****

9B18C026

residential child-services facility (A): A CEO’S EFFORT TO PRESERVE morale

Professor William A. Andrews wrote this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

*This publication may not be transmitted, photocopied, digitized, or otherwise reproduced in any form or by any means without the permission of the copyright holder. Reproduction of this material is not covered under authorization by any reproduction rights organization. To order copies or request permission to reproduce materials, contact Ivey Publishing, Ivey Business School, Western University, London, Ontario, Canada, N6G 0N1; (t) 519.661.3208; (e)* [*cases@ivey.ca*](mailto:cases@ivey.ca)*;* [*www.iveycases.com*](http://www.iveycases.com)*.*

Copyright © 2018, Ivey Business School Foundation Version: 2018-08-23

In the fall of 2013, Shirley Williams had only been in the role of chief executive officer (CEO) at the Christian Children’s Home of Florida (CCHF) for three months. The home was a residential child-services facility that was more than 100 years old, with a gross income of about US$10 million per year.[[1]](#footnote-1) Although many operational and strategic challenges lay before her, Williams commented on what she saw as an immediate priority—doing something about the low morale. She noted, “One of my concerns here is morale. Our house parents work seven days on and seven off in a stressful environment. They only make about $22,000 each per year [plus housing, food, and benefits].”

The house parents were the heart of the organization—the tangible expression of its mission. Therefore, Williams wanted to gain a deep understanding of the cause of the low morale so that she could formulate a recovery strategy. Morale was infectious, and Williams recognized that downward-spiralling morale could affect the children and even compromise the firm’s core mission. She suspected that lagging morale among house parents contributed to high employee turnover, which in turn disrupted the sense of security and continuity that was critical to providing a healthy home environment to children whose lives had seen too much disruption already.

Williams initiated an engagement with a team of organizational consultants. Her charge was simple: “I want a deep understanding of what drives morale, and what we can do to make CCHF a more satisfying place to work.” The team conducted extensive interviews, made observations, and theorized about the causes of low morale at CCHF (see Exhibit 1). With the issues that emerged from the data, Williams hoped to identify the root causes of ebbing morale and then craft corresponding remedies to ensure the continued success of CCHF. Williams’s objective was to identify five to ten themes relating to poor morale and propose solutions to address each theme.

A BRIEF HISTORY OF CCHF

CCHF was established as the Florida Christian Orphanage in 1908 in Bunnell, Florida, a small town about 20 miles (30 kilometres) northwest of Daytona Beach. Its purpose, expressed in its charter, was “by the help of God and the co-operation of all good people, to found a noble Christian institution for the relief, education, and training of destitute, fatherless and motherless children, who may look to us for help.” Though the scope of the mission evolved in the 1930s to recognize “functional orphans”—children who were abused, abandoned, or neglected—the mission had remained largely the same for more than a century.

By the mid-1950s, the home began to migrate from dormitory-style facilities to cottage-style accommodations with house parents who were attuned to the psychological and developmental needs of the children. In 2013, the facility had 13 cottages, each supervised by dedicated house parents (a husband and wife team) and a trained therapist.

In addition to the residential cottages, CCHF expanded in the 1970s, 1980s, and 1990s to include a gymnasium, an Olympic-sized pool, a day-care facility, a chapel, a counselling centre, and a school building on its 40-acre (16-hectare) site. In 2012, CCHF launched its most ambitious expansion ever with the development of its 300-acre (120-hectare) Jackson Youth Ranch on donated land about 100 miles (160 kilometres) away from its existing campus. The ranch would have most of the same services, facilities, and commitments as the Bunnell facility. When fully built out—a function of capital funding and additional staffing—the facility would accommodate 200 to 300 children. The Bunnell home served about 100 residential students in 12 cottages. Sixteen more students were housed in the first two residential cottages at the Jackson Youth Ranch.

OPERATIONS

At the heart of CCHF’s operations was the Residential Facilities Program (RFP), and at the heart of the RFP was the effectiveness of the house parents and residential therapists. The job of the house parent was particularly demanding and stressful, partly because of the “24-7” relentlessness of the job, and partially because house parents bore the burden of having overall responsibility for the welfare of eight to 10 children—typically teenagers, some of whom were not socially well-adjusted. House parents worked seven days on followed by seven days off. During their “off” week, they lived in separate housing on the campus, away from the residential cottages. Nevertheless, it would be easy for the house parents to feel as though they had no home at all as they shuttled between two homes that were occupied by others on alternating weeks.

The house parents’ day began early and ended late. They were responsible for making breakfast and ensuring that their children were dressed and ready for school. For house parents with younger children (aged 6 to 8), this part of the day could be especially challenging. If one child was sick or uncooperative, one of the house parents would likely have to attend to that child, leaving the other parent to manage the other eight or nine children. The parents were also responsible for transporting the children to school and to extracurricular activities. The younger children generally attended the on-site elementary school. Middle schoolers and high schoolers travelled to local public schools.

On top of that, house parents took the children to medical appointments, counselling sessions, and other health-related appointments. Late afternoons and evenings were filled with preparing dinner, overseeing homework, dealing with disciplinary issues, showing care and affection, and ensuring that everyone was bathed and ready for the next day. If the unexpected occurred—a child that needed special medical attention, a sick house parent, or a car that needed servicing—the day could become especially challenging.

Beyond all this, house parents had their own marriage to manage, which sometimes included their own children. All house parents were married and served with their spouses. Daniel Fontaine, the chief financial officer (CFO), had observed that the turnover rate at CCHF was above the industry average—something that concerned him as they pressed forward with operational expansion at the Jackson Youth Ranch.

The cottages could be divided into three types. Most were categorized as residential group care. However, two cottages were designated as emergency shelters, and one was designated as a specialized therapeutic group home for children with more severe psycho-emotional challenges.

In addition to the residential cottages, the campus also included apartments where cottage “graduates” could move once they turned 18 and graduated from high school, provided that they were working or continuing their education full time. The purpose of these apartments was to provide a supportive environment that allowed more freedoms than the residential cottages but still offered a measure of accountability with respect to personal finances and constructive behaviour.

CCHF also offered training for prospective foster care parents, and provided family and psychological testing and counselling services, primarily for children and their parents associated with the foster care program. Lastly, CCHF ran a well-regarded day-care centre that served about 100 children from the Bunnell area.

Volunteers had been an important part of CCHF’s culture. In addition to local volunteers, CCHF had a small campground that attracted volunteers from all over the country, especially in the winter, to perform a variety of tasks not directly involving the clients.

CULTURE

From its founding, CCHF had cultivated a culture of caring (“serving”). At the staffing level, it was critical that employees had a sense of caring—of being God’s hands and feet—to the displaced children. The term “mission” was frequently used to describe why people chose to work there. Indeed, to become *de facto* parents to at-risk youth required a large measure of both caring and self-sacrifice. Charles Richardson, the vice-president of development, said that donors tended to give because of their Christian commitments to serve the disenfranchised, also frequently using the language of mission or calling to describe their motives (see Exhibit 2). Prominent in historical Christian ethics was the importance of serving the disenfranchised and outcasts—behaviours that were frequently reported of Jesus, Christianity’s founder, in the ancient Christian scriptures.

Important aspects of the CCHF culture could also be seen in the most recent strategic planning document (see Exhibit 3). Fontaine commented that CCHF had been off-budget in recent years, and that the home was considering starting a for-profit thrift store to help bridge persistent gaps in its operating budget. Of particular concern was the 35 per cent miss on contributions from individuals. Fontaine was concerned that this reflected a general decline in church membership in the denomination with which the home was associated—a trend that had persisted for several years. On the bright side, fee-for-service funding now constituted almost half of the revenues and continued to hit budget expectations. The largest portion of fee-for-service funding came from the state government, which provided a stipend for each child placed in the home by the state.

Rapid institutional expansion had posed challenges to CCHF’s culture of caring. The former CEO had placed a high priority on expanding services. With operations now on two campuses, and having grown well-beyond residential care of children, senior management had been occupied with the growth and the delivery of these ancillary services. Upon assuming her role as CEO, Williams was quick to circulate among the line employees, as well as her staff, in an effort to listen and show concern. The high turnover rate, coupled with anecdotal evidence collected by Williams, convinced her that the morale issue threatened the home’s core values (see Exhibit 3) and potentially its ability to operate effectively. Would further expansion, such as launching a for-profit store amplify this potential cultural fracturing or might it be able to somehow mitigate the disenfranchisement that seemed to be intruding into the culture?

In the centre of the campus was a small pond with a bridge across it, named the “Bridge of Hope.” It was a cultural artefact that spoke clearly of the mission of CCHF—to bridge a troubled past to a productive future through a loving community. The atmosphere on the campus bespoke of order; the campus was well-groomed. Fontaine and Richardson comported themselves with an earnest demeanour, suggesting that their work was more than just a job. Professionally dressed but not stylish, they reflected appropriate solidarity with the clients they served.

SETTING HER AGENDA

After reflecting on the summary of the consultants’ research (see below), Williams would need to derive the causes of declining morale and propose steps to reverse the trend. This was not about making everyone happy; it was about ensuring that CCHF’s historical value commitments were integrated into the employee experience. Only in that way could the commitment to be a caring community to parentless children be truly realized.

Selected observations from consultants

Although there were arguments on a weekly basis, the female children were generally perceived as well-behaved, but this was because they were older and in their mid to late teens. In general, the fewer children in a house, the greater the opportunity for connection with the house parents, and subsequently, less incidence of poor behaviour. The importance of connection was stressed, as one parent noted:

There are times when we have fun and joke and laugh and play around—things a normal family would do. They respond better to that when you do have to give them instructions or correct negative behaviour because they don’t just see you as that person who is always trying to change them, but they see you as a person who really cares about them.

Given that the typical length of stay for a child at CCHF was 18 months, the opportunities to create connection were vital.

With regard to interactions between sets of house parents, the couples were civil but not well connected to each another. Couples typically only met with one another at formal meetings for an hour once a week. The consultants found that some house parents expressly did not like other house parents and that methods of discipline and creating rules differed between couples. This was of note because the less consistent the house parents were across units, the more volatile a house could become, because the children’s expectations could not be maintained. Some house parents expressed frustration with the lack of consistency they were able to provide.

One source of stress for house parents was the inherent challenges of caring for children who may not easily come to trust the house parents or express overt appreciation for their efforts. While children who were actively being cared for did not often express appreciation, it was mentioned that some previous residents returned to visit and that this was when appreciation was expressed. House parents revealed that time spent connecting with children (e.g., talking with children about their goals, plans, and backgrounds) facilitated the development of good relationships, but that there was only really time for this after all of the housework was done and the requisite paperwork completed. The house parents also noted that connecting with the children was the most meaningful part of their jobs, and they thought that measures should be taken to allow them to spend more time doing this with the children. The amount of regulated paperwork required in the houses was seen as a barrier to achieving this goal, as well as a source of frustration. Additionally, repetitive training modules on safety, security, and procedures were also viewed as burdensome.

Given that house parents worked in teams of married couples, the stress of the position put notable stress on their marriages, but some also felt it had strengthened their relationships. However, some house parents ended up divorced.

At the time of the inquiry, the house parent supervisor was new; he was also the children’s therapist. This was regarded as a possible conflict of interest that could affect both how the supervisor could act as a therapist to the children when the acting parent figures were his employees, and also how the supervisor could act as a manager when the children were his patients.

House parents expressed a desire to see improvements made in management. They viewed the new CEO and the intention to improve culture as a positive step but noted that many of the important administrative positions were filled with the same employees who had been at CCHF for years and did not seem to be interested in changing. House parents also reported feeling that there was a lack of support and that they were under-appreciated by management. Overall, of those interviewed, the house parents were optimistic about the new CEO but continued to express a desire for changes to those in administrative positions.

It was of note that during the consultation, the house parents revealed that there was no formal system in place for matching children housed at CCHF with house parents, and that the implementation of some such system was something that they would like to see to better match personalities between children and house parents.

House parents also expressed a desire for more assistants. Such personnel were very helpful when a house parent needed to devote more attention to a specific child in the house (such as taking that child to a doctor’s appointment or after school program). With an assistant available, the house parents could do what needed to be done and rest assured that the other children were still cared for.

One house couple was asked to describe their typical day. The consult noted the following comments:

Male spoke and mentioned that Female starts her day at 5 to 5:30 a.m. She gets up and gets ready, and gets the girls’ medications ready. The girls are up at about 6 a.m. to get ready for school. Male and Female then administer the girls’ medications, and the girls do their morning chores (clean bedrooms, etc.). Male and Female have breakfast for the girls; the girls clean up their mess, and Male and Female supervise to make sure they clean everything up. They take the girls to school and usually get back around 7:30 a.m. and check their e-mail and do paperwork. Two days a week, they have to pick up groceries, and they have to go to a training session one day a week that is about two hours long. Male said that on Monday, they have about an hour of extra time and usually try to do some extra work before they go pick up the girls at around 2:30 p.m. Male and Female usually try to prepare dinner around 1:30 to 2:00, since most of them [the older girls] work right after school and need to be transported. Also, any medical appointments usually are scheduled for the afternoon as are tutoring sessions and organizational meetings (e.g., Girl Scouts). One day a week, Male and Female go into the community to take the girls out (e.g., to shopping or parks). Male said that they pretty much are on the go, running the girls to places until about 7:30 p.m. The girls who work usually work until 9:00 p.m., at which time the house parents must pick them up. The girls are also responsible for their nightly chores, be it vacuuming, cleaning the kitchen, etc., so Male and Female supervise that as well. Male mentioned that they work with the girls hand-in-hand to make sure the house is in good shape. Usually around 10:30, everyone is home and in bed.

Feeling that they made a difference in the lives of the children was important to the house parents. One couple was asked how long they intended to stay at CCHF and they responded that their original goal had been five years—which they were already halfway through—but that they would consider staying longer if they had a positive effect on the children and if morale were improved.

Regarding job satisfaction under the new CEO, one husband said, “This week, I’d probably give myself a 7 or 8.” He mentioned that if he had been asked this question a month prior, he “would have said a 2 or 3, but now it’s a 7 or 8” because of the improvements they had seen and what they also hoped to see. The wife said that the new administration really wanted to hear what the house parents had to say, whether positive or negative, so they felt like they were being listened to and supported.

Talks with two former residents at CCHF revealed that the general model for creating a family atmosphere (e.g., siblings, life skills, encouragement, chores, and punishment) was generally successful. With regard to house parent turnover, the former residents noted that the restrictions placed on house parents, such as parents not being able to help children financially, may have been a contributing factor. They also noted that male parents were not allowed to be alone with the children or to have physical contact with them, consequently “appropriate touch” was missing from their lives while in residence at CCHF. This was seen as especially important for the younger children. Female house parents were permitted to be alone with children, but because her male partner could not, the female parent had little or no time to herself.

The issue of low pay was seen by the former resident as a factor in turnover as well. It was enough of an issue that they were aware of their house parents’ dissatisfaction while they were at CCHF. Echoing statements made by the house parents who were interviewed, both former residents mentioned that a lack of support (such as from an assistant) seemed to increase stress levels for the house parents. The consultant opined that low pay was probably less of an issue for turnover than the restrictions in the houses.

Not all house parents interviewed were unsatisfied. One couple who had previously been foster parents expressed an appreciation for the support provided at CCHF, but noted that the management of boys, particularly those with behaviour issues, was the primary disrupting factor in the homes and that one solution to turnover and stress might be for CCHF to take in fewer “angry and abusive kids.”

What to do

After reviewing the consultant’s notes, Williams had to decide how best to proceed. How could she use the information garnered from the reports to help reach her goal of establishing positive morale at CCHF? What recommendations should she make to improve morale?

Thanks go to the author’s Master of Business Administration Organizational Behaviour class for assistance with data collection.

**EXHIBIT 1: A PRIMER ON QUALITATIVE METHODOLOGY**

The term “qualitative methodology” covers an array of overlapping techniques and methods in pursuit of differing goals. This research employs a method known as grounded theory (GT), which, simply stated, seeks to theorize about a particular phenomenon (in this case, low morale) in a particular context (the Christian Children’s Home of Florida in the fall of 2013). Crucial to good GT is understanding the phenomenon from the perspective of the participants. For this reason, researchers tend to initiate conversation with observations and broad, open-ended questions.

GT further employs an iterative approach to hypothesizing and data collection. As additional data are gathered, hypotheses are revised to reflect the ongoing process of synthesis. It is common to get disparate data. Different members of the organization may have different perspectives on either the causes, effects, or cures of the morale problem.

The primary data forms in GT are field notes—a compendium of observations, interviews, and preliminary hypotheses or reflections. Field notes are then categorized using a technique known as axial coding, which seeks to identify themes that emerge from the data and particular contexts that might account for apparently conflicting responses or interpretations. Data saturation occurs when additional data seems to offer no new insights into the phenomenon.

Researchers must be careful about generalizing GT findings to other contexts. Researchers are split about whether GT should be used to support recommendations. The purists suggest that understanding the phenomenon is the end of GT, while the pragmatists are quick to insist that a thorough understanding can support constructive action.

Source: Barney Glaser and Anselm Strauss

EXHIBIT 2: MISSION of Christian Children’s Home of Florida

To empower children and families to experience God’s love and care as revealed in the ministry of Jesus Christ.

VISION

To be a place where children are safe and loved; where youth are given the opportunity to be healthy, self-sufficient adults; where families become strong; and where every person is treated as a unique creation of God.

CORE VALUES

* Development of spirit, mind, character, and body within a Christian context
* Holistic family-based services within a culture of safety and excellence
* Lifetime commitment to practicing integrity, generosity, and service to others
* Interdependent relationships fostering self-sufficiency
* Celebrating and encouraging diversity, inclusiveness, and unconditional love
* The importance of the connectional relationships with clergy and members of congregations, the Florida Conference, and our generous donors
* Visionary, innovative, effective leadership and management

Source: Company documents.

EXHIBIT 3: STRATEGIC PLANNING PRIORITIES

**Priority One**: Serving More Children and Families in More Ways and in More Places

Implications: The establishment of satellite offices will result in the decentralization of some services currently provided on the main campus in Enterprise.

**Priority Two**: Serving the Spiritual Needs of Our Children

Implications: Providing for the spiritual needs of all the individuals connected to CCHF will ensure that residents are equipped to nurture their spiritual lives into adulthood. Caring for the spiritual needs of staff will ensure that our staff are spiritually refreshed and prepared for the ministry of which they are a part.

**Priority Three**: Serving Children into Adulthood

Implications: The Children’s Home will be proactive in developing a program to assist our adolescents at discharge.

**Priority Four**: Serving Young Children

Implications: The new building will allow for the expansion of early childhood educational programs to meet the growing need for quality child care and services to children birth to five in the community. It will allow us to provide much needed, quality after school programs for children ages six to twelve.

**Priority Five**: Serving Through Strong Partnerships with the Florida [Christian] Conference & Foundation

Implications: By making the relationship an intentional priority and discovering new and more effective ways to partner with the Conference, our potential to be a resource state-wide, as well as maximize our excellent reputation and donor loyalty, will be enhanced.

**Priority Six**: Serving Through Appropriate Use of Land and Facility Resources

Implications: The Updated Land Use Plan will retain some flexibility to accommodate decisions considering new opportunities and the changing resource realities.

Source: Company documents.

1. All currency amounts are in US$ unless otherwise specified. [↑](#footnote-ref-1)