

REFLECTIONS ON THE UJC MERGER: ISSUES FACED AND LESSONS LEARNED

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To gauge the effectiveness of United Jewish Communities three years after its creation, key stakeholders were surveyed. The survey found that few had great hopes for the merged entity, but that even those modest hopes were not achieved. UJC is plagued by a lack of clarity of mission, which will seriously hamper its future effectiveness.

"It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institutions and merely lukewarm defenders in those who would gain by the new ones."

The Prince, Machiavelli

We were asked to write this article because of our intense involvement in "midwifing" the birth of United Jewish Communities, the successor organization resulting from the combination of the Council of Jewish Federations, United Israel Appeal, and United Jewish Appeal. To reflect on its first few years, we decided to survey key stakeholders in the field about their views of its early achievements. However, before providing those findings, it is important to examine the context of mergers in general and, specifically, this particular merger.

We are writing this article at a time when the public is devaluing a range of corporate mergers. AOL Time Warner, Vivendi Universal, and WorldCom are contemporary examples of the whole having substantially less value than the sum of its parts. While the failure of the "new" economy in general is, in part, a critical factor in these three exam-

ples, many define the problem as far more basic: a failure to seize upon a unified vision and strategy that creates value synergy between and among the components of the merged entity. We would argue that the same dynamic holds true in the creation of United Jewish Communities. There are, however, several mitigating Jewish communal factors that need to be taken into any account evaluating the results of this merger.

First, this is likely the most complex non-profit organizational merger in American history. It took over seven years for the leaders and constituents of the three organizations to agree to the terms of the merger. In the context of mergers, this is an unprecedented amount of time, and consequently, it is far too early for any truly worthwhile assessment of its effectiveness. Second, Jewish organizational life in the late 20th and early 21st centuries is in a struggle for its own identity, values, vision, and organization. Contemporary organizational life structures suffer from ten plagues or opportunities, depending upon one's world view (Solomon, 2000).

1. *Structural change in society/economy:* The power of the information economy has substantially changed much of what takes place in the general economy and in the relationship between governments and their citizens and residents.

Nonprofit civil society, especially Jewish communal service, has not yet responded effectively to these enormous structural changes, and the relationship of the individual and the sector seems to have been affected little, which runs counter to all other aspects of individual-organizational relations.

2. *The shift in needs*: Even with Israel in its second year of an intifada and increasing examples of anti-Semitism, most of the *amcha* (people) are moved more by the hopes and dreams for future generations than for past challenges such as those of the Holocaust, anti-Semitism and building an Israel at risk.
3. *Change in donors*: As with every secular and other religious umbrella fundraising campaign, Jewish communal giving is challenged by donors' desire to follow their dollars to the end product. The *kehillah* (community) is often viewed as an instrument of another time and another generation.
4. *Transition in lay leadership*: The past generation of lay leadership was made up of very generous entrepreneurs who combined substantial wealth with the knowledge and experience of growing organizations and working with professional management. They have been largely replaced by mid-career service professionals. In the transition, a culture dominated by process has emerged.
5. *Professional Challenge*: Professionals have had to accommodate to this change in lay leadership. When they must continually strive for consensus, their capacity to build a bold professional vision or drive rapid action is diminished substantially. As managers of process, many professionals are "devalued" for lacking clarity of direction and purpose. Many passionate professionals have opted out of the Jewish communal enterprise for this reason as well.
6. *"Reshtetlization"*: In today's increas-

ingly chaotic environment, the desire for homeostasis often leads to a very localized focus. Consequently, there is less of a sense of collective action and responsibility, except in times of emergencies as in Israel and Argentina.

7. *Diversity*: There has been an enormous broadening of Jewish life as a result of the increased diversity of the North American Jewish population. Yet, this diversity is not reflected in either the lay or professional leadership ranks, resulting in even a greater disconnect between communal leadership and "the led."
8. *Inclusiveness*: Most Jewish communal organizations, including and especially the United Jewish Communities, are seen as being exclusive—appealing to a small group of insiders, rather than a broad range of persons with interests and commitments to Jewish community.
9. *Quality/Universality*: As North American Jews are embraced fully by general society, they are accustomed to quality that survives the test of universality, shaped by competition and sophisticated consumerism. Jewish communal organizations are shaped by neither of these forces and often demonstrate in all or many of their products a lack of universal quality or appeal.
10. *Welcoming Community*: The consumerism of Western life is neither understood fully nor embraced by the arms of Jewish community. Whether synagogue, Hebrew school, adult Jewish education, federation, or JCC, the norm has become a drifting in and out based on life-cycle and other driving events.

The creation of the United Jewish Communities could not be expected to have an impact on these powerful forces, especially considering the decline in organizational commitments and the components of civil society (Putnam, 1995). We also note the huge impact of sophisticated branding on contemporary society (Bedbury, 2002) and

Table 1. Ranking of UJC attributes

Attribute	Ranking*
Clarity of mission	2.5
Quality of lay leadership	3.6
Quality of executive staff	3.9
Quality of professional staff	3.0
Responsiveness to stakeholders	2.4
Effectiveness in communications	3.0
Responsiveness to current Israel emergency	4.4
Responsiveness to the crisis in Argentina	3.8
Effectiveness in the meeting of my organizational needs	1.8

* 0 = poor; 5 = excellent.

the relative paucity of attention to this phenomenon in Jewish organizational life.

FINDINGS AND COMMENT

We designed a survey to gauge some sense of stakeholders' perceptions about UJC at this moment in time, approximately three years after UJC's launch. In July, 2002, we emailed the instrument to 82 stakeholders: chief professional officers of federations, national agencies, and overseas beneficiary agencies. The response rate was 22%.

As is demonstrated in the analysis of the survey responses, some of the perceptions highlighted in news articles and elsewhere appear to be confirmed.

- "Since its formation in 1999, the UJC has come under criticism for being slow to articulate a clearer vision" (*Baltimore Jewish Times*, 2001).
- "Many describe Hoffman as . . . ideal for an organization like UJC, the North American umbrella that is battling criticism it has suffered from a fuzzy vision and low staff morale since its creation two years ago" (JTA, 2000).
- "Some federations believe the UJC has not offered enough services to justify its big budget. Others are disappointed because their hopes that the merger would result in larger Federation allocations for

overseas needs have gone unfulfilled" (JTA, 2002).

- "The second problem is a lack of clarity about UJC's mission. It was never clear whether the UJC was expected to *lead* community federations or to *serve* them. A UJC that leads will focus on issues that are common among federations, or at least most of them; a UJC that serves will need to be able to relate to each federation individually" (*The Forward*, 2001).

Respondents were asked to rate UJC on a scale from 0 = poor to 5 = excellent. They were first asked about their overall perception of UJC's effectiveness. To the question, Relative to UJA, UIA and CJF, I expected a merged entity to perform far worse (0); far better (5), the median response was 3.6. The next question—To what degree has UJC's first years fulfilled your expectations? Not at all (0); fully (5)—yielded a median response of 1.7.

Table 1 shows the rankings of other attributes of UJC.

Respondents were also asked to rank these attributes in order of strength. This exercise proved only to underscore the broad range of satisfactions/dissatisfactions among stakeholders. There was no consistent pattern, except "responsiveness to current Israel emergency" and "responsiveness to the crisis

Table 2. Role that UJC should play

Statement	Number for Whom This is Most Desired Role for UJC	Number for Whom This is Least Desired Role for UJC
1. A leadership organization that sets the agenda for the North American Jewish community	2	6
2. A leadership organization that sets the agenda and leads the federations of North America	5	3
3. An industry membership association that provides a range of services for federations	10	0
4. A convening body that brings together federations and others to increase the overall effectiveness of the organized American Jewish community	5	2
5. A national planning and allocating organization for overseas needs	1	2
6. A continental planning and allocations agency for continental and overseas needs	0	8

in Argentina” were ranked in the top four categories of strength.

The final question asked respondents to indicate which statement best described the desired role for UJC and which best described the least desired role (see Table 2).

Here again, there was a huge diversity of opinion. However, patterns do begin to emerge when one combines the first and second ranking and the sixth and seventh ranking, as noted below. Several themes emerge from the survey responses.

- Few had great hopes for the merged entity, yet even these modest hopes were not achieved. Indeed, performance is reported at approximately one-half the level of expectation.
- UJC is plagued by the lack of clarity of mission.
- While the quality of executive staff, lay leadership, and line staff is generally viewed as good, UJC’s performance as measured by responsiveness to stakeholders is less than satisfactory, and effective-

ness in meeting organizational needs is unsatisfactory.

- There is great satisfaction and positive feedback regarding UJC’s performance in meeting the needs relating to Israel’s emergency situation (4.4) and Argentinean crisis (3.8).
- The role seen as most desirable is that of industry association (which is perhaps closest to that of CJF in the pre-merger configuration). The role seen as least desirable is that of a continental planning and allocations agency for continental and overseas needs followed closely by a leadership organization that sets the agenda for the North American Jewish community.

It is important to note that there were serious but aborted attempts to use outside consultants to help determine the mission/vision for UJC, and the divisions in this arena continue to haunt its development. Though great satisfaction is noted when traditional UJA-type leadership is taken by UJC as in the Israel emergency and Argentinean

crisis, many of the same respondents do not envision UJC serving as a continental planning and allocations agency. As one reviews this data, one can only appreciate the impact of environmental conditions on each federation and perhaps better understand the complex relationships between the federations and UJC. The dilemma, is however, more seriously dramatized by the "ownership" and "governance" roles played by the federations, which are all but aligned about mission, function, and performance. It is hard to imagine that organizational success can be achieved without greater clarity and alignment. Further, the very asset that UJC represents for its member-owners loses value in the current situation.

PERSONAL OBSERVATIONS

These very preliminary findings reflect the brief history of the UJC. First, in the search process that led to the selection of Stephen D. Solender as President (who was not a candidate but was recruited by the Search Committee), there was a call for candidates with three major characteristics, which may not exist in any single professional: an insider who knew the system well and was trusted by federation chief professional officers; a business-like entrepreneur who could streamline, reengineer, modernize, and integrate the organizations effectively into a new, more efficient entity; and a Jewish thought leader who could inspire and compel with her or his communications skill as a Jewish teacher. Many highly qualified serious candidates declined participation in the selection process, recognizing the level of expectation was very aggressive.

Second, although some actors strongly advocated the need for greater clarity of vision and purpose with an operating plan following therefrom, others resisted vitally. Two major consulting firms (Delta Consulting and McKinsey and Company) were engaged to provide professional guidance toward this process, and were subsequently released when many saw them as unnecessary.

Third, the very strength of this centralized

fundraising model is being undercut as the overseas beneficiary agencies build their resource development capacity in North America. The creation of a federation movement in the late 19th and early 20th century emerged from a cohesive social structure of donors that saw federations as a more efficient, effective means of the delivery of services and the retention of necessary resources. That social fabric no longer exists, and the continued trend of growing Jewish philanthropic inefficiency will seriously damage future philanthropic efforts based on the tradition of high-end giving. The historical quid pro quo of beneficiaries accepting the primacy of the central campaign has been weakening for some time. Early experience with the revised overseas allocations process and the views of the federations toward it (and the activities of the overseas beneficiaries) suggests a major further deterioration that will have serious consequences as donors fully understand the costs of this system and these trends that have evolved.

Although this survey was not designed as an extensive organizational study, it provides a reflection on the changes that have occurred and flashes a serious cautionary light on the paths being taken by both the owner-members and the entity itself. The challenges of contemporary Jewish life call for the most effective, efficient system possible that blends the needs and resources of local communities with those of the Jewish globe. The time to engage more seriously in the issues touched upon in this article is now. In the words of Oliver Wendell Holmes, "I find the great thing in this world is not so much where we stand as in what direction we are moving."

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