century, Julian⁴⁷ and other emperors⁴⁸ recognised, however frustratingly for them, that Christianity inspired its members to above average giving and initiatives. Yet for the individual engaged in a specifically Christian enterprise, as Basil and his contemporaries had recognised, there needs to be a continuing tension of being simultaneously answerable to both the sacred ‘Sacerdotium’ as well as to the secular ‘Imperium’. With ARK, the Imperium now seems to dominate. Churches may be discouraged as

⁴⁶ “The Third Way: Sacred or Secular?” by Lord Griffiths of Fforestfach (CABE, London, 1999)

⁴⁷ 4.2.9.

⁴⁸ 3.2.67. Basil cites emperors’ reasons for allowing self-governance as, “the churches’ bustling

the limitations of models such as ARK become apparent. Society as a whole may lose with reduced access to wisdom, honed through the centuries by churches and religious institutions, on profound issues such as the regenerative power of constructive remorse⁴⁹, motivating volunteers or inter-generational transfers of responsibilities.

10.6.3 However, disappointments should not mean disengagement. Taylor⁵⁰ having commended recent forms of Christian experience of community, including L'Arche, also warned of their fallibility. Nevertheless, encouragingly, he concludes:-

“Every opening of one’s whole self towards some other, every taking upon oneself the burden and the gift of some other, contributes a little to that quiet tide which is flowing back and forth, carrying us into the very being of God, sweeping us back with him into the life of the world”.

10.6.4 It is in this imperfect world, which includes imperfect institutions resistant to change, that Christian principles must be tested and refined, with meekness and with vigour, knowing that mistakes are forgiven. Concern for **fairness; creativity; stewardship; courage**; self-giving **service** in leadership and management and also, equally vital, acceptance of full **accountability** remain of enduring significance for any organisation, particularly in periods of change.

activities”.

⁴⁹ 8.2.17 and 8.2.7.

⁵⁰ Taylor, J.V., (1992) p255. Cited 1.1.4.

APPENDIX B**“ETHICAL APPROACH”**

SUGGESTED MANAGEMENT COMMITTEE “APPROACH” TO THE ISSUES OF [CEO’S NAME] SEEMING INCAPACITY, CAUSED BY ILLNESS -- DRAFTED AT A TIME WHEN NOT ALL INFORMATION IS KNOWN. (8/7/98)

KEY PRINCIPLES:

ARK’s philosophy of love, care and compassion is based on the Christian teaching of willingness to give unconditionally of oneself for others, doing so within the context of community. However, such teaching is also realistic. Its potency is not in intellectual claims to principles or theories, but it must happen in practice, where difficult, seemingly insoluble, problems are to be found and need robust but inevitably imperfect solutions.

The challenge is to determine the respective “fair” obligations to components of the “ARK community”, and also to the wider community. There is no perfect human solution, rather the need is to balance the diverse demands with as much equity as is humanly possible for CEO, staff and tenants.

There are contractual and statutory obligations.

There are stewardship obligations to Social Work departments and other partners.

KEY FACTORS:

***** needs time/space to recover from what is an illness, like an ulcer or car accident, but where there are many uncertainties over what this requires. This has to be reconciled with the fact that ARK is a 24-hour, 7 day a week continuous operation.*

While the MC must gather reliable information, it must also ensure that decisions are not delayed. Crispness is a virtue. Aggressive intervention could be harmful but uncertainty /drift may be more damaging still, if senior staff decide to leave.

Whatever the outcome, it is not a situation where guilt or blame has any early significance. We are faced with a fact of humanity, an accident. Recrimination will not help. There will need to be an assessment and, in due course, an objective, constructive appraisal of how the problems might have been handled differently. Such a critical evaluation should occur once this will be a manifestly positive process. We need to be in “problem-reducing” mode for the immediate future.

*This may be difficult for **** He can be expected to be still coming to terms with the medical aspects of the problem. This is a process which, even without the medical aspects, could involve outright denial, then avoidance of recognition before(hopefully) acceptance. The phases of his reactions will fluctuate. He will certainly feel anger (not necessarily rational) against various parties. There will be fears and anxieties for himself and his family. There may be unrealistic hopes and bargaining interspersed with guilt (again irrational).*

CONCLUSIONS

*We need to be sensitive to all these factors, helping **** to come to terms with the limitations (whatever they may be) while simultaneously ensuring that the respective “stakes” of different parties within ARK are not prejudiced. We need to gather information and opinions methodically and swiftly but we must not defer decisions any longer than absolutely necessary. We must also communicate them clearly.*

CHAPTER 11 : CONCLUSIONS

11.1 INTRODUCTION

11.1.1 The aim of this thesis has been to produce conclusions which are both theologically sound and managerially useful in the quest to find answers for the 'how?' of appropriate management and accountability of Christian charities. It reports research which has examined co-ordinated attempts at the pragmatic application of Christian service for the benefit of others in varied circumstances. In drawing-up conclusions, it would be possible to produce extensive listings of observations from throughout the thesis, but that would be merely repetitious of detailed points and conclusions noted as the case-studies progressed. Rather, this chapter serves both to bind together and to extend significant common lines of experience found in the various studies.

11.1.2 The method of presentation in Section 11.2 is to categorise the major findings of the research by reference to the six qualities of **fairness, creativity, stewardship, courage, service** and **accountability** identified as intrinsic in the Introductory chapter¹. As with any summary, this chapter cannot be definitive. Much more could be said about attributes of each quality, including their inter-relatedness. Future and further studies will develop such aspects, for it is an underlying assumption of this research that each individual and group claiming to be Christian must for themselves both interpret then apply the precise 'how' to each unique set of circumstances. Research, studies and guidance may be invaluable in providing greater theoretical appreciation of the challenges and rewards of seeking to be Christ-like, but ethics, like faith, can only be proved and improved through personal practice. Section 11.3 seeks very briefly to indicate how the results of this research may help practitioners and 11.4 provides an overall conclusion.

¹ 1.3.4.

11.2 MAJOR FINDINGS

Finding 1: Ethical issues for charities involve particular tensions between FAIRNESS and LIBERALITY so that searching for equity is very complex.

11.2.1 The research reveals a very considerable complexity in the ethical issues found in Christian charities. The multiplicity of the legislation of the early legal Codes²; the criticisms of Julian³ but perhaps particularly the manifold aspects of the 'Ethical Analysis' of the development of SGC⁴ are a testament to the diversity of the contextual situations in which such charities must operate. Even Saint Gregory of Nyssa had to ponder the justification of why, in funding the building of a chapel, he had sacked the local craftsmen and needed to import distant labourers for 'fairer' wages⁵. The protracted debates over ARK's statement of philosophy similarly illustrate that a simple intention does not translate smoothly into sustained practice⁶. Sections teasing out specific, detailed issues therefore form bulky parts of the thesis, recognising the Christian necessity of rigorous exploration, full communication and thorough debate⁷. The very volume of potentially relevant factors demonstrates the real danger that whoever seeks quick, easily-comprehensible solutions risks being betrayed by the limited nature of their own understanding.

11.2.2 However, some simplification is necessary. As noted in Chapter 3 and expanded upon in Chapter 4, Basil perceived the fundamental challenge for Christian charitable practice to be the simultaneous exercise of **Liberality** and **Fairness**. Self-giving is a necessary complement of any initiative to provide Justice, or equity among individuals and communities. Taking this forward for practical implementation requires

² Chapter 4 passim

³ 4.2.8-14.

⁴ 5.3.8-27

⁵ 3.2.25-29

⁶ 10.4.1-27

⁷ As Preston (1983), whatever the merits, or otherwise, of 'middle axioms' (5.4.10)

acknowledgement that this cannot mean identical treatment or amounts. The exercise of personal judgement will always be necessary. As an explanation of the cause of ethical complexity this is neither a new or even 'Christian' discovery. Philo⁸, commenting in NT times on the much older Exodus 16¹⁸, praised the practical recognition of distinction between "arithmetical equality" and "analogous equality". Manna in the wilderness was a double wonder not just because of its provision but because sufficiency had matched precisely proportionate needs. **Fairness** must allow for divergence and individuality⁹, hence discretion. Uncertainty and flexibility is inherently part of processes which respect (even if they do not fully satisfy) disparate needs and expectations. Such dilemmas have prompted debate across diverse ages, cultures and circumstances¹⁰.

11.2.3 Likewise Christian acceptance that each person is of equal value before God¹¹ does not render individuals equal as if clones. Christian 'righteousness' consists in giving to, and receiving from, each not what is equal but appropriate to each person at different times, stages and circumstances¹². Consequently ethics relevant to charities must recognise the inadequacy of any notion of exact or pre-determined reciprocation in relationships. Crucially, this uncertainty must not be exploited by any participant despite the opportunities. **Fairness** is achieved not by matching minimum standards but only when each contributes as fully as every other to the unique extent of their capabilities and consonant with other calls, and so, inevitably, with different results¹³. This defies ready measurement. Each person's response to ethical issues must be just that, personal responsibility, leading to sustained refinement.

⁸ Philo Who is the Heir? 191, 192 & 195 (Loeb Vol. VII pp378-380). Cited Betz (1985)

⁹ Theme in commentary by Philo Allegorical Interpretation III 166 (Loeb Vol. I pp411-413) on Exodus 12⁴ & Numbers 35⁸

¹⁰ Xenophon, Cyropaedia II 2 18, in 5th Century BC, Athens includes debate on the appropriate methods of allocating war-booty. (Loeb Vol. I p167)

¹¹ As 1.2.4

¹² Stahlin, G., Theological Dictionary of the New Testament (Eerdmans, Grand Rapids, 1965) pp343-55 on ἰσοτης

¹³ 7.3.6-13

11.2.4 This has implications for ethical issues associated with stakeholder relationships and ‘ownership’. Exercises of determining respective involvement and ‘stakes’ may be of significant practical value in demonstrating the extent of inter-dependence and variety of contributions of others¹⁴. But ultimately, the guidance is that received in an interview at ARK,

“Ownership must rest with God. If you try to control it yourself you will infect it. It should be held with open hands, not seeking to close over it or dominate but to be accountable to those whom we serve and ultimately to God.”¹⁵

The ultimate arbiter of fairness is God. This may constitute a rare, simple fundamental amid the complexities of ethics. The sole ‘reward’ that can be expected of ethical conduct is the reasonable hope that by definition God, as judge, is perfectly all-knowing and perfectly wise in perceiving mercy and justice, **liberality** and **fairness**.

Conclusion:

The Christ-like duty, or challenge, is therefore to try to come closer to a fuller understanding of **Fairness**, which is qualified by **Liberality**, while recognising that their importance and complexity cannot be underestimated.

Finding 2: Ethics involve compromises and the CREATIVE pursuit of co-operative solutions

11.2.5 There is a pragmatic need that any human, whatever their expertise or energies who is seeking (in accordance with Finding 1) constantly to balance liberality with fairness, must accept that neither can be achieved as absolutes, singly nor in tension. But this cannot allow lapses into despair or complacency. There must be a continuous, inherent striving to find the best combination to match the circumstances encountered. This is, of itself, conducive to internal conflict, as Christians differ in their perceptions of what ethical positions to hold among themselves and in contrast with those of

¹⁴ As 5.3.8 and 9.4.1.

¹⁵ Discussed 8.2.32-34 & 9.4.2-8

secular society. The history of ARK's philosophy is, in some senses, the exploration of dilemmas as to when Christian-inspired management should embrace change enthusiastically for the sake of others, or when to resist erosion of personally-perceived core values¹⁶. As shown too by the difficulties of resolving the incapacity of the CEO in 1998/9, legal and regulatory requirements may further complicate searches for fair compromises¹⁷.

11.2.6 Finding 2, in recognising the need for fair compromises, does not reject or discredit absolutes but sees them as guidance for stages of progress in the amelioration of the present. Noticeable in Basil's life was how his perception of Christian inspiration encouraged inventiveness and variety. He was an active entrepreneur, developing physical assets such as the hospice, in furtherance of which he was willing to make pragmatic compromises¹⁸. He prepared new administrative systems and drafted rule-books, while simultaneously he adapted the flexible systems of traditional patronage, refining these for the practice of an embryonic church as an institution. With hindsight, and by reference to subsequent mis-usage, as described in chapter 4, it is possible to see that changes introduced by Basil and others brought mixed consequences. Even if not then recognised, there was ethical ambiguity. Prayers linked with favours, some lobbying and nepotism may today be viewed askance¹⁹. Nevertheless, there is an overall sense that both spiritually and materially the lives of many were aided and enriched by Basil's initiatives. He sought integrity and independence of outlook while aware of imperfections.²⁰ He did so with enjoyment²¹. Even though he did not foresee every consequence, he helped move Christian aspirations and practice into the mainstream activities of his own, and subsequent, society.

¹⁶ 10.4.1-28.

¹⁷ 10.3.28-29

¹⁸ 3.2.66

¹⁹ 3.2.28.

²⁰ 3.2.53.

²¹ 3.3.2.

11.2.7 The Theodosian and Justinian Codes' repeatedly vain attempts to regulate over ecclesiastical problems show the inadequacy of statute-based imperatives alone to provide ethical outcomes through rules or directives. Churches, as envisaged by Basil, required some self-regulation to maintain internal standards but for the benefit of others, crucially not to enable members to withdraw into exclusive groups outwith society. A key lesson from Basil, perhaps the key to his greatness, is that he was creative in his ability to adapt. He assimilated the beneficial from his own experience and culture while simultaneously seeking to shape and be shaped by his understanding of what it should mean to be Christ-like, both in his own time and location, and as guidance for the future.

11.2.8 So too, the story of the origins of ARK is one of initiative and creativity, particularly while there was openness to adjust to the perceived requirements of the local committees. Power was then held lightly, recognising that ARK's inspiration was born through a sense of failure, of constructive remorse²². With this humble outlook it was easier to join co-operatively with others, such as anxious parents, to find ways successfully to push for change to achieve equity for an under-privileged client group²³. By contrast, ARK's problems came when seeking conformity and centralised control as the priority. Opportunities of subsidiarity were eschewed and its own models of provision were promoted, rather than accepting that later discoveries by others might point to superior solutions²⁴. Without the pressures for profit the leaders had the scope to resist compromise. this seeming strength was, paradoxically, a serious weakness²⁵.

11.2.9 An underlying issue for BWM, at SGC, was whether a church institution could continue to be run responding, even if unwittingly, more to the convenience of a small group on the inside, (yet geographically remote) rather than in accordance with the diffuse demands of those outside. That such issues were manifested elsewhere, was

²² 8.2.13

²³ 8.2.16

²⁴ 9.2.3-4

²⁵ 9.2.5

evident from a selection of descriptions of church activities, perhaps best succinctly summarised by Parker's oxymoron, "reactive planning in a Christian bureaucracy"²⁶. Faced with the prospect of change, resistance may seem the least difficult option but that is not so if by precluding the lesser pain of creative, timeous compromises eventual re-structuring is more extreme and painful. Each field-study recorded failures of imagination firstly in envisaging change of an ethos then with the considerable lengths of time required for implementation.

Conclusion:

Unimaginatively ignoring valid but competing interests, both external and internal, is unsustainable leading to long-term dissension and distrust, whereas responding **creatively** could facilitate a virtuous circle of mutual benefits.

Finding 3: Complexity and Compromises without the focus of a profit-motive place particular emphasis on a self-motivated STEWARDSHIP to balance interests.

11.2.10 It can be argued that the social responsibility of a commercial business consists of increasing its profits²⁷. This follows the logic of an underlying assumption that its purpose is the measurable financial outcome which best satisfies principal stakeholders, such as shareholders, so that bigger financial returns generally equate to better results. Commercial businesses can thus be seen as amoral, although an 'instrumental' view requires that if, because of customer perceptions, 'good' ethics are simultaneously 'good' for business, the appropriate function of corporate ethics becomes securing respectability, longer-term survival and sustained profits. With profitable consequences (or otherwise) justifying ethical orientation and conduct, considerations of what may be construed as 'ethical' may form part of internal and public corporate policy but without recourse to deontological explanation. Many books continue to explore aspects of

²⁶ 7.1.1-43 and 7.3.1-5.

²⁷ Views associated notably with Milton Friedman, as in Capitalism and Freedom (Chicago University

what is meant by 'ethical business', mostly within the context of profit-orientated entities operating in fully commercial environment²⁸.

11.2.11 This research study focused consciously on charities where the terminology of "voluntary and non-profit" points to an alternative underlying purpose. However, that description may be misleading. Charitable entities, such as ARK or SGC, acting as social businesses, might helpfully be termed, "not-for-loss". Their aims are to use resources to maximum effect for the benefit of a variety of stakeholders. This includes over the medium and longer-term so that if they are to contribute effectively to the welfare of others, that must encompass their own sustainability. 'Not-for-loss' recognises that failure to generate surpluses for re-investment does not represent good management or stewardship. It acknowledges that charities must receive as well as give, though they receive in order to give²⁹.

11.2.12 As a description, 'not-for-loss' seeks also to recognise the scope of the more precise parameters required in managing charities by contrast with fully commercial operations. Whereas positive budget variances and over-achievement of net income are likely to be a cause for praise of commercial managers, in charities these could provoke criticism lest quality, or opportunities for service, have been lost unnecessarily. Wider acceptance of the emphasis implied of 'not-for-loss' was an important part of the protracted debate over the prospective development of SGC³⁰. However, definition of good 'Stewardship' must also acknowledge that monetary measurement is not the sole

Press, Chicago, 1962) p133

²⁸ For example, Tierney, E. P., Business Ethics: a Guide for Managers (Kogan Page, London, 1996) emphasises commercial benefits. Vallance, E., Business Ethics at Work (CUP, Cambridge, 1995) combines both practitioner perspectives with the philosophical, while stressing that business ethics must be based on the idea of business itself. Compendium works, such as Chryssides, G. D., & Kaler, J. H., An Introduction to Business Ethics (International Thomson Business Press, London, 1993) and Davies, P.W.F., Current Issues in Business Ethics (Routledge, London, 1997) reflect the diversity of opinion. Jackson (1996) (cited 1.4.1) and Maclagan, P., Management & Morality (Sage, London, 1998) argue for wider perspectives. On the implications for reporting, if companies are moral agents, Clarke, J., Corporate Social Reporting: An ethical practice? Ethical Issues in Accounting eds. Gowthorpe, C. & Blake, J. (Routledge, London, 1998) pp184-199.

²⁹ Expanding the point discussed at 1.2.1-2.

³⁰ Chapters 5-7, especially 6.2.36.

yardstick. If an unrestricted investment, SGC's development would have entailed either outright sale or building a 400-roomed hotel to maximise financial returns³¹. Such would have represented a two-stage operational process. Firstly, maximised income; secondly, this matched by maximised disbursement of funds to other subsidised activities. Such simplicity might have won immediate and greater plaudits. But stewardship directed by such a dichotomy would fail to recognise that for a church there must be a wholeness in how activities are undertaken.

11.2.13 While the thesis points determinedly for the significance of 'accountability', it eschews that the means to assess performance should distort deliverance of a fundamental service to its potential detriment. Conventions for reporting financial performance must be made sufficiently flexible and robust to recognise a value for imponderables (such as the spiritual worth of a place of pilgrimage or a school to the fulfilment of a church's role) rather than have trustees, or quasi-trustees, feeling obliged to limit their scope merely to what can readily be measured. Thus their service would indeed be curtailed by Mammon rather than liberated by God. Trustees have a duty to act with wider vision than self-protective thinking and with wider scope than fund-managers tasked to maximise and report only financial returns³².

11.2.14 As Basil recognised³³, goals of the 'Sacerdotium' should transcend those of the 'Imperium', neither being subsumed by these nor, worse still, in matters of ethics falling short of its recognised best practices. With stewardship there are particular demands. A key finding of the direct experience at ARK is an awareness of the essential significance of the division of duties within the responsibilities for oversight. In determining structures for control, the critical distinctions between 'Governance' and 'Management', which it was necessary to spell out at ARK³⁴, are essential, not only to enable potential conflicts of interest to be neutralised (i.e. employed staff setting

³¹ 5.3.11

³² 5.3.11

³³ Discussed 4.4.

³⁴ 10.3.8-11

their own performance and remuneration levels) but to establish the means for positive consideration of the wider aims of the whole entity. A long-standing problem remains how unpaid volunteers, appropriately committed, capable and trained, can carry out these functions without undue dependence on the managers they are supposed to guide and supervise³⁵. Mutual trust and personal confidence become essentials. Benefits of financial independence among volunteers were debated in both NT times³⁶ and among the Cappadocians³⁷ but Basil's protracted argument with Anthimus over revenues³⁸ points to an even more fundamental need. An unworldly Gregory, preferring to stay in Nazianzus, through his blunt analysis and criticism of the dispute, is an essential foil to excess enthusiasm for material and political manoeuvrings of determined resource managers, even those as well-motivated as Basil.

Conclusion:

Independence of mind and integrity of outlook in stewards must complement applied technical skills, then focus holistically on overall aims.

Finding 4: Sustained COURAGE may be required in established charities where the prospects of changing past compromises may induce bureaucratic inertia.

11.2.15 The vital contribution of courage has been explored in several places within the thesis³⁹. In these summary findings it is important to note a distinction within the case-studies. A feature of those concerned with the Cappadocian bishops and ARK (in its early years) is that they represented new initiatives at a time of paradigm shifts in approach to their chosen activities. The **courage** required for these risk-taking entrepreneurs was of willingness to face criticism and fear of disappointment over possible failure. Yet had these opportunities been missed, neither the potential

³⁵ 9.2.2-8

³⁶ e.g. 1 Corinthians 9¹⁻¹⁴

³⁷ 3.2.14

³⁸ 3.2.61

participants nor observers would have been necessarily aware thereof. It required courage both to seek out possible change and to act, to risk voluntarily, vulnerability

11.2.16 In established charities, the challenge is different. Throughout the SGC case-study, then latterly with ARK, courage was needed to face closer self-examination so that the fears of losing the seeming safety of inertia needed to be overcome. This would have shown that utilisation of existing resources was sub-optimal, requiring re-deployment. Facing facts was deferred, eventually bringing not evolutionary but revolutionary change. Arguably, even then the bold action for change was stimulated only by external pressures not internally generated⁴⁰.

Conclusion:

Compromises may become easier to introduce when alternatives are starker and more readily explicable. But sustained courage which determines then implements continuous change is probably more valuable for management practice, forestalling lapses into mediocrity.

Finding 5: The meekness of SERVANT-leadership in management may often be the means to implement effective change.

11.2.17 Superficially, ‘meekness’⁴¹ may seem akin to mediocrity. The reality is otherwise. For Aristotle, meekness, synonymous with temperance, is the mark of the moral character⁴². There is a positive value in the exercise of justifiable and moderate anger with meekness the mean, that laudable compromise between furious bad-temper and spineless indifference⁴³. Plato too recognised its deep fundamental importance when describing those inhabitants, related to the divine, of the ideal kingdom of

³⁹ 1.3.3; 4.5.6-7 & 10.5.11-12

⁴⁰ At ARK this was triggered by the Scottish Homes report (8.2.69); at SGC by an unsubstantiated threat of Municipality discontent (6.2.27)

⁴¹ “πραυτης” see 9.4.11-17

⁴² “πρως η σωφρων” Aristotle *Nicomachean Ethics* I 13 20 (Loeb p69);

⁴³ *Ibid* II 7 10 (Loeb p103)

Atlantis⁴⁴.

“For the intents of their hearts were true and in all ways noble, and they showed meekness joined with discernment⁴⁵ in dealing with the changes and chances of life and in their dealings with one another”.

Similarly, the Christ-like solution is for leaders, *“those who will inherit the earth”*, to be capable of controlling the exercise of formal and informal powers to apply these only when necessary. As with the analogy of the ideal war-horse⁴⁶, energy and drive need to be reined in for release only when intervention brings essential, collective advantage. Perhaps unglamorous, a risk at charities is that those who sense that they are already giving much in unpaid (or under-paid) time and effort, may see as fair compensation opportunities for relatively unbridled exercise of power or patronage. Lacking contractual rights, they may feel unconstrained by matching responsibilities and entitled to self-indulgence, including either excessive criticism of others or indifference to necessary criticism of themselves. Nevertheless, disciplined, wise control is a sign of divine strength not of weakness.

11.2.18 Such is the ideal. The field-studies describe differing management styles. The consensual, committee-dominated, approach as adopted at BWM contrasts sharply with autocratic, centralised decision-making as at ARK, between 1986 and 1996. The former was notable for its slowness, in order to embrace all possible views, actual or conjectured, as exemplified by the indecisiveness over the bar⁴⁷. ARK appeared closer to the model of the Cappadocian bishops, through the drive of energetic individuals. Yet, in the longer term, ARK suffered from the constraints caused by individuals' limitations of availability and, eventually, vision. Moreover, as the early Codes demonstrate, regulations cannot substitute for the personal inspiration of founders⁴⁸. Balancing pastoral care, employment law yet providing management directives requires

⁴⁴ Plato *Critias* 120E (Loeb p305)

⁴⁵ “πραοτητα μετα φρονησεως”, Bury translates as ‘gentleness and wisdom’ but the key point is that this is the same Greek word as used in the Beatitudes (9.4.11-17)

⁴⁶ 9.4.16

⁴⁷ 6.3.1-15

⁴⁸ Chapter 4 passim.

both empathy and risks⁴⁹. Self-controlled attitudes to service may powerfully assist these processes.

11.2.19 Within any organisation, meekness -- power-under-control -- may be replicated through subsidiarity⁵⁰. Existing powers are recognised and respected throughout. Centralised functions remain available to provide help as requested but otherwise their purpose is to facilitate that most decisions be made locally. This requires that leadership is fundamentally about service; that service is defined and understood by all participants and that this understanding is internalised within the organisation so enabling higher levels of trust⁵¹. With self-giving motives expected of individual and collective commitment to a Christian charity and without the need to align the behaviour of managers with profit-orientated interests of shareholders, theoretically a level of trust might be anticipated higher than in a fully commercial entity. In practice, especially among volunteers where the personal risks of giving trust are small, the quality of trust may be low⁵². Yet engendering, then respecting shared trust is a mark of Christ-like love.

Conclusion:

Personal meekness, the careful exercise of competent power only for collective benefit, is the hallmark of self-giving service. It is the substantive means by which both managers and leaders can promote the successful inter-relationship of Management and Governance through warranted trust.

⁴⁹ 8.2.36.

⁵⁰ discussed 9.4.18-21

⁵¹ 7.1.15; 7.2 and also 9.4.

⁵² Subject explored 7.2.5 to 7.3.3, including referral to Cappadocia.

Finding 6: Open ACCOUNTABILITY is essential in the development of other Christian qualities and mutual trust within charities.

11.2.20 It is a feature of the ARK case-study that, over many years, there appeared a high level of trust by the volunteer MC in the exercise of management by the Director. Such trust seemed efficient yet it proved dangerous for, over time, MC members became so overly dependent as to be unable to fulfil their function⁵³. Relying on such trust and despite many formalities, the infrastructure for accountability did not develop appropriately⁵⁴. The prolonged absence of a healthy and necessary tension between Governance and Management led to a low-quality of performance and was counter to the long-term interests of any party⁵⁵. It is not a Christ-like attitude to fail to challenge or criticise others when necessary, though the intentions and the methods may be all important. It was a common feature at both ARK⁵⁶ and BofC⁵⁷ that personal appraisal systems had not operated. Given the organisational origins, such practices should not have been feared nor associated with blame but exemplified by grace, forgiveness and positive affirmation. While being accountable inevitably involves some personal vulnerability, this should not be because of fears of unreasonable criticism or exploitation. All at charities need to be open about motives and accountable for performance to sustain their own and the organisation's self-determination.

11.2.21 In Cappadocia, the bishops sought, then increasingly received, a high level of autonomy, arguing that the spiritual 'Sacerdotium' should not be subject to a material 'Imperium'. However, just as Paul had recognised, in accepting accompanying scrutineers for The Collection,⁵⁸ and Basil too could not deny that there must be transparency before both God and humans⁵⁹, such freedom requires generosity in openness and fairness in practice. As the legal Codes sought to enforce,

⁵³ 8.2.25.

⁵⁴ 8.2.41.

⁵⁵ 9.3.7 and 10.3.5-12. Issues are as in 7.3.2.

⁵⁶ 8.2.88

⁵⁷ 7.1.15

⁵⁸ 1.2.9-10

representatives of temporal interests do have a legitimate function in intervening where the practical application of motives inspired by the 'Sacerdotium' impinges on the 'Imperium'. Although venality of the then imperium, accompanied by increasing physical weakness, made it progressively less effective for the task, the principle remains of both 'Sacerdotium' and 'Imperium', with humility, acknowledging their respective failings -- such as lack of trust -- and accepting the legitimacy of each other to give guidance on governance, management practice or principles of both.

11.2.22 This issue was perhaps most acutely apparent at BWM. In that many of its resources had been freely given -- entrusted to the Church -- it might seem appropriate that the CofS's representatives alone should make decisions, free from methods of accountability perceived as outwith the 'Sacerdotium'. However, the principle of accountability holds good for any recipients. Past generosity, the fact that assets had cost a Church nothing, cannot act as a cloak for inferior decision-making⁶⁰. Instead, there is a Christ-like responsibility to excel and provide exemplars of management and governance to secular society. Self-regulation brings obligations of higher not lower standards⁶¹. Stated simply, Christian charities must always be mindful that Christ is a stakeholder and that his sternest rebukes were of self-interest masquerading under a veneer of piety⁶². Those who might differentiate themselves as involved in 'sacred' functions must excel in cheerful probity and frank accountability.

11.2.23 To its credit, BWM's decision process embraced the preparation of the 'Ethical Analysis'⁶³. The CofS's willingness to have Special Commissions, three of which have been cited in chapters 6 and 7, is an indicator of both successful and unsuccessful applications of the principles of accountability. Successfully, they represent the ultimate opportunity for grievances and concerns to be fully and publicly explored. Unsuccessfully, particularly given the circumstances described in their

⁵⁹ 3.2.51 & 4.5.8.

⁶⁰ As 7.3 describes this issue is not unique to CofS.

⁶¹ 3.2.56-59; 7.3.5-13

⁶² Matthew 23 passim and Luke 11⁴²⁻⁴⁴

reports, they indicate an intermediate, systemic problem of accountability for service and for resources within internal procedures and by centralised management.⁶⁴

11.2.24 Accountability is not confined to retrospective reporting. It is about the fairness of procedures for planning and monitoring⁶⁵. Throughout decades, CofS set insufficiently clear objectives for the use of its substantial property, SGC. Instead, its collective management, by employing only an annual, cash-orientated system of financial accounting, narrowed the scope for visionary leadership and failed to point the need to provide adequate funding for investment for longer-term sustainability⁶⁶. Simultaneously BWM grew a separate and substantial investment portfolio⁶⁷. As noted above⁶⁸, on one level this could be presented as good stewardship but the actual outcome was paradoxical, wealth accumulating alongside serious dilapidation. This was a systemic, not an individual, confusion of purpose.

11.2.25 Finance may provide measures and force change but it should not be the driving force. Decisions dictated solely by finance will lack the wholeness and integrity which should be symptomatic of a spiritually-inspired institution. Conversely, decisions dictated or deferred by naive trust, fatalism purporting to be 'sacredness', that deny the usefulness of a universalising language (like that of accountancy) to point towards possible alternatives, also lack integrity. Accountability should be about the joyful, not defensive, sharing of responsibility.

Conclusion:

Accountability and communication must be of a high order to develop the benefits of other qualities and to guide constructive compromise. Thereby these can inspire trust, creating initiatives and innovation for continuing searches for **liberality** and **fairness**.

⁶³ 5.3 passim

⁶⁴ 6.2.3-12; 7.1.19-23

⁶⁵ 7.2.3.

⁶⁶ 5.2.7 & 7.2.7

⁶⁷ 5.2.15

⁶⁸ 11.2.12.

11.3 APPLYING THE FINDINGS IN THE CHRISTIAN PRACTICE OF CHARITY

11.3.1 As noted at 1.1.2, Christ's new commandment, to love one another as he loved, places an obligation on those aspiring and inspired to be Christ-like, to demonstrate in action as well as outlook, his example of love for others. In keeping with that example, in all but the most exceptional circumstances this will be a communal, rather than a solitary experience. The respect and valuing of others, together with the self-giving inherent in such Love, are to be communicated and shared. Christian Love must be prepared to extend beyond nebulous generalities, just as Christ's incarnate example was specific.

11.3.2 Because the practical expression of Christian Love ~ charity ~ is synonymous with relationships, so flexibility and variety are essentials, requiring that its implementation be multiform, itself reflecting the potential range of personalities, circumstances and activities involved. As noted at the start of the thesis, this creates a dilemma for any attempt to give any specific instructions on the workings of love. Prescriptive recipes on how to manage Christian organisations risk being inadequately narrow, while generalisations in practice may be riskily vague.

11.3.3 That this is not confined to religious organisations but arises for management within the generic 'voluntary sector', is evident from two approaches in academic articles. There can be descriptions of situations which give some limited pointers to why these might recur elsewhere⁶⁹. Alternatively, these may be more broadly based offering 'propositions', such as the five put forward by Harris⁷⁰. Both are informative as to possible patterns of behaviour, but serve to provide illustrations or indicate contentious areas rather than give more specific advice to practitioners as to how to shape their individual conduct in relationship with their chosen collective charitable enterprise.

⁶⁹ E.g. Golensky, M., The Board-Executive Relationship in Nonprofit Organizations: Partnership or Power Struggle? Nonprofit Management & Leadership, vol 4, no 2, Winter 1993, pp 177-191.

⁷⁰ Harris, M., Doing it Their Way: Organizational Challenges for Voluntary Associations Nonprofit and Voluntary Sector Quarterly, vol 27, no 2, June 1998, pp 144-158.

11.3.4 The overall contribution of this study is intended to be more direct. At the outset it sought to ground the search in Christ-like Love as the origins of charitable impulses for Christians. It then attempted to explore a middle way, namely through the use of the traditional method of 'ethical checklists' as a means to concentrate the motivation, intentions then application of individual practitioners. Lessons and expectations can thereby be absorbed at a personal level and then be interpreted and adapted for other situations. The hope is that by suggesting benchmarks which can be tailored and adapted by individuals for their own involvement, this will complement other studies on organisational theories or structures. A vital part of the process is that the practitioners must for themselves consider, amend or accept the suggested attributes and also, periodically, assess their own and communal performance against these. The development of a collective ethos, through the amalgamation of those of the participants, is as necessary as any devising of constitutional or procedural arrangements, though, on the experience of this research, it takes much longer to do and is never so tangible to express.

11.3.5 The attributes explored were drawn from the context of Christianity and were reformed in an attempt to understand the ethical issues that arise in specifically Christian charities. The research did not examine other types of voluntary or nonprofit bodies. Nevertheless, those participating in such, whatever their religious beliefs, may find the checklist a useful stimulus. The attributes may resonate within any person's attempts to understand their own motives or, more generally, help them contribute more effectively to a common cause.

11.3.6 Having completed the aims of this thesis⁷¹, (in having identified accessible guidance for the conduct of those engaged in the activities of Christian charities; compared this with practice and reflected on and refined the experience of the two) a future aim will now be to develop further the checklist, together with an accompanying,

⁷¹ As 1.1.5

illustrative narrative⁷². This should be constructed to be as accessible and persuasive as possible. But, with humility, it is necessary to accept that it cannot ever be anything more than a guide. While any technique, such as a checklist, may be offered for individual or collective use, ultimately it is a spiritual and religious essence which infuses each person's motivation. It is this which will stimulate the "why" of charitable impulses and decide the "how" in responding to ethical issues.

11.4 OVERALL SUMMARY

11.4.1 The thesis has sought to identify and explore the application of six ethical qualities in action in Christian charities. Evidence of their importance, particularly as found in letters, has been studied even though their actual use or ethical success is hard to measure⁷³. These qualities have been discussed severally and jointly but fundamentally they are collective, like the wires of a lift cable or in an electric light flex. They cannot work effectively without each other. In combination, they can give strength or light, although the stresses and demands on each will vary in different historical settings, legal structures and informal relationships. Extending knowledge of each remains a continuing life-time's search, as a means for discerning for particular circumstances, and through faith, how to become more Christ-like.

⁷² As 2.10.17

⁷³ 2.8.3. & 2.3.2

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CT ~ Codex Theodosianus. The Theodosian Code: tr.Pharr,C.,(Princeton University Press, Princeton, 1952). Includes the 'Novels' of Valentinian and Marcian.

EDNT ~ Exegetical Dictionary of the New Testament. Vols 1-3: edited by Balz,H. and Schneider,G. (T&T Clark/Eerdmans,1990,1991 & 1993) this is a shorter English Dictionary of New Testament Greek.

FotC ~ Fathers of the Church. Series of the Catholic University of America Press, Washington DC, translating almost all major and many minor works of the early Fathers.

Loeb ~ Loeb Classical Library. Series of Heinemann, London and New York, this provides the Latin and Greek text of almost all significant works from classical antiquity, together with a side by side translation.

N&P-NF ~ Nicene & Post-Nicene Fathers, ed. Schaff, P. & Wace, H. A less comprehensive series than FotC which in the 1890's collated and translated major works of principal Patristic sources. Reproduced by Eerdmans, Grand Rapids in 1957.

REB ~ Revised English Bible (OUP/CUP 1989) is used for Biblical quotations, except where stated. Greek cross referrals are to the text of Nestle-Aland Novum Testamentum Graece (Deutsche Bibelgesellschaft, Stuttgart, 1979).

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