

# For churches, a right and wrong way to cut staff

April 16, 2009

LAKELAND, Fla. (RNS)—As many congregations grapple with declining contributions, some faith communities are following the lead of cash-strapped corporations by laying off employees. But the stakes are higher, congregational leaders say, when you're putting someone's spiritual leader out on the street.

Churches never have been good at this. "Terminal niceness" keeps congregations from dealing honestly with unneeded or ineffective staff members, former General Electric CEO Jack Welch told ministers recently.

Congregational leaders, meanwhile, say already-tough financial decisions can become excruciating when you are firing the person who performed your daughter's wedding or held your hand in the hospital.

"Terminating employees, in business or in churches, is never an easy task," said Phill Martin, deputy executive director of the Dallas-based National Association of Church Business Administration. But the task becomes immeasurably more complicated, he said, if church leaders and ministers are lowering the ax.

At a pastors' conference in Lakeland, Fla., former General Electric CEO Jack Welch (left) talks about church management practices and leadership principles. (PHOTO/RNS/Greg Warner)

"When you live out of the values of ministry, it is more difficult to segregate the impact on the individuals' and families' lives than it is for most business

people,” Martin explained. “It’s tough when your core value is: ‘I’m here to minister to people,’ and you become the author of that pain.”

## **Vacillation**

Instead, churches in financial crisis “get all flustered,” said congregational expert David Odom, executive vice president of Leadership Education at Duke Divinity School in Durham, N.C. Congregations typically vacillate “between cold, hard business facts and denial,” he said.

So far, most churches report only a modest impact from the recession. Six percent have cut salaries, and an additional 4 percent have cut staff, according to a recent survey by Southern Baptist-affiliated LifeWay Research. Another online survey, by NACBA, found that as many as 20 percent of churches have already laid off staff.

But because churches historically feel the pinch later than the general economy—worshippers tend to cut contributions only after everything else—observers worry many congregations are unprepared to deal with the worst church-budget crunch in more than 70 years.

“Nobody who is around now has any experience with declining resources,” said Odom, founder and former president of the Center for Congregational Health in Winston-Salem, N.C. “Every large church I know is trying to figure out how many people they can keep.”

Most churches will put off layoffs as long as possible, said George Bullard of Columbia, S.C., who like Martin consults with Christian churches of many denominations.

“Some churches, in order to keep all their staff, are deciding not to pay retirement for a year or shifting health insurance costs to employees,” said Bullard, a consultant in the Columbia Partnership.

## **Churches unprepared**

Other coping measures recently imposed by congregations include giving employees unpaid furloughs and shifting some staff to part-time status. But when firing employees finally becomes unavoidable, most churches are unprepared, Bullard and Martin said.

Particularly when it comes to dismissing underachieving or ill-matched employees, churches are notorious about evading the obvious, Welch noted. But being a church is “not a license to be lazy” about handling people, he said.

“You have a mission not to burden your people with a bad manager,” Welch exhorted Christian ministers and others attending a recent leadership conference at Southeastern University in Lakeland, Fla. “The idea you would run a nonprofit organization without the best people is crazy.”

Welch counseled ministers and businesspeople to tell employees the truth—good and bad—about their value to the organization.

Chicago-area megachurch pastor Bill Hybels, who appeared with Welch at Southeastern, agreed: “The kindest form of management is the truth.”

But church leaders should “speak the truth in love,” added Hybels, senior pastor Willow Creek Community Church. “You can’t brutalize people with the truth.”

Congregational consultants noted that what works for General Electric doesn’t always fit faith communities.

## **Many layers of relationship**

While a business may have stockholders, customers and employees, in a congregation “they’re all the same persons”—parishioners, ministers, finance committee members, babysitters, counselors and counselees,

Bullard noted. “There are so many layers of relationship,” he said.

It’s hard for a church member to accept a staff firing when “you are ending a relationship with a person I love,” he said. A layoff eliminates not just an organizational leader but often a spiritual mentor and friend, he noted.

While those overlapping relationships give congregations their unique character, they pose risks when good personnel practices are not in place, said NACBA’s Martin.

“When churches manage out of relationship, not performance, there are some inherent problems,” he warned.

Congregations that let relationships—not policies and performance—steer employment practices sometimes allow friendships to blur supervisory lines, for instance. Or, he said, they “see hiring employees as a ministry,” by hiring people who lose or can’t find a job, have relatives in the church or know certain people.

What a congregation does before a crisis hits—specifically its personnel practices, both good and bad—largely determines how well it weathers a financial storm, experts said. Among those practices: clear job descriptions and lines of supervision, specific job expectations and regular performance evaluations that are not tied solely to financial compensation.

“The systems and structures that produce strong churches in good economic times serve churches well in bad economic times,” Martin said.