

CONTINUITY AND CHANGE

A Challenge for Jewish Communal Service

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We are in the midst of massive social, economic, and demographic change, and traditional sources of income are shrinking. Therefore, the organized Jewish community must adopt new management techniques and concepts to deliver high-quality service at the lowest cost per unit of service. Sharing infrastructure, modifying service delivery systems, and cooperating to obtain government funds are three effective responses to change.

One might assume that there is something contradictory about the title of this article: "Continuity and Change." Continuity offers comfort; it signifies building on the past, seeking strength from tradition. In contrast, change inspires anxiety.

It is little wonder that we find change difficult. It is not surprising that there is a great temptation to justify doing things today the same way we did them yesterday and the same way we will probably continue to do them in the future.

The ex-Mayor of the City of New York, Edward I. Koch, was a speaker a few years ago at a ceremony welcoming Richard Green, the new Chancellor of the New York City Board of Education. All of the previous speakers, including the Governor, had extolled the new Chancellor and the wonderful things he would do for the children of the City of New York. When it came Mayor Koch's turn, he looked directly at the new Chancellor and said, "I do not know how good you really are, but I guarantee you one thing, because of our needs and our children's needs, this City will thrust greatness upon you whether you are ready for it or not." And we Jewish communal professionals will most certainly have change thrust upon us whether we are ready for it or not. The question then becomes how do we prepare ourselves and the organizations for which we are responsible for these

changes?

First, we must accept as fact that massive change is inevitable. Consider some of the changes in our world that have occurred during the last few years:

- *The economy:* There has been and continues to be massive restructuring of the economy. These structural changes are increasing productivity, but at the cost of jobs. These changes increase profitability, but at the cost of lower salaries and thereby lifestyle expectations. These changes will, for a period of time, place decent housing out of the reach not only of the poor but also of the middle class and create an imbalance between the cost of goods and services and family income. Although an equilibrium will eventually be achieved as prices fall and incomes once again increase, the period of imbalance will last a long time.
- *Structural changes in geopolitics:* We have witnessed the collapse of the Soviet empire and the removal of the Berlin Wall. We continue to observe old nations become new nations as the flames of old religious and ethnic conflicts are rekindled worldwide. The former nation of Yugoslavia, engaged in an intensive and cruel civil war, has put the names of nations previously unknown to most Americans, such as Bosnia & Herzegovina, Serbia, Croatia, and Macedonia, on the evening newscasts and in our daily newspapers. Czechoslovakia has been split into two separate na-

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tions. The former Soviet Union's republics have become independent nations. East and West Germany, having become one nation, are undergoing economic upheaval and political and social change that were unforeseen when the Berlin Wall came down.

- *Global competition:* The world has become a global village as multinational corporations view no single country as home. During the Yom Kippur War, the United States found, much to its surprise, that what was considered an American oil company in Italy refused to refuel American vessels carrying supplies to Israel. The 20th century is acknowledged as being the American century; to which nation or combination of nations will the 21st century belong? That will be determined by the ability not only to produce quality goods and services at competitive prices but also to capture mass markets with large populations, such as India, China, the Arabian peninsula, and Russia. The United States can remain a superpower militarily. However, if it fails to provide jobs for all of its people, it will violate Rousseau's Social Contract, which guarantees that government exists for the benefit of its citizens, providing protection, shelter, and, by inference, the ability to earn a living and support a family. Too, the United States may find itself embroiled in large-scale social unrest, economic dislocation, and political instability.
- *Demographics:* The United States has been experiencing massive immigration, mostly from nations outside Western and Eastern Europe, the traditional departure points of earlier immigration waves. Our educational system is being overwhelmed with large numbers of new immigrants and lacks sufficient funds to provide them the basic skills required in our changing economy. The trade treaty between the United States, Mexico, and Canada and the increasing use by American business of labor in foreign countries

have significantly reduced the number of entry-level jobs, which were a traditional route toward economic independence for new immigrants. This process will continue and accelerate.

Changes in demographics are already creating social and political change. There is a rapidly growing Muslim population and a simultaneous increase in the number of converts to Islam within the African-American community. Hispanics and Asians will be the largest segment of our workforce by the middle of the next century.

- *The Jewish community:* The Jewish community is also in the midst of change. One hopes that these changes will not be irreversible. Confucius wrote, "If we are not careful, we will most likely end up in the direction in which we are heading." The 1990 National Jewish Population Survey made us acutely aware of these changes, particularly a significant increase in intermarriage and the number of Jews with little or no relationship to the Jewish community or things Jewish. We are continuing to witness geographic dispersion of Jewish families from our larger cities, particularly in the Northeast, to smaller cities throughout the United States. The economic dislocation of large numbers of middle-class Jewish families is continuing. Many breadwinners in these families were previously employed in finance, insurance, real estate, law, accounting, and retailing. Thousands were laid off and cannot find employment or are forced to accept jobs at a much lower level than their previous ones.

Economic anti-Semitism is rearing its ugly head. Government funding of health, education, and human services, and foundation and corporate grants are increasingly distributed more on a basis of ethnicity than performance. For Jewish government workers, promotions are harder to achieve, early retirement is encouraged, and new recruitment from our community becomes more limited.

HOW SHOULD THE JEWISH COMMUNITY RESPOND TO THESE CHANGES?

In response, the Jewish community must continue to build on its strengths and take nourishment from its past achievements and commitment to social justice while simultaneously seeking new ways to provide high-quality service at the lowest cost per unit of service. We have a responsibility to an ever-increasing number of people who require our services. We have an equal responsibility to be fiscally responsible. Our traditional sources of income are shrinking; funding from government, foundations, and federations decreases while worldwide demand for Jewish philanthropic dollars continues to grow.

We can no longer be satisfied merely with knowing that we are doing the right thing for people whom we serve in our local community. We must also do the right thing for our worldwide Jewish community. As a worldwide community, we require more dollars for Jewish education, services to endangered Jewish communities, absorption of immigrants into Israel, and for programs that enhance Jewish continuity. We cannot meet these responsibilities at the expense of our commitment to Jewish communities in which we reside. We should not only accept change, but welcome it.

Sharing of Infrastructure

One way to provide more service at a lower cost is to share infrastructure, not only among our agencies within a community but also between communities. Infrastructure includes support services, such as computer and management information systems, purchasing, marketing, accounting, facilities management, building maintenance, media services, advertising, transportation, human resources, facility design, space management, telecommunications, and government relations. Agencies that operate programs and provide services that are funded by Medicaid, for example, can benefit from computer software developed

by one agency, which, with minor modification, can be used by other agencies, regardless of geographic location. It is not necessary to spend dollars on developing computer software if it already exists within our network.

Some agencies share space. It is possible to build in flexibility, enabling the maximum utilization of space, by creating a central pool from which space is allocated on an as-needed basis. Building maintenance and porter services also become cheaper and quality increases when agencies purchase such service from one another.

Facilities management contracting can help organizations improve services while lowering their cost. These contracts have the added benefit of enabling one agency to concentrate on its core services by contracting with another agency in the network to manage the peripheral service, which may be part of the core service of that other agency. For example, when the New York Association for New Americans (NYANA), the largest resettlement agency in the country, signed a facilities management contract with F.E.G.S. for the management of vocational and assessment services, it accomplished the following objectives:

- It reduced the overall cost of managing this sector of its operations.
- It purchased access to the total resources of F.E.G.S., not just those assigned under the management contract.
- It was able to combine its job development function with that of F.E.G.S., so that job orders increased within 4 months by 1000%.
- It was able to concentrate on its core resettlement services while improving a support service.

F.E.G.S., in turn, by moving its business school into NYANA's facility and renting space from NYANA, reduced its deficit while improving services to both F.E.G.S. and NYANA's clients. The resulting close relationship between the two agencies has yielded many additional areas of coopera-

tion, which continue to improve the quality of service, lessen the cost per unit of service, and enhance overall performance. We share space in more than one facility on a flexible basis, we provide support services for one another, we work closely on grant development and joint programming, and we share information that has programmatic and economic benefit to both organizations.

A single dollar received by one organization remains a single dollar, but when that dollar is used to purchase goods or services from another agency in the network, it begins to have a multiple value. Our agencies must agree to work more closely together as we cope with a continuously changing environment.

Programmatic Design and the Era of Lean Production

Lean production is a structural change in production and service delivery, not merely a cutback in staff. The counsel of management gurus, such as Peter Drucker, and lean production studies, such as the MIT 1990 study, *The Machine that Changed The World*, have been adopted by many corporations, large and small. The recent severe recession has compelled corporate America to seek new ways of producing a quality product at a lower cost in order to be able to compete in the worldwide marketplace. Many found that, although out of necessity they were forced to downsize their operations, the subsequent adoption of lean production techniques and of new management theory actually improved productivity and quality. These techniques can work for not-for-profit agencies as well.

At F.E.G.S., we have been imparting the concepts of lean production and new management theory in our consulting work with corporate America, as well as in our teaching assignments at Cornell University. Executives of small and medium-sized businesses and not-for-profit organizations participate in our sessions. We have also been experimenting with these theories within

our own organization. F.E.G.S., operating on a budget close to \$80 million a year, with almost 2000 employees, and providing a variety of services in functional fields, including rehabilitation, education support, mental health, mental retardation, residential, home care, employment, career guidance, skills training, and immigrant and family support services, has the size and scope necessary to enable it to experiment with and model new concepts and new technologies.

The concept of lean production in the Jewish communal service field should not be interpreted as operating a lean, mean machine. It does not advocate cutting staff and trying to do more with less. No one can do more with less. Rather, the objective of lean production is to restructure the way in which existing staff are used, enabling them to become more productive by making changes in the service delivery systems. By reducing the cost of delivering each unit of services, lean production enables more people to be served by more staff at a lower cost per unit of service.

At F.E.G.S., the adoption of lean production has increased our competitive edge in the constant pursuit of government and business dollars by improving the quality of service while lowering its cost per unit of service. It has also enabled F.E.G.S. to continue to fulfill our mission, which is to provide services to the total community while meeting the needs of the Jewish community. This mission cannot and must not be at the mercy of the rise and fall in federation grants, the availability of private philanthropic funds, or decreases in government dollars. All too often, this is indeed the case.

Lean production enables us to stretch each dollar farther by purchasing services within the network, sharing infrastructure, providing facilities management to sister agencies, and sharing space. For example, we have created on-site short-term training programs with employers in the New York area. By training clients actually at the factory or business, the cost of existing training

programs in our business and trades school was greatly reduced. In addition, the job placement rate increased because the very nature of the cooperative venture with a given industry or business makes them our partner and increases the probability of their offering employment to the graduate. Thus, we increased the quality of service, lessened the time it took to complete it, lowered its cost, and improved the outcome. We ensured continuity of our existing programs by averaging the more expensive business and trades schools costs with the less expensive short-term industry-based training. The average cost for training in the agency was therefore greatly reduced, enabling us to serve more Soviet immigrants than if we had stayed solely with our existing system of training, simply because we were comfortable with it and it had proven successful in the past.

Necessity, many times, is the mother of invention. We should take heed of the advice of St. Francis of Assisi: "Start by doing what's necessary. Then do what's possible and suddenly you are doing the impossible."

Counseling, whether it be family, career guidance, employment, or mental health, has always used predominantly the one-on-one technique of individual counseling. In fact, for 58 years, our agency had provided employment services on an individual basis. In attempting to modify our service delivery systems, we conducted an in-depth analysis of various components of employment counseling. We segregated those parts that were generic to all job seekers and created a modified service delivery system. The new system used group counseling with as many as 50 to 60 people at each session. The group sessions, entitled "Get Back To Business," covered those parts of the employment-seeking process of relevance to all job seekers, such as job awareness, resume preparation, and job search techniques. We found that although some participants required follow-up individual services, for a majority of people the group service was sufficient. Once again, we were able to

lower the cost per unit of service, increase quality, and improve performance. It is perhaps stretching the paradigm to refer to group counseling as a lean production technique. Yet, we must look beyond the traditional uses of group counseling and determine where it is possible to use it in nontraditional cost-saving ways without decreasing quality or shortchanging clients.

Each program and each service must undergo a thorough analysis. We must ask ourselves what is the overall objective of the program, is it still relevant, what are the current methods used to achieve that objective, should the objective itself be modified, or can we change the methods we use to achieve the objectives. The objective and outcomes sought differ with each program, but the strategic objectives of the organization—to lower the cost per unit of service, improve the quality of service, and enhance overall performance—remain constant.

For example, a program called Operation Success works with at-risk youth who have either dropped out of school or are in danger of dropping out of school. At the time the program was conceptualized, it was envisioned as being conducted at one or more of F.E.G.S.' facilities. We determined that the cost of operating such a program in our own facilities, including rent, utilities, security, insurance, cleaning, and other facility costs, would come to approximately 40% of the total cost of the program. Therefore, we worked out arrangements with the New York City Board of Education for F.E.G.S. to provide the services at New York City school sites. This arrangement has several advantages. Almost all the funding for Operation Success could be spent directly on program staff, enabling the program to serve more youngsters for the same amount of money. By operating within the schools instead of at an F.E.G.S. facility, the program and its staff were looked upon by school staff as members of their school family. Finally, this type of restructuring of a service delivery system has the added benefit of downside protection. If the program was cut back at some point, the agency

would not be left with the high cost of unused space. This arrangement makes it less likely that staff would have to be cut every time funds were cut, because we would be spared the deficit-producing costs of unutilized space with its associated expense.

Similarly, in the provision of mental health clinical services, arrangements should be made with other agencies in the network, such as Jewish Community Centers (JCC), to provide service at their site by obtaining a satellite license, rather than establishing a separate clinic. Benefits to the community from such joint ventures include bringing a vital service closer to where clients reside, providing additional service for members of the JCC, and lessening the cost per unit of service. Such joint ventures also afford planners the objectivity and flexibility of evaluating the need to continue such a service without worrying about closing down a facility.

Another area that warrants intensive exploration is the creation of a network of cooperative systems by Jewish communal service agencies for increasing access to federal government grants. We have the most comprehensive mix of health, education, and human service agencies, the largest geographical dispersion, the most well-positioned volunteer leadership with access to business communities through various trades divisions at federations, and the most committed and competent professionals to be found anywhere in the United States.

All too often, however, we operate as a collection of agencies, not a network. We have a common mission, so we must learn to master the art of synergy. Doing so would enhance our ability to gain access to federal funds, operate demonstration projects, and create model programs. Synergy between those who provide service and those who raise the funds is imperative in our changing world. We must make an increased investment in supporting and enhancing our fund-raising efforts and consciousness raising within our communities.

Those who give should be just as proud of what we do as those who provide services.

CONCLUSION

Within our Jewish communal service and Jewish organizational systems, we have vast individual and collective experience, gifted professionals and lay leadership, programmatic designs that stretch the envelope, and access to advanced technology. We have created a system of philanthropy, a commitment to *tzedakah*, and services of which we can justly be proud. It is up to us to carry our enterprise to the next stage. Those of my generation have the obligation to help prepare us for the 21st century. Those of a younger generation have the obligation to modify and implement those changes to keep them current and always one step ahead, to welcome change and not be afraid of it, and to ensure that, regardless of the level of government and private philanthropic funding, we continue to meet the needs of the Jewish community here, in Israel, and around the world.

Consider this advice. Charles Kettering once said, "It's amazing what ordinary people can do if they set out without preconceived notions," and for those of you who are more sports minded, Wayne Gretsky put it another way, "You miss 100% of the shots you never make." Finally, one of my professors at New York University wrote in 1966, "Today rapid and dynamic social change calls for more continuity than in the past, since continuity in times of urgent revision and rapid change is essential to provide the elements of stability and perspective."

Let us therefore place every emphasis on continuity and look at change not as adversity, but as challenge. Let us bring to that challenge the creativity and collective experience we possess and together create continuing opportunities, not for ourselves, not for our organizations, but for the Jewish community we are pledged to serve.