

# A DELICATE BALANCE

## Agency-Federation Relations in the Darrell Friedman Era

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In Baltimore, for 16 consecutive years—which included the period after September 11—THE ASSOCIATED: Jewish Community Federation of Baltimore's (the Associated) revenues increased so dependably that even in the most uncertain times the federation was able to meet its agencies' basic needs. We agency directors were not complacent, knowing full well that we sailed on the same troubled financial seas as other Jewish nonprofits. Still, for as long as most of us could remember, there had been no significant cuts in constituent agency allocations or need to reduce services due to budget shortfalls.

So the pain was especially acute when, in allocating funds for the 2003-2004 fiscal year, the Associated was forced to retrench, anticipating a 6% aggregate reduction in funds available for allocation to local agencies. Indeed, the crisis tested our strength as an agency network, as a federation, and as a Jewish community. In the process we gained valuable insight into agency-federation relationships—into what contributes to excellence, what most benefits the Jewish community, and what must be improved.

It is easy enough to imagine what could have happened when the shortfall became apparent. Agencies might have been pitted against one another in fierce competition for limited resources; agency executives could have circled their wagons and taken the steps necessary to ensure the stability of their own agencies; and suspicion and accusations between and among agency personnel and federation management would not have been surprising.

In fact, none of those things happened. Years earlier, the Associated had initiated a process through which the agencies themselves participate in framing the budgeting process for the following fiscal period. With this process, planning and budgeting were recast as a collaborative effort in which the agencies participate actively, serving as a kind of kitchen cabinet rather than as passive recipients of decisions made by federation leaders. As a result, our system had a strong foundation on which to build the critical components of this past year's budgeting strategy.

Perhaps most remarkably, as a result of the collaborative process led by the Associated, our agency executives (and their boards) agreed that the system's interests would be served best by implementing a kind of social contract—a decision not to compete with one another during an inevitably difficult time for all. Rather than argue the relative merits of each agency's programs and services, we urged, and the Associated adopted, a straight non-differentiated 6% cut in allocations that fell equally across the board. Though undeniably onerous in its effect (especially for a system that was accustomed to annual growth), it was deemed to be no more onerous for any one agency than for any other—notwithstanding the fact that these cuts would require some agencies to make deeper cuts than others, depending on the extent to which they received funding from other sources.

It is important to note that this decision was reached within the disciplined context of a community where the federation's constituent agencies are enjoined from indepen-

dently raising funds. Other than fees and membership dues, Associated agencies cannot go to local donors and solicit support. There are no "friends of" or "associates" to supplement agency budgets. The spirit of limited competition and deference to the central fundraising and planning role of the federation franchise has helped create an environment within which collaboration and joint problem-solving thrive.

This spirit of cooperation grew out of a long history of agency involvement in the day-to-day affairs of the federation. The Associated frequently used its agency executives in the kitchen cabinet mode, consulting them on important issues and thereby empowering them in the process. The goodwill thus accumulated paid substantial dividends later. When agencies are in the habit of coming together to work on behalf of community needs and issues, it is natural to slip into the problem-solving mode when challenges arise. Working together, we have learned to test our system's strengths before serious problems occur; the stakes are too high to wait until we are face-to-face with a crisis.

Our community's response to the challenge of dealing with reduced allocations is only one example of why we believe that Baltimore enjoys an unusually strong and effective agency-federation relationship—a relationship worth analyzing and exploring.

#### AS THE LEADER, SO THE GENERATION

Darrell Friedman came to Baltimore with two significant community-building experiences. One derived from his tenure in Rochester, New York, an intermediate-sized community according to the federation classification system. In Rochester, Darrell learned that the federation executive personifies the community leadership. If the executive projects the image of collaboration, facilitation, accessibility, and caring, then those values will be perceived as the values of the local federation. If the federation executive demonstrates a genuine sense of caring about real people, the federation sheds a major aspect of its bureau-

cratic image and gains increasing recognition (by contributors and service recipients alike) as a responsible model for *kehilla* (community).

Darrell also served as vice president of the Council of Jewish Federations (now known as United Jewish Communities). As a consultant to some of the best-run Jewish communities in America, Darrell learned even more about the intense demands on federation executives. Again and again, he observed that the executive's personality and philosophy are just as important as his or her technical skills. It is, he realized, the dignity and charm of the "chair" in which the federation executive sits that largely determines the dignity and charm of the federation itself.

Darrell brought these qualities to Baltimore and mastered them. He was advised by one of his mentors to "love the community, and the community will love you back." Thus began a unique and highly effective love affair in the annals of American Jewish community life. Darrell loved the Jewish community of Baltimore. He loved being its "Jewish mayor," and he loved taking full responsibility for community organization in a system that raised nearly \$30 million annually for local, national, and overseas needs. He loved calling federation leaders and professional colleagues from his office at 7:00 a.m. on the day of a blizzard to tell them he was ready for a good day's work. And he loved calling them from the office after a grueling overseas mission, just to let them know he had returned and was ready to get back into the swing of things.

One of Darrell's most endearing and enduring qualities as a federation executive was his willingness to allow others to shine. He constantly lauded the agencies for their accomplishments, and he ensured that the Associated campaign featured agency services as the reason for giving. He gave his own staff enormous freedom to manage up. While reserving the right to make the final decisions, he encouraged his staff's efforts to expand the federation umbrella and help in-

stitutions feel at home with the Associated image.

Darrell often remarked that he was not a micromanager. Certainly that was true in his relationships with agency executives. One of Darrell's greatest gifts was his willingness to support those executives—to trust their instincts and expertise—while providing supportive vision and direction for solving problems. In other words, he knew when to back away and let the people responsible for running the agencies do what they do best.

Darrell encouraged colleagues to come to him and share their worries and problems, whether institutional or personal. If an agency executive confided in Darrell, he or she knew that the information would never be used in any way to the agency's or the executive's disadvantage. Darrell's motto was, "Help me to be in a position to say yes."

#### RESPECT FOR THE FRANCHISE

Agency-federation relationships differ significantly from one Jewish community to another. In some cities, the agencies have their own identity, quite apart from that of the federation. They do much of their own fundraising, and their mission may be more widely recognized in the community than that of the federation itself. Especially in communities where the agencies are well established historically and the federation is fairly new, such an arrangement may work well.

In Baltimore, our agencies might be described as semi-autonomous. Although several of them predate the federation, which was itself founded in 1921, all are visibly gathered under the Associated umbrella. Only one agency—Sinai Hospital—does any independent fundraising; the others benefit from the efficiency and brand-name recognition of the federation's annual campaign and the resulting benefits of centralized planning.

At the same time, the Associated, as a federation, exercises what Darrell Friedman often called "respect for the franchise"—recognition that no one can know an agency better than the people who actually run it. So

our agency executives and lay leaders exercise considerable authority and autonomy, and the Associated focuses on fundamental, bottom-line issues.

Rather than conducting a line-by-line audit of the agencies' budgets, which often leads to suspicion, cynicism, and mistrust, the Associated asks: Is the agency fulfilling its mission? Is it under effective management? Are its priorities in line with the community's priorities? Is it providing needed services, without significant problems or gaps? If the answers to these questions are "yes," then the basis exists for a healthy and productive agency-federation relationship.

#### INTERLOCKING DIRECTORATES

One key to achieving this bottom-line approach is to ensure the highest quality volunteer leadership for the agencies. A great executive director must be matched by a high-quality board of directors. Otherwise, the federation will find itself acting *in loco parentis* for the agency board, and "respect for the franchise" will be endangered on both the federation and agency sides.

In some Jewish communities, agency boards are regarded as second-tier to that of the federation. The prestige and recognition come with service on the federation's board of directors, and the community's best and brightest leaders may be reluctant to join or head an agency board.

The Associated has taken two related approaches to this problem. First, our federation executives—and Darrell Friedman was a model for this—have actively and enthusiastically recruited community leaders for agency service. The federation does not simply skim off the cream for itself, but rather engages in a cooperative relationship where the agencies are enabled and encouraged to recruit our community's best and brightest leaders. Federation leaders personally solicit volunteer leadership to serve on agency boards and are willing to exercise considerable personal persuasion.

The result is that each agency board has leaders who must be heard, and the federa-

tion has effectively created a situation in which it can be co-opted by the agencies more readily than if it were more independent. While this neutralizes some of the central influence of the federation, it results in a system that is so much stronger at every point. This is just one example of how the community whole is greater than the sum of its parts.

Closely related to co-optation is the establishment of "interlocking directorates." In other words, our community leaders are encouraged to serve simultaneously on boards of an agency and of the Associated. This results, to be sure, in a great deal of overlap, and there is an undeniable potential for conflict of interest and special pleading on behalf of agency interests at the federation level. Yet, these are risks worth taking—and managing—because doing so raises agency leadership from second-class status and makes it attractive to people who might otherwise devote themselves exclusively to the federation.

Consider this example of the way co-optation and interlocking directorates can benefit the agency-federation relationship and the community as a whole.

A few years ago the lay leadership of one of the Associated's agencies decided to dismiss one of its executives. The individual had considerable recognition and respect in the community, as well as some pockets of support on his own board of directors. It was, to say the least, a delicate situation. Yet, thanks to the mutual respect and cooperation between Darrell Friedman and the leadership of the agency in question, the Associated was able to help manage the process, securing legal and human resource guidance, negotiating with the agency board, and winning a respectable severance package and dignified departure for the executive. In some respects, everybody won.

We recognize that our success in attracting and retaining high-quality professionals for our system depends on our federation agencies' reputation as employers. When an agency executive is diminished, the entire

system of professional leadership is diminished. The Associated's assistance in managing this particular situation effectively reflected its high priority for human resources and community leadership.

### **AGENCY INVOLVEMENT IN DECISION-MAKING**

It is tempting to think of the federation as a kind of benevolent big brother. In this view, the agency-federation relationship is essentially a vertical one, with the federation at the top and the agencies either clustered in a horizontal line below or arranged on a hierarchical ladder.

A more useful model, however—one that has evolved in Baltimore—is that of a hub and wheel. The federation serves as the hub. The agencies collectively represent the wheel, constantly in contact with the community yet securely connected to the federation. This reflects the mostly autonomous nature of the agencies; the facilitating, bottom-line focus of the federation; and a spirit of cooperation.

Above all, it encourages the widest possible involvement of agency executives in federation affairs and community planning. As the Associated's recent budget cutbacks demonstrate, the participation of agency executives is a key ingredient in the smooth management of that crisis. Agency leaders should also be involved in such fundamental issues as financial resource development, capital projects, salary and benefit standards, and review of community priorities.

One local example comes immediately to mind. Historically, the two buildings of the Jewish Community Center of Greater Baltimore had remained closed for Shabbat. A few years ago, in response to the increasing population drift to the north and burgeoning membership, the JCC board developed a plan to open its suburban facility for limited activities on Saturday. The goal was, first and foremost, to respond to membership requests. Additionally, the JCC recognized the desirability of providing Jewish teens and singles with a more appropriate Shabbat al-

ternative to the shopping malls and theaters and to provide opportunities for member families to spend time together at the JCC.

The issue quickly polarized elements of the community and engendered much heated debate. Critics attacked the JCC plan as passionately as others defended it. Ultimately, the Associated stepped in and determined that this was a community issue and not simply an agency issue. By designating the agency board plan to open on Shabbat as a recommendation, the Associated took over responsibility for making the final decision and setting community policy. This reinforced the principle of federation centrality on a key community issue while at the same time buffering the agency and allowing it to express its preferences.

In the end, the Associated decided to maintain the status quo of no Saturday agency openings, and the JCC remained closed for Shabbat. What this illustrates, of course, is not the pros and cons of opening the JCC on Shabbat, but the relationship between the Associated and one of its premier agencies. The agency, as an autonomous entity whose franchise the Associated fully respects, took up a significant issue. The Associated retained, and ultimately exercised, central policy responsibility, not because it occupied the top rung of a ladder, but because it saw itself as the hub of a wheel, with the accompanying responsibility to act in the best interest of community cohesiveness. Importantly, both organizations knew from the beginning that the Associated would make the ultimate decision, and that it would exercise its power carefully and cautiously throughout the process.

Similarly, a potentially divisive issue arose when the JCC decided to hire a specialist in Jewish education. The candidate had the highest qualifications as a Jewish educator and would undoubtedly help the JCC expand its role of providing informal Jewish education to lay leadership, staff, and JCC members. This time, objections arose from some local rabbis, who saw the new position as a challenge to the historic role of

the synagogues and the religious schools as the primary providers of Jewish education. Here again, the Associated and the JCC worked together to achieve their mutual goal of raising Jewish education on the federation system's agenda by opening channels of communication and clarifying the role of the new educator, reassuring the rabbis that the educator would encourage all forms of affiliation, including spiritual connections through congregational membership. In short order, this enhancement to the Jewish programming at the JCC was seen as a natural part of the agency's range of services, and the educator earned the respect of rabbis and Jewish school administrators.

#### GREATER THAN THE SUM OF ITS PARTS

When the values of collaboration, respect, and trust dominate the agency-federation relationship, the entire community benefits. The whole truly becomes greater than the sum of its parts.

Driving the process is the recognition by the federation and the agencies that the good of the community is paramount. What matters is not the survival and success of an individual agency, but the strength and vitality of the agency network and the community it serves.

Too often, federations and agencies lose sight of this fundamental principle. They become "the machine that will go of itself," rather than the machine the community designed and built to accomplish community goals. Taking the global view—understanding and appreciating the historic and contemporary role of the federation and its agencies—requires leaders to sublimate short-term benefits in favor of long-term goals. Obviously, this is not easily accomplished. But it is possible to create a federation culture that instinctively prefers to act in ways that consider the long view, rather than reflexively take the easier way to achieve immediate gratification.

It helps, of course, to have a strong history and tradition of community orientation

already in place. In this, the Baltimore Jewish community has been exceptionally fortunate. Ours is a close-knit community, strongly rooted in Baltimore, aware and proud of our history, and solidly built on the vision of our founders. Intergenerational activism and philanthropy are local traditions, which also encourages a more global view of the historic role and mission of the federation.

History and tradition obviously cannot be created from whole cloth in a more transient community that lacks these attributes. However, any federation can strive to improve its organizational dynamics to achieve and sustain the crucial community focus.

It should go without saying that good communication is vital—not only between the federation leadership and agency executives but also among professionals of all descriptions within the agency system and among lay leaders who serve on the boards and volunteer committees. The payoff comes in the form of mutual support during times of adverse publicity or community misunderstanding. In other words, when there is excellent communication and cooperation, there is greater incentive to take the long view and put the fundamental needs of the community ahead of immediate benefits.

The federation plays a central role in this process through its exercise of conflict management. Again, the example of the Associated's involvement in the JCC's Shabbat opening issue is instructive. It is important that federation executives know and fully understand their agency executives and the dynamics of agency leadership. The federation's task is not to play "gotcha" or to act as disciplinarian. Rather, it is to take a problem-solving approach. In this way the federation sets the tone and provides the necessary example of taking the long view.

#### FACING CHALLENGES

Baltimore, we believe, can serve as a paradigm for testing and analyzing federation-agency relationships. That is not to say we have achieved perfection or that we are

blithely unaware of our own imperfections and potential problems. Thus, in offering the Associated as a case study, we feel obliged to sound a few warnings about potential sources of strain and dysfunction in the federation-agency relationship:

- **Power struggles.** To some extent, power struggles are inevitable—between the federation and its agencies and among the agencies themselves. We have discussed what we believe to be the most effective antidotes and preventives. However, they will work only to the extent that the federation remains vigilant and does everything possible to promote open communication, collaboration, and sublimation of proprietary interests to the interests of the system as a whole. Above all, the federation must be careful never to pit the agencies against one another.
- **Micromanagement.** Just as the federation must never pit the agencies against each other, so too must it avoid micromanagement of its agencies. Otherwise, the danger is that, by seeing itself as a "superboard" for the agencies, the federation will put itself into direct competition for power and control. Moreover, the federation must not squander its professional resources or dissipate its energies on tasks that are properly the domain of its agency leadership.

This goes beyond mere second-guessing. Over-managing the system establishes the federation as arbitrary and controlling at worst, and paternalistic and patronizing at least. Either way, it results in less effective agency operations, reduced agency morale, and diminished services to the community.
- **Personality conflicts.** As we have noted, one of Darrell Friedman's greatest gifts was his focus on individuals and their empowerment. He liked to keep himself in the background, as a sort of "con-cierge" who made things happen behind the scenes. He accomplished this chiefly

by making every individual feel important. He was a premier consensus-builder, addressing problems by focusing a keen eye on individuals who were uniquely qualified to help find solutions.

It was Darrell's personal intervention that persuaded many of the federation's leaders to serve the agencies. And it was he who constantly promoted the dignity and professionalism of senior agency management. He gladly provided personal references and reached out proactively to make appropriate contacts. Darrell always saw the Associated as a teaching federation and Baltimore as a training ground for professionals who would take the skills and abilities they gained in Baltimore all over the world to enhance Jewish community life. In this, he took enormous personal and professional pride.

In hands less talented than Darrell's, the same practices might easily lead to personality conflicts and rivalries. Federation executives must be aware of and guard against this potential problem.

- **Impeding change.** We strongly endorse Baltimore's informal model of co-opta-

tion and interlocking directorates as very effective ways to ensure that the community's top leaders serve the agencies and provide a collaborative, global view to both the agencies and the federation. This same policy, however, can make it difficult for the federation or the agencies to turn on a dime when swift, dramatic change is necessary.

### CONCLUSION

Darrell Friedman was fortunate when he came to Baltimore. He found a community with great traditions of leadership and cohesiveness. Yet, he left a distinct imprint that will last for many years to come. Many of us would comment that Darrell seemed born to the job of leading the Baltimore federation. He was unstinting in his time and dedication to make the system work, whether for a prominent community philanthropist, a dedicated colleague, or a needy client. At the core of his commitment was that unwavering respect for the agency-federation relationship and its centrality in building a strong foundation for community organization and service. His leadership will be missed, but his legacy will serve us well in the years ahead.