

## Production Portfolio of Christian Charities – Doing the Right Thing and Keeping the Mission

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### Abstract

Christian charities are non-profit organizations (NPO) built on the Christian virtue of love. However, being a Christian NPO does not automatically ensure that Christian management is practiced. In this paper, the production portfolio is seen as the main criterion to determine whether a Christian NPO is indeed following Christian principles in its management. A flow chart is developed to define four categories of product lines: Touchstones are services with high relevance to the mission of the organization but without sufficient funding. Stars also make an important contribution to the achievement of the target system and are well-financed. Cash cows receive sufficient funding as well, but are not (anymore) relevant for the achievement of the original mission of the organization. Goiters might have been touchstones, stars and cash cows in former times, but today they neither do fulfill the mission of the organization, nor do they produce a positive margin. Christian charities should develop touchstones by constantly seeking upcoming existential needs of people and developing respective services. However, there is a risk that older and growing Christian charities lose their calling. Based on the Greiner curve we argue that the management of these organizations must motivate and coach their staff so that they remain dedicated to the original mission while the organization faces severe crises. By a quick and comprehensive analysis of the production program and support for the staff in particular during transgression phases, Christian management in Christian charities becomes a reality.

**Keywords:** Charities, Christian Management, Greiner Curve, Nonprofit Organization, Production Portfolio.

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### 1. INTRODUCTION

Christian Charities practice Christian management (Seibert, 2020; Wilson, 2010) – what else should they do? This simple statement seems so rational and desirable that most people will assume it corresponds to reality. However, the construct of a Christian organization is as vague as the assumption that Christian management exists. It is not self-explanatory what “Christian management” really means or what makes management Christian (Kittel, 2016). At the same time, it is not easy to define what distinguishes a Christian organization from all others or how to define a Christian charity. Moreover, even if we assume that there is both Christian management and Christian charity, the relationship between these two elements is not clear at all, i.e., we have to ask whether it is more likely that a Christian organization is managed in a Christian way or whether a Christian organization will practice Christian management automatically.

These questions are not only relevant for Christian charities, but also for management scientists. These organizations have millions of employees, produce a relevant share of the national product

and are the main providers of social and health care services in several countries,<sup>1</sup> but they are partly ignored by management scientists. Although a number of practical guidelines for the management of Christian charities have been written (Cornish, 2009), there is little evidence whether management of these faith-based organizations differs from general management practices and whether existing models of management can or must be adapted to fit the requirements of these organizations.

Consequently, this paper develops a concept of understanding and assessing the specialty or even exceptionality of Christian charities in comparison to commercial competitors and other non-profit organizations. The research question is whether and how it is possible to keep the original mission of the faith-based organization in the short and long run while facing the same market situations as every other organization. The knowledge of the Christian production portfolio (static) and the steady change of organizational set-ups along the Greiner curve (dynamic) is crucial for the managers of Christian charities to sustain their organizations in competitive markets while still keeping their mission.

As usual for conceptual papers, this analysis is based on the existing literature, a thorough knowledge of the (European) social markets and conceptual thinking. The paper is not empirical but follows an analytical approach which was also used by other authors before. For instance, A. Jäger and his successors focused on the leadership style or the “inner axis” for Christian charities (Jäger, 1993). Our research will extend this broadly accepted concept by arguing that the production portfolio is pivotal for the definition of a Christian charity. Consequently, the next section will develop a decision model for the design of the production portfolio of a Christian charity. Finally, the question must be asked why Christian organizations are in danger of moving away from their mission as they grow.

## **2. PRODUCTION PORTFOLIO**

### **2.1 Relevance**

To our knowledge, no comprehensive summary exists that shows the state of research of management in Christian charities. Helmig and Michalski compared German and US-American literature on NPOs in 2008 but without a focus on Christian organizations (Helmig & Michalski, 2008). In this section, we cannot fill this research gap but would like to focus on the German-language literature on the management of Christian charities. Undoubtedly, it would be of great importance to get an overview of the worldwide state of research, but this is not possible within the scope of this paper.

With his fundamental book on “Diakonia as Christian Enterprise” (Jäger, 1993), Alfred Jäger has developed a new paradigm of Christian charities in the field of tension between theology and business administration even beyond the borders of Germany. Originally, he started from a definition of Christian charities, that relied heavily on the intention and institutional framework, i.e. any social work of churches constituted Christian Charities. However, he (and his successors) placed more emphasis on the process of diaconal leadership by calling for an “inner axis” as a Christian core surrounded by professional management (Budde, 2009, pp., S. 157). Since the fundamental work of Jäger, a Christian organization is not automatically, “what a church does”, but also “how a church does it” (Lohmann, 1997; Rückert, 1997).

More recently, Fischer (Fischer, 2019), Gabriel & Ritter (Gabriel & Ritter, 2005), Herrmann & Schmidt (Herrmann & Schmidt, 2010), Schoenauer (Schoenauer, 2012) and Hofmann (Hofmann, 2010) contributed to our understanding of the management of Christian charities. Table 1 shows the management dimensions covered by these authors. It becomes obvious, that these authors

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<sup>1</sup> For instance, the catholic (Caritas) and protestant (Diakonie) umbrella organizations of church-related charities in Germany have about 690,000 and 599,000 employees. In addition, some 500,000 and 700,000 volunteers are working (part-time) in the respective charities.

concentrate strongly on internal processes of Christian charities. The focus is on the Christian worker, his motivation and the respect shown to him. The spirituality of workers and leaders becomes the “inner axis” (Jäger). Other aspects, that are becoming increasingly important, are quality and strategic management.

However, all these concepts of Christian charities miss the core of modern business administration, the output orientation. The business segment, the type of products, the quantity of services and the impact, which they have, do hardly play a role in these concepts. In modern management, people’s needs are the basis of all entrepreneurial activity – but they seem to be neglected in these concepts.

Consequently, we can state that the process dimension of a Christian charity has been described and optimized quite well, but the central output dimension is neglected. It is important and correct to question whether an organization can be called Christian if it disrespects its employees without love. However, it is equally important to ask whether a charity is Christian if it does not serve the poor and needy. Business administration will always start from the needs of the customers, not from the intensions of the founding fathers nor the processes of the management. Most readers will agree that we would not call an arms factory Christian even if it has implemented perfect management within its organization. We will always ask whether the product fulfils our standards as Christian. Likewise, we have to ask whether a retirement home for elderly millionaires is Christian or whether a hospital can be called Christian if it provides exactly the same services as every other hospital in the country regardless of whether it is governmental, commercial or faith-based. The production portfolio of a Christian charity becomes pivotal!

	Traditional Business Administration		Management of Christian Charities				
	Gutenberg	Ulrich	Fischer	Gabriel & Ritter	Schmidt & Herrmann	Schoenauer	Hofmann
Agents of production	X						
Needs of customers	X						
Technical core process, production	X						
Quality management			X			X	
Social core process, teaming		X			X	X	X
Individual core process, personality development		X			X	X	X
Mission, vision, targets		X		X	X	X	X
Strategies		X		X	X	X	X
Decision-making	X						
Motivation und leadership		X				X	X
Financing, investment	X						
Main output	X						
Other outputs	X						
Outcome	X						
Impact							
Legal, demographic constraints		X	x	X	X		
Value system		X	X	X	X	X	X
Competition and markets	X			X	X		

**TABLE 1:** Management Dimensions. Source: own.

## 2.2 Portfolio of a Charity

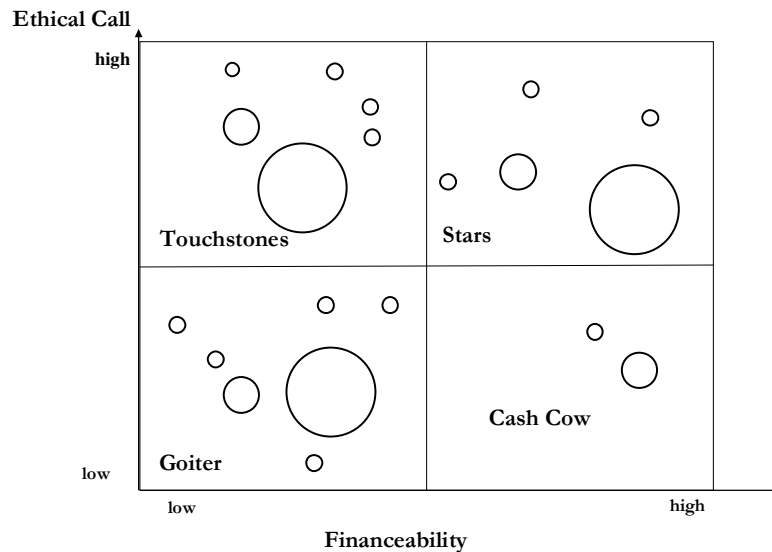
The analysis of a production portfolio is frequently based on a portfolio matrix. For instance, the well-known BCG-matrix was developed in 1968 by Boston Consulting Group for commercial enterprises (Have, Have, Stevens, Van der Elst, & Pol-Coyne, 2003). The analysis assumes that an enterprise does not only produce and market a single product line but a portfolio of different products. Any commercial enterprise has to analyze its production portfolio and ensure that it has a sufficient number of cash cows to produce cash flow. At the same time, investments in question marks are necessary, so that they become stars, while poor dogs have to be given up. Most commercial enterprises would agree that the production portfolio is the starting and the ending point of all business activities.

Charities can use the BCG-matrix to analyze their production portfolio. However, increasing market share might not be the most relevant dimension of success for charities. Their main objective is to satisfy existential needs of people. Reduced demand for their services is – in contrast to commercial enterprises – a positive situation indicating that a social hardship gets less severe. Charities are often the first organizations to identify and respond to a social need by offering new services to those in need. Frequently, there is insufficient funding for these upcoming new needs so that commercial enterprises show little or no interest until the government introduces social reform and provides sufficient funding. The introduction of the new need into the Social Law encourages commercial competitors to participate in this new market so that there is sufficient supply to provide for those affected, i.e., the charity's primary objective of alleviating human need is achieved.

The norm strategies of the BCG-matrix do not always fit for NPOs. For instance, homes for older people with dementia have long been “very poor dogs” without any chance of ever becoming stars. They were held in the portfolio even though they yielded a loss. Charities have recognized it as their mission (or calling) to serve people with dementia and have followed this mission regardless of refinancing possibilities. Thus, other dimensions of a portfolio matrix might be more appropriate for charities and other NPOs.

Consequently, Schellberg suggests two other dimensions for NPOs: “ethical call” and “finance ability” (Schellberg, 2004) (Figure 1). The first dimension describes the relevance of a service for the achievement of the target system of the NPO, i.e., each NPO has to decide whether a specific service is crucial for the achievement of the target system of the NPO or not. Norm strategies can be developed for the four fields. Services, which are core to the mission and can be fully refinanced, can be called stars. They are the foundation of an NPO as they fulfill the mission of these organizations and generate cash flow to support other services without sufficient financing. Stars are potentials that meet both the business requirements and the inner call and reason why this organization exists.

Cash cows of NPOs are services, which are refinanced and generate cash flow, but they do hardly contribute to the achievement of the NPO's target system. Cash cows can develop in two ways. Firstly, the respective services can be included into the portfolio in order to produce cash flow and support other product lines with insufficient cash flow (cross-subsidy). In this case, it is almost irrelevant whether this cash cow has any relationship with the original mission of the NPO. Secondly, cash cows can be former stars, which were important for the achievement of the target systems before. However, the financeability of the services stimulated commercial competitors so that the existential need could be satisfied even without the NPO.



**FIGURE 1:** Portfolio-Matrix of an NPO. Source: own, based on (Schellberg, 2004).

Many social needs, however, are insufficiently financed. The government and the social protection system have not (yet) recognized this hardship of people and do not (yet) provide sufficient funding. Instead, charities fill this gap. Schellberg distinguishes two types of product lines without sufficient financing: Touchstones and goiters (Schellberg, 2004). A touchstone is at the heart of the NPO's mission. Providing this service is in line with the original mission why this institution was founded and fulfils its goals. However, a touchstone requires additional funding because it is not or insufficiently financed by revenues. Thus, touchstones can only be developed and offered if an NPO receives sufficient donations, replaces paid labor with volunteers and produces cash flow in other product lines to subsidize the touchstones. Consequently, an NPO, which wants to run touchstone services, must have cash cows to produce cash flow. The term touchstone implies that the presence and relevance of this field of the portfolio matrix indicates whether an NPO is a charity. If an NPO only focuses on areas that are fully financed from external sources, it hardly differs from its commercial competitors. We might even question whether their existence is justified. We could even challenge whether their existence could be justified.

A goiter is a service that can neither be refinanced nor contribute to the fulfillment of the specific mission of an NPO. In this case, the norm strategy should be to abandon the service. However, this is regularly emotionally difficult as many goiters are the degeneration of former touchstones. Originally, they were of great importance for the NPO, but today this service is not necessary anymore because the need has disappeared. Nobody would suffer at all if the NPO were to remove this product line from its service portfolio.

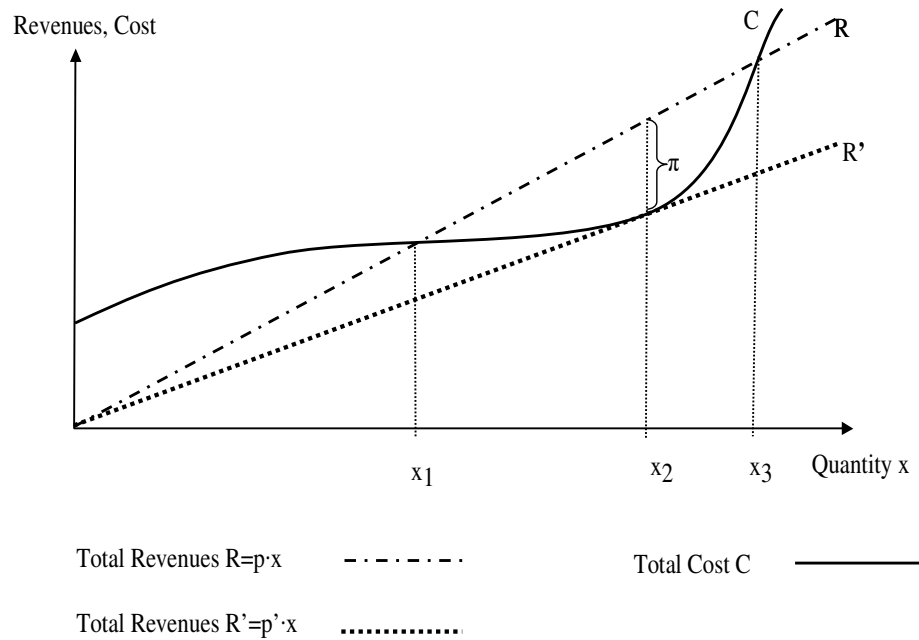
Consequently, we can conclude that a portfolio matrix is an appropriate instrument to structure and analyze the services of a charity. The main problem remains that the achievement of the "mission" or "call" is difficult to measure. One possibility is to ask the managers of the charity whether they think that a specific service has a high or low relevance within their target system. This remains subjective. Instead, we propose a decision model to allocate services to the four categories. In the next section, we demonstrate this decision model for Christian charities. No doubt, the categories would be different for non-Christian charities, but the approach could be similar.

### 2.3 Designing a Production Portfolio of a Christian Charity

If we define a Christian charity based on the intention or inner attitude, the production portfolio is almost irrelevant. However, if we focus on an output-based definition of a Christian charity, it is highly important to know whether the product lines of this NPO fulfill the mission. Figure 3 shows a flow chart permitting to analyze whether a particular service of a Christian charity is a touchstone, star, cash cow or goiter. In a first step, we analyze the competitive situation, i.e., we determine whether a Christian charity has a monopoly in its catchment area for a certain service or whether there is partial or complete competition. If no other enterprise offers a certain service, the provision of this service has a high priority for the Christian charity. If competition exists, it has to be analyzed whether the quantity and quality of the alternative supply is sufficient to meet the needs of the population.

Figure 2 exhibits a standard S-shaped cost function and a linear revenue function. Under the assumption of perfect competition or in most social markets where the government or a social protection agency sets the price, the price is predetermined and cannot be influenced by the provider. Thus, the revenue function is linear through the origin. In this situation, the commercial enterprise reaches its optimum when it offers the production quantity at which the price equals the marginal costs ( $x_2$ ). However, this quantity of services does not ensure that the entire population is sufficiently supplied with existential services. It could happen that all commercial enterprises produce at their profit-maximum but still a part of the population suffers tremendous hardship, as the total production quantity is too low at a given price.

A charity in this market does not want to maximize its profit but to satisfy needs, i.e., the charity offers the production quantity  $x_3$  with the revenue covering the costs but no profit is achieved. Thus, the charity will offer more service units than a commercial provider at given cost function.



**FIGURE 2:** S-shape Cost Function and Linear Revenue Function. Source: own, based on.

In markets of existential services with structural imperfectness, a free market does not guarantee that the production quantity of all providers is sufficient to meet the existential need of all people.



If a market price declines, the slope of the revenue function decreases.  $R'$  is the function for a price of  $p'$  at which no more profit is possible. Thus, we can have the following constellations:

- $p < p'$ : if the market price is lower than  $p'$ , no commercial enterprise will offer the services. Christian charities will suffer a loss as well, but they might still provide services if they attach a high priority to them and can compensate for the loss through donations and/or volunteer work. They will do this because the existential needs of people would not be satisfied otherwise.
- $p \geq p'$  and  $x' < x_{min}$ : Commercial enterprises will offer services, but the total supply is less than that required to meet the existential needs of the population ( $x_{min}$ ). Thus, Christian charities are called upon to enter the market and produce the service units not covered by the commercial sector.
- $p > p'$  and  $x' \geq x_{min}$ : In this situation, real competition exists and private providers can satisfy the entire existential needs. Thus, Christian charities are faced with strong competition and it would be no problem for the population if Christian charities withdrew from this market.

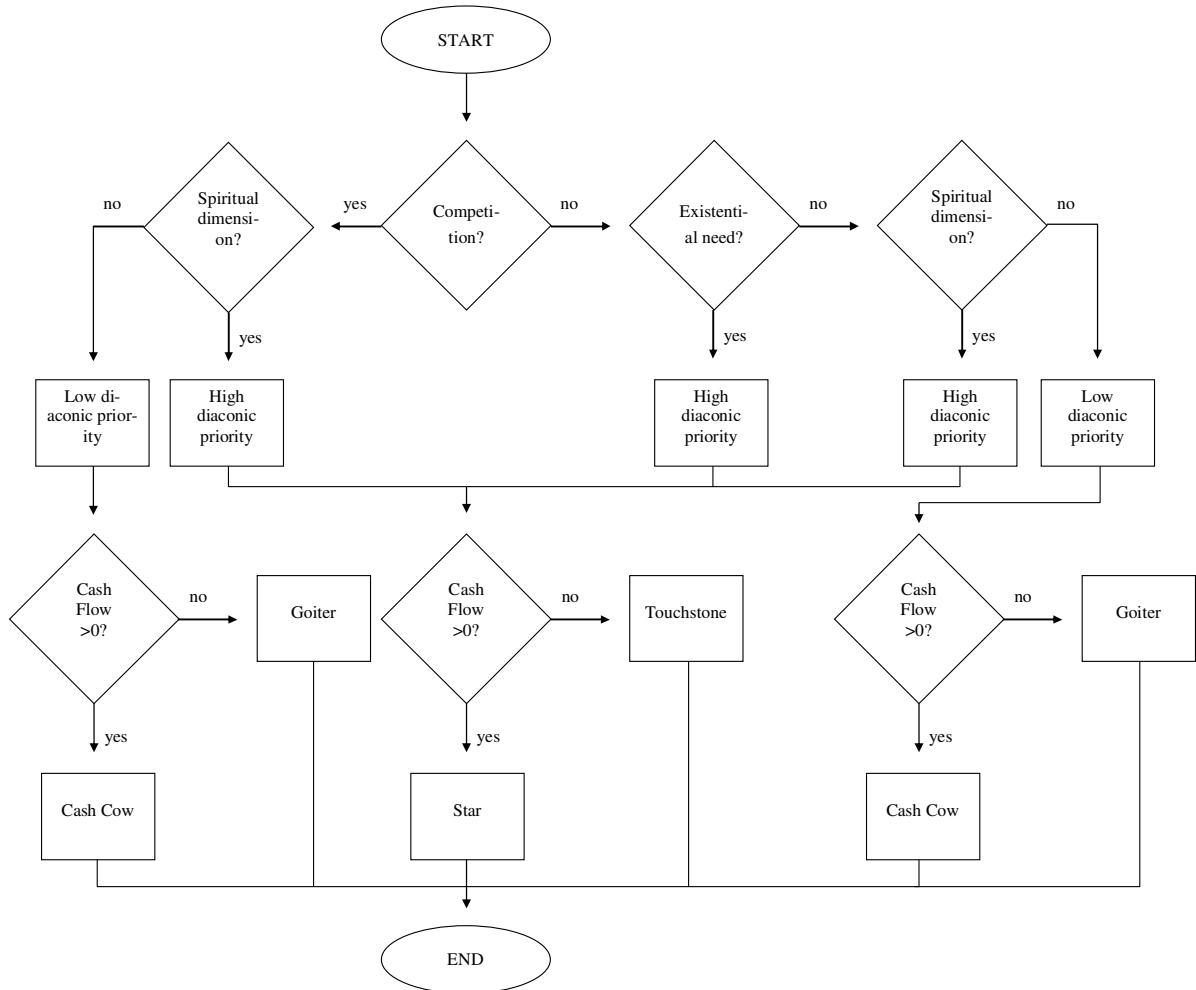
It is obvious that a Christian charity has to take the competitive situation into account as the need for a charitable supply depends strongly on the degree with which the existential needs of the population are covered by alternative providers. If we concentrate only on the processes ("inner axis", (Jäger, 1993)), we neglect the reality of competitive markets. The analysis of whether the supply is sufficient to satisfy the existential needs without the Christian charity is an ethical imperative for Christian charities.

However, even if we assume that the supply of a certain good is lacking to satisfy the needs of people, this is not yet sufficient to justify that a Christian charity enters this market. Instead, the leadership has to analyze in a second step whether the unsatisfied needs are valid and relevant from a Christian perspective. This is a unique situation for NPOs, as they have to assess whether the needs of people justify that the charity takes care of them. For instance, there might be an unsatisfied demand for precious jewellery, and most people will not be able to satisfy their needs in this field. However, to our knowledge no Christian charity was ever founded to satisfy this unmet demand. Instead, Christian charities concentrate on existential needs, such as provision of food, health care, care of elderly, disabled etc. The underlying needs are urgent and relevant, i.e., nobody will ever die because he cannot afford precision jewellery, but people will die if they cannot afford an appendectomy. Thus, Christian charities have built hospitals, but no jewellery stores. Threats to the physical existence and the dignity of human beings as well as the breach of justice and fairness constitute a scarcity, which calls for satisfaction of the respective needs by Christian charities. If there is no competition in these markets and/or if the supply of other providers is insufficient to satisfy those existential needs, Christian charities are called upon to provide the respective goods. In all other cases, Christian charities can easily leave the satisfaction of needs to the market or accept that not all needs are satisfied.

These statements should be qualified with regard to non-physical dimensions of human needs. Frequently, the services offered by Christian charities cover dimensions of utility, which are not considered by other providers. In principle, all goods (and services) can have a physical and a spiritual dimension of utility. If we can separate both dimensions, different organizations can concentrate on the different dimensions with different services. For instance, a commercial hospital can perform the appendectomy, while the spiritual counseling in the hospital can be done in this hospital by a pastor or another spiritual counselor. In most cases, there is no need that a Christian charity runs its own hospital in order to provide Christian counseling to the patients.

Nevertheless, in some cases the spiritual and the physical dimension cannot be separated. In this case, Christian charities have an incentive to cover both dimensions in their services. This is

often the case when the staff is capable and willing to provide not only the technical-functional (e.g. appendectomy), but also the spiritual service (e.g. pray with the patient before the operation). If we can unite both dimensions in one person (una persona), there is a chance that physical and spiritual needs are satisfied to a high degree. However, if we have to separate technical-functional and spiritual service in two persons, there might be insufficient justification for a Christian charity to provide the technical-functional service in a special organization. Instead, the Christian charity should cooperate with other organizations (e.g. commercial hospitals) to offer the spiritual dimension in these institutions.



**FIGURE 3:** Portfolio-Analysis of a Christian Charity. Source: own.

As Figure 3 shows, we can distinguish the potential services of a Christian charity according to their diaconal priority. Services, which satisfy the existential needs of people, and services, which cannot be separated from the spiritual dimension, require a high diaconal priority, even if the competitors could provide the technical-functional service as well. Services which can be offered by others in sufficient quantities as well and which have no spiritual by-product can easily be left to the competitors.

However, there are business fields of Christian charities, which have a low diaconal priority but still are relevant for the entire organization because they produce cash flow, which can be used to



subsidize other business fields with a higher diaconal priority. As shown in the last section, these cash cows are essential for financing innovative product lines with insufficient funding but high contribution to the target system of the NPO (touchstones). Product lines, which do neither have a high diaconal priority nor produce cash flow to subsidize other services (goiter), are unnecessary like a fifth wheel and should be given-up. Stars, finally, have a positive cash flow and a high diaconal priority. For the time being, it is ideal to have these services, but we have to keep in mind that the success of these product lines calls for commercial competitors so that most stars will become cash cows after some time (and finally goiters). Thus, a Christian charity must innovate, research new unmet needs, develop new services and constantly change its production portfolio, or it will end up with many goiters and complete irrelevance for the satisfaction of the existential needs of today.

Figure 3 shows a flow chart, which can support the leadership of a Christian charity in analyzing its production portfolio. Based on this chart we can state, that there is indeed a Christian management in Christian charities – but it is less about the “inner axis”(Jäger, 1993) than about the production portfolio. Certainly, a Christian charity has a Christian target system and should practice a leadership style of Christian love. Nevertheless, it is at least as crucial that a Christian charity must produce services for people whose physical and/or spiritual needs could not be met without that organization.

### 3. KEEPING THE MISSION

Most Christian charities start with touchstones, i.e., they are founded to address a new and unmet existential need. Faith-based hospitals, homes for older people, mobile nursing care, soup kitchens, dementia care managers, homes and labor opportunities for disabled etc. were established in order to address a problem for which the society, the social protection system and the government had no solution yet. There might be Christian charities starting their mission with a star, but we have never seen a Christian charity focusing from the very beginning on cash cows or goiters. However, an analysis of existing Christian charities in Germany indicates that this situation changes. Decades after the Christian charity was inaugurated, the mission can drift away towards services offered by all commercial and non-commercial competitors. The original “call” or “mission” can easily get lost.

In this section, we will argue that this development or “mission drift” follows principles and occurs regularly. For this purpose, we apply the so-called Greiner curve (Greiner, 1998) and analyze its potential for understanding of organizational development of Christian charities.

Greiner analyzed the development of enterprises from foundation to their maximum of success (e.g. turnover). He recognized that business development is almost never linear, but successful and growing enterprises pass through a series of crises (“revolutions”). Substantial changes are normal and a symbol of healthy development of an organization, including changes in turnover, financing, organization and leadership. Greiner is convinced that an enterprise can only avoid these phases if it remains small in a business niche, i.e., success and growth of an organization lead to a pressure of change. This is in line with the theory of dissipative systems indicating that growth generally happens through a series of crises (Ritter, 2001).

The respective phases are presented in Figure 4. Originally, Greiner distinguished five phases, and only later the sixth phase was added. An enterprise is founded in a phase of high creativity. A fascinating idea inspires the entrepreneur or a group of founders to establish the organization. Frequently, the “founding fathers” (or mothers) have a great charisma and take others on board. Only few people are involved, but they all identify perfectly with the mission of the enterprise. Coordination is easy because all workers are intrinsically motivated and subscribe to the organization's mission. Consequently, there can be very little control as the success of the enterprise in the market shows everybody whether they are right. However, if this organization grows (in turnover, personnel, product lines,...), this leadership philosophy faces its limitations.

The charisma of the entrepreneur is insufficient to lead the growing organization and it faces a leadership crisis.

Consequently, the entrepreneur or small group of founders will look for professional managers who can solve this leadership crisis in the second phase, the phase of direction. New staff is more extrinsically motivated and have more inspiration from power and business success than from the original mission of the founding fathers. Managers control the enterprise by standardization within a growing and strict hierarchy (including a growing middle line (Mintzberg, 1989)). The original workers have a hard time accepting that “their” organization has changed too much and some will leave it completely frustrated. Even other workers will suffer from a centralized, non-transparent and inflexible leadership and organization. The members of staff become “cogs in a machine” without a chance to live-up to their personal call for existential meaning and autonomy. The more the enterprise grows, the stronger will the crisis of autonomy will get.

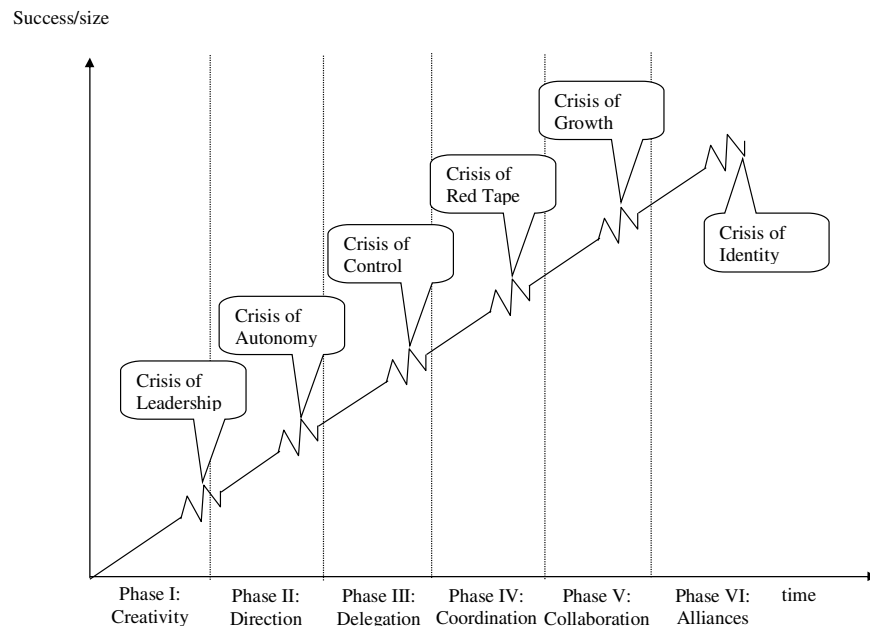
The answer to this crisis is more delegation. In the third phase, the leadership tries to achieve a higher degree of decentralization in order to get the operating core (Mintzberg, 1989) on board. Decisions are delegated, independent profit centers are defined and self-organizing groups are installed. Consequently, the coordination by direction declines, while coordination by standards increases. Only exceptions are regulated on a higher level. However, even here the solution to the old crisis holds already the seedling for the new crisis. The organization runs the risk of breaking up into parts, which are competing without a common mission and without unified leadership. The result of solving the crisis of autonomy is a crisis of control.

Consequently, the leadership of the organization implements formal coordination mechanisms based on a strong techno structure consisting of various staff positions and departments. In this way, the techno structure has a wide range of control while offering at least some autonomy to the operational core. The control is enforced by agreements on achievements of goals (management by objectives). However, there is a risk that the organization will be dominated by the techno structure and growing enterprises might face a lack of trust in this phase in the entire organization. Bureaucratic coordination by staff departments was implemented to overcome the crisis of control, but it leads to a crisis of trust.

In the fifth phase, the phase of cooperation, the management attempts to improve the cooperation between all departments and workers, strengthen networking and foster the information organization so that the processes are self-organized. Control is not strictly based on staff departments, but social and self-control are fostered. However, even networks reach their limits, in particular when the social core processes are suboptimal (Rieckmann, 2000) which might precipitate a crisis of growth. The organization is so much engaged in organizing its internal structure and networks, that the output function is neglected.

Many enterprises respond to this crisis of growth with a phase of alliances, i.e., they cooperate with other enterprises, merge with them or find some other form of alliance. The results are frequently mixed groups with strongly differing cooperation cultures which might cause a crisis of identification. The original organization with its mission, values and culture is gone and a new identity cannot be recognized – why should one give his best for this organization?

Consequently, Greiner states that the strategy to overcome the old crises carries the seed within itself for the development of the new crisis. For commercial enterprises in a highly competitive market, this means that an enterprise either has to withdraw into a small niche and persist there, or it has to accept steady organizational change. To moderate this change and support the workers to accommodate its impacts on their roles is a major challenge of business administration (Doppler & Lauterburg, 2019).



**FIGURE 4:** Greiner Curve. Source: (Greiner, 1982).

The Greiner curve is useful to understand the dynamics of the organizational development of Christian charities. We will use the faith-based hospitals in Germany as examples, but are convinced that the principles can be applied more broadly. The creativity phase of many faith-based hospitals in Germany was the second half of the 19<sup>th</sup> century when most of them were founded (Städtler-Mach, 1993). The “founding father” was frequently the local pastor or priest who ruled strictly and directly over a huge operational core. The operational base was often formed by nuns or deaconesses who strictly adhered to the commandments of their executive and spiritual leader. However, the strong growth of these institutions overwhelmed the non-professional managers, so that frequently professional managers took over after some time and in particular, when the “founding father” died or retired. At the same time, the early 20<sup>th</sup> century saw the professionalization of physicians and nurses calling for more autonomy from the strict leadership. In particular, doctors in charge insisted on more independence from the spiritual leaders so that a phase of delegation started. The departments and in particular the heads of departments became very independent, so autonomous that the “demigods in white” protected their own “clinical kingdoms” and practiced a certain departmental egoism. The hospital leadership responded to this crisis by developing quality management to standardize procedures in the hospital. Nevertheless, this standardization took power away from the heads of departments and shifted it to anonymous staff departments (e.g., quality management, public relations, legal affairs, revenues dep.). In particular, the revenues department became more and more important, and many members of staff complained that the income generation dominated all nursing and medical procedures, and even the original spiritual mission seemed to be forgotten under the dominance of accounting.

The increasing power of the administration provoked resistance from the operational core, in particular of those who still fully believed in the original mission of the faith-based hospital to care for the poor and needy, and not for those who are well insured. Bureaucracy (an ideal for Max Weber (Weber & Swedberg, 1999)) became an insult. Consequently, the leadership called for more self-organized cooperation between the departments. For instance, centers were developed to coordinate certain functions without interference from the strategic apex or the techno

structure. For instance, a spine center unites the departments of general surgery, orthopedic surgery, rehabilitation, imaging etc. However, frequently enough these centers end up in quarrel and with a negative margin (Gerste, 2008). Consequently, the late 20<sup>th</sup> century and early 21<sup>st</sup> century have seen a huge number of alliances between faith-based hospitals ranging from joint purchasing and training of staff even to complete merge of hospitals with very different traditions. This was in particular a challenge for faith-based hospitals when hospitals without a Christian tradition and culture merged with them regardless of the direction: Commercial hospitals bought faith-based hospitals, and faith-based hospitals took over secular governmental or commercial hospitals. In all cases, the loss of culture of cooperation is lamented – and it holds the seedling for the next crises of faith-based hospitals.

The example of faith-based hospitals indicates that it is extremely difficult to keep the original mission. There is a need to change the organization, the leadership style, the instruments of control and cooperation while an organization develops. At the same time, there is a need to change the product lines of the production portfolio. However, there is always a risk that the original call is forgotten and that the organization drifts away from its original mission. Based on the dynamics of the production portfolio and the Greiner curve we can conclude, that a “mission drift” (Lin, 2019) is almost inevitable unless the management of the organization regularly analyzes its production portfolio as well as its organization and leadership. The older and more successful a Christian charity gets, the higher the risks that it is far away from its original call – and the more likely there is not much left that really distinguishes the Christian charity from its commercial competitors.

#### **4. CONCLUSION**

Based on this analysis we can conclude that there is no automatism that leads automatically to Christian management in Christian charities. This seems like a bad message for leaders of Christian charities, but the good intention alone is insufficient to define Christian management. Instead, Christian charities will only qualify to practice Christian management if they do also produce services addressing existential and spiritual needs of people, which could not be covered by potential competitors. Thus, the output of a Christian charity strongly determines whether Christian management is practiced. Christian management is not only a question of “how” we do things, but in particular of “what” we do. Doing the right thing – serving the poor and needy defines a Christian Charity.

In addition to the static dimension of doing the right thing today, leaders of Christian charities have to address the dynamics of keeping the mission, i.e. doing the right thing also in future. We can assume that most Christian charities start with a strong Christian mission. However, there is a risk that this call will be lost over the years. On one hand, the original services offered might not be relevant any more or (commercial) competitors will take over the market so that there is no more need for the Christian charity. On the other hand, success of the Christian charity will challenge the original set up so that the original mission is lost, original staff leaves, staff with similar motivation is not attracted and the Christian charity becomes a “normal” enterprise. These NPOs impress with huge turnovers and thousands of employees. However, neither the production portfolio nor the style of leadership distinguishes them at all from commercial enterprises.

What can Christian charities do to keep their mission? How can Christian management become a reality in Christian charities? Based on the analysis presented in this paper we can give two clear answers: Firstly, the management of these organizations should ensure that their production portfolio is always in line with their original mission. The model presented in Figure 3 is an instrument that allows a quick and comprehensive analysis of the profile of a Christian organization. It requires courage to give-up goiters and to use the cash flow from cash cows completely to invest into new touchstones. Moreover, it needs creativity and innovativeness to focus much more on upcoming existential needs. There is so much more to be done on this

world, so much suffering to be fought and so much pain to be relieved – there is so much room for new ideas to serve the poor and needy.

Secondly, Christian charities must invest into their paid and unpaid staff. It has been shown by different authors that the commitment of the employees is of high importance for the success of an enterprise, even beyond Jäger's "inner axis" (Dorda & Shtembari, 2020; Markova & Jones, 2011). However, for a Christian charity the spirituality of their workers is crucial. Figure 3 showed that the co-production of technical-functional and spiritual dimensions of a service offers an almost indefinite market in which Christian charities have no or little competition. But this requires personnel who are really committed Christians. Thus, the selection, coaching and spiritual support of workers decide whether a Christian charity will indeed be able to practice Christian management.

Furthermore, the Greiner curve indicates that the main source of crises is the staff. If they feel neglected, forgotten, abused, de-motivated and over-controlled or if they lose the call for the special mission of this organization, tremendous crises will come. Traditional management will answer as described by Greiner. Nevertheless, Christian managers should put much more focus on their staff, their Christian motivation and their spiritual needs.

Our paper closes with a call for more research on management of Christian charities. As we have seen in section 2.1, most research in this field focuses on mission, vision, strategies and value systems. A thorough analysis of the output dimension of Christian charities from a business administration and from a theological perspective is urgently needed and our paper can only be a starting point. For instance, in this paper we cannot address the question how Christian charities can practice Christian management if only a small minority of their staff are baptized Christians. This is a reality in Eastern Germany, but still there are many faith-based charities. Figure 3 indicates that the spiritual dimension makes the difference – but how can this dimension be provided by Christian charities? Will it require that all workers are committed Christians? Or only the managers? Or is it sufficient if the board of directors is filled by Christians? Many research questions arise from the output dimension of Christian charities and call for further research.

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