Jewish Board of Family and Children’s Services (JBFCS)

PRÉCIS

In February of 1978, the Jewish Board of Guardians (JBG) and the Jewish Family Services (JFS), two large social service agencies belonging to the Federation of Jewish Philanthropies (FJP) in New York City, merged to become the Jewish Board of Family and Children’s Service (JBFCS). The merger was prompted by the retirement of the executive director of JFS, but occurred against the background of a long history of attempted mergers of FJP-affiliated agencies. Arrangements for the merger were worked out jointly by the two agencies over a two-year period, overcoming various points of resistance. Through this merger, however, JBFCS became one of the largest social service and mental health agencies in the country.

THE ENTREPRENEURS

The process of merging JBG and the JFS involved the efforts of many people at the staff and board levels of the two organizations. Various committees and subcommittees were formed to explore the numerous issues and concerns associated with the merger, and to negotiate the parameters of the arrangement.

Although there is a history of “merger talk” among social service agency members of the Federation of Jewish Philanthropies, the specific chain of events leading to the JFS-JBG merger began with Sanford (Shep) Sherman, Executive Director of JFS. Mr. Sherman was contemplating retirement and identified that juncture as a unique opportunity to pursue a merger. He broached the idea with Jerome Goldsmith, Executive Director of JBG. JFS and JBG would merge and Goldsmith would become the executive of the new agency.

Shep Sherman was a career social worker and administrator, but throughout his career, he kept his hand in teaching and in practice. He was an adjunct faculty member of three schools of social work in New York City, has given courses and seminars in various other universities and agencies, has been a member of the editorial boards of two professional journals, and has written extensively on his own. Thus, despite his
long administrative career, Sherman candidly admits that his heart has been in teaching and practice.

There are strong similarities but also great differences in outlook between Sanford Sherman and his JBG counterpart Jerome Goldsmith. While not a practitioner, Goldsmith is also much the scholar, having earned a doctorate in education, had several university teaching affiliations, and written numerous articles in professional journals. But unlike Sherman, who has been clearly ambivalent about his administrative role, Goldsmith thrives on his work as an executive.

As chief executive of JBG, Goldsmith followed a pattern of program building and reform, and in the process increased the agency’s operating budget from some $5 million to over $12 million in a 13-year period. He views himself as “an engineer of human services” and enjoys “thinking big” and translating grand ideas into programmatic initiatives. He also enjoys the political give and take, inside and outside his agency, that is required for successful enterprising.

Jay Goldsmith says, half-humorously, that he sometimes regrets not having gone into show business, which he once had the chance to do. But his professional career has nonetheless provided him with the opportunity to occupy center stage, while at the same time allowing him to utilize his creative and political talents to dream grand designs and put them into practice.

THE ORGANIZATION

With representatives of the Federation of Jewish Philanthropies playing a background role, the process of merger required the painstaking deliberation of the two organizational marriage partners, JBG and JFS. While similar in some ways—as Jewish-oriented social service agencies—these two agencies exhibited more differences than similarities. Some of these differences represented complements which strengthened the rationale for merger. Others represented potential conflicts that required resolution to permit merger.

The strongest complements lay in the programs and services of the two agencies prior to 1976. JFS was primarily a community-based counseling agency which provided various services to Jewish families, including crisis intervention assistance, mediation service, homemaker service, legal aid, and family life education. JFS’s program also included a rehabilitation service for offenders in correctional institutions and on probation, a therapeutic summer camp for children ages 7 through 11, and a Joint Passover Association which gave supplemental income allowances to Jewish families at Passover holidays. Overall, JFS defined its purpose: “To meet social and mental health needs of Jewish families and individuals . . . of the city utilizing a broad spectrum of services: guidance, coun-
counseling, psychotherapy, as well as homemaker and other material adjunc-
tive services."

JBG, on the other hand, was a "patient-oriented" agency, attuned to
the needs of emotionally disturbed children. Its services included residen-
tial facilities such as the Hawthorne Cedar Knolls School and associated
group homes, Geller House (detention services), the Linden Hill School
(for emotionally fragile youngsters), and the Phoenix School (for serious
delinquents); plus a number of day treatment and day care programs; and
specialized facilities such as the Henry Ittleson Center for Child Research
and the Madelaine Borg Child Guidance Institute.

In theory, the "preventive" family therapy-oriented JFS comple-
mented the treatment-oriented JBG rather well, providing an overall spec-
trum of required services for troubled families and children. The comple-
mentary quality seemed reinforced by certain common elements as well,
including the emphasis on staff training and therapeutic mental health ser-
VICES of both agencies.

JFS cared for some 40,000 families per year, while JBG served 10,000
children. The complements and overlap in caseloads of the two agencies
are nicely summarized in a 1976 memorandum: "In the large middle, JBG
and JFS caseloads overlap. . . . At the extremes, caseloads may differ,
but never in opposition. For example, at the extremes the Madelaine Borg
Child Guidance Institute of the JBG will directly treat borderline psy-
chotic children; JFS does not. JFS, on the other hand, has under treatment
single adults living alone or childless married couples; JBG does not.
However, in the large middle . . . there are similarities: 1) families in-
cluding children with habit or conduct disorders, neurotic traits, etc., are
abundantly represented in the caseloads of both JBG and JFS; 2) adoles-
cents . . . are similarly a large concern of both agencies; 3) both agencies
provide consultative mental health services to nurseries, day care and
community centers, and schools; and 4) both agencies offer preventive
services in the form of parent education and adolescent guidance groups.

"In the in-service training provided for their staffs . . . there is a core of
teachable expertise derived from clinical experience and staff 'experts'
in the JBG, there is child development and child therapy; in the JFS,
family process and family therapy). For staff training in complementary
or corollary modalities (for JBG, family therapy; for JFS, child develop-
ment and therapy), each agency has had to turn to 'outside experts.'"

Still, there were certain areas of potential conflict deriving from pro-
gram orientations. Given JBG's more sophisticated treatment programs
and residential institutions, JFS might fear being relegated to the status of
an "outpatient division" of the new agency. And given JFS's particular
focus on Jewish families, compared to JBG's more nonsectarian orienta-
tion, JFS might anticipate the erosion of its services to the Jewish
community.
Basic differences characterized the two agencies' sizes and financial positions. A JBG prepared memorandum of early 1977 notes: "Total expenditures of JBG were $12,376,000 compared with $4,097,000 for JFS [fiscal year 1975]. In other words, JFS is about one-third the size of JBG. . . . [However] a comparison of JBG outpatient services with JFS, excluding the management and general expenses of both agencies shows that JBG's expenditures in this area were $3,693,000 vs. JFS's $3,527,000."

Jay Goldsmith provides further comparison: "JFS [had] . . . a 4 million dollar budget, primarily in outpatient services. JBG had . . . a 12 million dollar budget with a lot of residential and outpatient services. The JFS had 77 percent of its money from private philanthropy [mostly from] the Federation. . . . The JBG had about 73 percent of its money from public agencies . . . mostly public service contracts . . . [and] 18 percent from the Federation [and other philanthropic contributions]." Of particular relevance to the merger, Goldsmith continues, "JFS had a 2 million dollar endowment and JBG had a million dollars worth of debts. That was not a good combination." Some of those affiliated with JFS would worry that its endowment would be used up bailing out JBG. (See Risks and Constraints below.)

The JFS, with its counseling orientation, brought roughly 80 social workers to the new agency, more than JBG. JFS also employed about a dozen psychologists and psychiatrists. But in this category and other staff categories such as teachers and child care workers, JBG far outnumbered JFS. Goldsmith provides an overview: "There were more caseworkers . . . from the JFS side . . . in the outpatient services. There were more [from] the residences and all other categories . . . from JBG. There were long-term, old-time, well trained clinical people in the JBG. There were more young, lesser trained . . . in the JFS, except for the top [administration]. There was a more formal structure in the . . . JBG, and a more ad hoc structure . . . in the . . . JFS. . . ."

Of particular relevance to the merger, there was no immediately obvious successor to Shep Sherman within the administrative ranks of JFS, while Goldsmith of JBG was regarded as a leading executive in the local voluntary sector. Thus the question of leadership for the new agency would not be a serious issue. However, at other levels of the organization, the staffing of positions would be troublesome. Both agencies had active boards of trustees whose officers coveted their status. And both agencies had field offices distributed throughout the city, some of which would require consolidation. The task of meshing the two structures would be a delicate one (See Risks and Constraints below). As Louis Lowenstein, first Board President of JBFCS diplomatically writes in the 1978 Annual Report: "Not only did the rationale for merging our organizations have to be explored, but we had to deal with the separate agency
egos and pride in their past accomplishments. The Jewish Board of Guardians and the Jewish Family Service represent, collectively, two hundred years of service, and any effort at reshaping service delivery had to be approached with sensitivity to their histories and philosophies.”

**CHRONOLOGY OF EVENTS**

Early 1976—Shep Sherman initially explores the idea of a JFS-JBG merger with Jay Goldsmith at an informal luncheon meeting.

Spring, 1976—Sherman and Goldsmith meet at Goldsmith’s initiative. Goldsmith indicates a positive response to the merger proposal and the two executives make plans for further exploration. A joint meeting of executives and board presidents of the two agencies is held. Agreement is reached to explore the possibility of merger, and the Federation of Jewish Philanthropies is alerted to this possibility.

May 20, 1976—A meeting of JBG’s Professional Executive Committee is held to discuss the merger proposal. Various issues are raised by the JBG management personnel.

June, 1976—Goldsmith and Sherman circulate a memo discussing the rationale for merger with JFS, which indicates that the board presidents of the two agencies should appoint a joint committee of the boards “to begin the initial exploration of the issues raised in this memorandum and others which may be indicated as the committee proceeds . . . .”

July 14, 1976—Goldsmith asks the Executive Committee (of the Board of Trustees) of JBG to state an interest in exploring a merger with JFS. The committee authorizes a subcommittee of the board to explore the issue.

December, 1976—A joint meeting is held between staff of JBG and JFS to discuss the merger proposal. Various issues are raised in an exploratory discussion.

January 18, 1977—The subcommittee on staff of the Executive Joint Merger Committee meets to review various merger-related issues including staffing patterns, clientele, training and other items.

January 31, 1977—The subcommittee on finances of the Executive Joint Merger Committee meets to review fiscal aspects of the merger.

February 16, 1977—The merger proposal is discussed before the full JBG Board of Trustees. Previous meetings and discussions are described as “purely exploratory” and the Board is asked to indicate policy direction. Issues are discussed but no decisions are reached.

April 6, 1977—The JBG Executive Committee meets. The results of several joint JBG-JFS meetings are reported by the Executive Subcom-

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*This chronology is based primarily on minutes kept by JBG.*
mittee to explore merger. Enthusiasm by senior professional staff and concern by JBG trustees are also indicated.

April 27, 1977—A meeting of the JBG Executive Subcommittee on Merger is held. Goldsmith reports that he has met with the JFS Board, noting several areas of interest and reservation by that board. The subcommittee votes to recommend to the full Executive Committee that JBG go forward with formal negotiations for merger with JFS.

May 4, 1977—A meeting of the full JBG Executive Committee is held. The April 27 vote of the subcommittee is noted, issues are discussed, but no resolution is reached.

June 1, 1977—JBG Executive Committee meets again. Discussion of issues continues. The Executive Committee then votes to "approve the merger in principle," and to authorize the Board President to commence negotiations.

June 20, 1977—The full JBG Board of Trustees considers the recommendation of its Executive Committee and votes to "approve the merger in principle." The Board President is directed to appoint a committee to negotiate with JFS and to develop a definitive merger plan. JBG merger subcommittees are subsequently designated, at the board and staff levels, to review financial, personnel, program, and policy aspects of the merger.

July 12, 1977—A meeting of the JBG Merger Committee is held. Various structural questions including the organization and finances, board structure, and name of the new agency are discussed. The committee agrees to retain paid legal counsel to prepare a corporate charter and by-laws. On the same day, the Joint JBG-JFS Merger Committee meets for the first time. Issues of parity and structure of the new agency are discussed. A subcommittee is designated to study the issues of board and executive committee structure for the new agency. The executive directors, Goldsmith and Sherman, are asked to draft how the programs of the two agencies would be integrated, as a first step to overall consolidation.

Summer, 1977—This period is described by Goldsmith as the "summer of discontent," when proprietary feelings on both sides become ignited and the merger almost falls apart.

November 2, 1977—The JBG Executive Committee approves a plan by its merger subcommittee, for merger.

November 9, 1977—The full JBG Board of Trustees adopts the merger plan of its Executive Committee.

November, 1977—A proposal for $45,000 is submitted to the Greater New York United Fund to help defray the costs of merger.

December 7, 1977—The JBG Executive Committee meets and reports that the merger plan has been approved by both agencies, and that legal counsel has prepared the necessary documents of incorporation. Gold-
smith reports having met the staffs of JBG and JFS and having discussed the merger with various City officials.

December 20, 1977—A meeting is held between representatives of JBG, JFS, and the Federation of Jewish Philanthropies to discuss the merger, especially the financial issues. On this same day, JBG and JFS senior staff meet to draft details of the board structure of the new agency.

January 4, 1978—Goldsmith reports to the JBG Executive Committee that the NYS Department of Education has approved the merger, and that approval of the State Department of Mental Hygiene and Department of Social Services and the Attorney General’s Office are pending. Official declaration of the merger is described as “imminent.”

January, 1978—Notices of intent to dissolve JFS into JBG, and subsequently change name to JBFCS are filed.

February 8, 1978—The merger of JBG and JFS is officially proclaimed. The process of reorganizing staff, facilities, governance, and operation is begun.

**CONTEXT**

Merger is not a new topic for social service agencies in the New York Jewish community. As far back as the 1930s, the Federation of Jewish Philanthropies has encouraged merger discussions among its recipient agencies. Since the 1950s particular interest in merging JBG, JFS, and the large foster care-oriented Jewish Child Care Association (JCCA) has arisen from time to time. For FJP, merger represents greater efficiency and simplicity in the funding of child-oriented social services. As Jay Goldsmith recalls the history, discussions more frequently focused on JBG and JCCA: “... [The merger idea] has a long history... [In] 1950... [for example] there was a visit from the JFS leadership to the JBG at that time to discuss cooperative efforts and mergers.... It has come up periodically... because the logic of merger had been pressing for many years.... The question has always been—why doesn’t the Federation have [just] one Jewish children’s agency that deals with all the issues of treatment and placement?... That was the logic, the unyielding logic that always pushed us. But...[there was a] fundamental lack of sympathy... ‘sympatico,’ between [JBG and JCCA] that would make it impossible for them to merge. There was a competitiveness... an uneasy... relationship between... the two agencies...[which] didn’t aid the merger climate.... [Nonetheless], Federation, each time, even in the middle of our discussions with JFS, convened [a meeting] of JBG and JCCA to see whether that [JCCA-JBG] merger could be once again revived....”
Shep Sherman recalls the debate of the 1950s: "[In] the 1950s, ... a study was done ... and a proposal for the merger of a number of agencies [was made]. ... That ... recommendation was debated and argued and [ultimately] fell apart. Then once or twice in the interim between those years and the present ... there were starts made in this direction. ... [Once it was proposed that] ... the three largest agencies [JBG, JCCA, JFS] merge. ... That fell apart in a heroic, epochal meeting in which the three boards of directors got together for a meeting chaired by a Supreme Court Judge. ... One after another, the child care people ... the foster care agency people ... condemned the merger. ... So that fell apart, and ... [so] the thing ... has been cooking for sometime but [has been], of course, on the back burner [of late]. ..."

JBG, JFS, and JCCA have not been the only focus of FJP sponsored merger activity. For example, in a June 1976 memorandum, staff of JBG note: "Federation itself recognized decades ago, the value of such integration of services by creating the Westchester Jewish Community Services and the Jewish Community Services of Long Island, both of which encompass in a single agency the functions now carried out separately by the JFS and the JBG in the [city]. ..."

In the 1970s, the rationale for consolidation and merger was strengthened in the city by the decline of the Jewish population in that locale, as well as the darkening picture of philanthropic and public funds. The aforementioned 1976 JBG memo notes: "... For the immediate future, the prospects are that there will be severe contraction of the real dollars available from public as well as philanthropic sources. ... [And] the movement out of the inner city of great numbers of Jewish families continues; the number of Jewish aged will continue to rise; there is a continuing decline in the birth rate and therefore reduction in the number of 'young' families." Therefore, the call for merger by Federation reflected the need to consolidate service arrangements in view of a declining population and resource base, and an emphasis on greater efficiency.

Paralleling the economic and demographic imperatives, the trends in the social service and mental health professions also now favored the service concepts around which the JBG-JFS merger revolved. Two interrelated points are worth noting. First, in the child care field specifically, there was a marked movement toward preventive programming, i.e., working with families to reduce the need for residential placement. A February, 1977, JBG memorandum notes, for example, that, "... preventive service projects aimed at 'saving families for children' ... have been put in place in [various] children's agencies including our own. ... These are essentially family services utilizing a variety of social services, clinical input and supporting services to help maintain children in their own homes." The implied reference here is to the 1973 New York State Preventative Services Demonstration legislation which provided funds for
such programs on an experimental basis. That legislation was stimulated by a general hue and cry in the foster care field that children have been placed outside of their homes too often, and too many for long periods.

The second, more general trend in professional thinking has been towards comprehensive models of treatment services. As the June, 1976, memorandum explains: "... There has been an extraordinary expansion of knowledge in the field in the past several decades. The foundations for the separate identities of the JFS and JBG were laid many years ago, in a different era. . . .

"In the past two decades there have been radical changes in our intellectual approaches to social welfare and mental health work. The model of the individual patient and client treatment that had been based on physical medicine was considerably altered by our increased understanding of the interrelatedness and interdependence of family members, both in healthy development and in illness. Treatment has increasingly focused on the family unit and on other natural group associations. . . . The children's agency, like JBG, tries to encompass the family unit . . . in its work with children; the family agency, like JFS, increasingly includes children . . . in its work with family units. . . .

". . . Throughout the country there has been a trend in the broad mental health field toward merger of family and children's agencies. In hospitals, for example, family psychiatry has moved into departments of child psychiatry and into the training of psychiatric fellows and residents. Federal and local legislation, guided by the best of professional thinking, has increasingly favored the creation of comprehensive structures for delivery of service. Similarly, mental health practitioners are becoming increasingly more appreciative of the way in which individual and family disablement interlocks, and are calling for integration of practice specialties."

During the period when the JBG-JFS merger was being deliberated, the parties were aware of the current interest by the professional community. In December of 1977, Jay Goldsmith reported to his executive committee that the merger would be "watched . . . by agencies all over the country since there is a great interest now in the kind of model which we will be developing. . . ." And in January of 1978, Goldsmith reported to the same committee that, "The imminence of merger . . . has also elicited a great deal of interest in the academic community, and we have been approached by a number of universities . . . about affiliation with the JBG Educational Institute. . . ."

Thus, it is no surprise that the JBFCS Annual Report should indicate: "The decision to merge . . . is based on the conviction that the comprehensive model of service, which is being adopted by medical and social welfare organizations throughout the country, is the most effective way to
deliver needed social welfare and mental health services to the community.

**CHOICES**

Although its deliberation transpired over a relatively short period of time (approximately two years), the merger of JBG and JFS passed through a number of distinct stages of decision-making. Initially, Shep Sherman broached the proposal. Later, board members and staff of the two agencies, after substantial study and debate, resolved to merge—based on general principles of agreement on the shape of the new agency. Finally, the particular parameters of the new agency had to be worked through, in the process of actual consolidation and redirection, by multiple staff committees under leadership direction of Jay Goldsmith.

The basic decision to merge was affected by numerous issues and concerns, almost anyone of which could potentially have sunk the proposal. (See Risks and Constraints below.) However, the merger initiative was also driven by its fundamental logic, and by a good sense of timing by Sherman, Goldsmith, and members of their respective organizations.

By early 1976, Shep Sherman was contemplating his retirement. This personal milestone required some decisions germane to the future of JFS. Clearly, alternative leadership would have to be found, but there was no immediately obvious successor in the JFS ranks. The existing deputies were either too old or ill, or otherwise unsatisfactory to the JFS board. The options were to initiate a search for new leadership, or to explore a merger. According to Goldsmith, "... They [JFS] really didn't have anybody in sight, and after looking around they decided there was nobody in the field that they wanted. So the idea of merger occurred to them, with an agency where it had been discussed in... years past and discarded. It had... been in people's minds from time to time, as a possibility, [so] it was decided to explore it on their part and we were approached...."

According to Sherman, the search for alternative leadership was never really serious: "If the merger hadn't come off... we would have looked for an[other] executive. Who knows? I hadn't thought that far ahead.... I don't know that there would have been any other merger that would have made the same sense...."

To Shep Sherman, the merger became a central theme around which he would design his retirement. It was, in his view, a "golden opportunity;... the reason why the other merger [attempts] really fell apart was the competitiveness of the executives as to who was going to be on top, who was going to be dispensable.... And I said, 'Listen, we have got a golden opportunity here. I am retiring. I want out of the administrative, executive ranks. I'll support... your being the executive. So there is re-
ally no need for us to compete on this thing. We are free to look at what is really desirable... without competitive, sibling rivalry.' And that is what made it possible. I would say that single thing... made it possible, because it made it possible for the executives, Goldsmith and myself, to mobilize sentiment on our boards, in favor of it...”

The merger idea had a compelling quality to both executives. Goldsmith would be offered the leadership of a significantly expanded agency with a wide-open agenda, while Sherman could exit with a flourish, having made an important contribution to his field and his agency. As Sherman saw it, these two loyalties were consistent and intertwined, despite the fact that JFS’s identity might be submerged by consolidation: “... The Jewish Family Service was my professional forum and home for over 30 years, and I have felt an attachment. [Feeling otherwise] would be like not caring what happens to your family... I was deeply concerned about... the continuity [and]... the identity of the Jewish Family Service, even into the merger... not as an agency [per se]... but the tradition and the work that it is doing, and the reputation it has. ... [The merger was a] last creative task... [to] approach more the concept, the holistic concept of... individuals and families. Children and family, family and children... I think being able to help the agency into a new phase of creative ferment... hell... that is exciting and rewarding, and gratifying...”

Once merger talks got underway between JFS and JBG, with FJP as an interested third party, the whole gamut of merger possibilities was raised. Federation again introduced the possibility of merger between JBG and JCCA, the two child care agencies, but to no avail. (The mutual disaffection still obtained.) The possibility of a looser affiliation between JFS and JBG, short of actual merger, was also raised by JBG board members. For example, in a meeting of the JBG Executive Committee in November, 1977, it was reported that JFS was pressing JBG for a commitment to merge, and that JFS was not interested in affiliation arrangements. At least from the JFS side, the comprehensive services model and the issue of executive leadership made merger compelling, and lesser alternatives unattractive.

For JBG there were also some immediately compelling arguments for merger. One factor was JBG’s strong identification with residential treatment, particularly through its large and long-established institution at Hawthorne. Such a heavy emphasis on residential care was fast becoming a liability in the view of modern mental health and social service professionals, as well as a financial burden. Addition of JFS’s network of community-based services would give the new agency a more balanced image and set of resources.

For example, at a May, 1977, meeting of JBG’s Executive Committee, Goldsmith indicated that “... merger would give us an opportunity to
improve services for adolescents . . . without keeping us a prisoner of Hawthorne." And at a June, 1977, meeting of that committee, it is again noted that the merger would help free JBG "from its dependence on Hawthorne."

Another factor for JBG was JFS's strong financial position, particularly its private funding base. This was viewed as a potential source of leverage to attract more public matching funds to the agency, through the mental health system. JBG, with its mental health system accreditation, would be in a strong position to take advantage of this leverage.

A January, 1977, joint board subcommittee on staff reports in its minutes that, "The merged agency with its Federation's total grants of $4,500,000 will be in the position of drawing down, based upon the 50 percent Department of Mental Health Services (DMHS) match formula, a very substantial amount of dollars to expand mental health services for children and families. . . ."

An April, 1977, JBG memorandum also mentions the possibility of "... Expansion of service through utilizing the expanded pool of philanthropic dollars to match public funds." Similarly at an April 6, 1977 meeting of the JBG Executive Committee, it is noted that "the resources of the merged agency would be helpful to the City, which could use these as matching funds . . . and help draw more state dollars. . . ."

And more than simply provide additional financial leverage, the addition of JFS might provide JBG, already a major agency, with additional overall "clout" with the City and State. Such a consideration was raised by one board member in a February 1977 meeting of the JBG Board of Trustees, who noted the need for a stronger negotiating position in view of the "fiscal crunch" imposed by the City, State, and U.S. And, in a JBG memorandum of April, 1977, the possibility is noted of "increased influence over public policy as a result of the size and prestige of the merger agency."

Finally, given JBG's constant flirtation with operating deficits, the possibilities of cost savings and the addition of an endowment "cushion" that might result from a merger with JFS had to be attractive to JBG.

Consolidation of field offices and gradual shifting away from residential treatment might ease the financial problems created by the Hawthorne operation, which Goldsmith describes as a "sinkhole" for dollars.

Of course, JFS would be wary of having its endowment go down this drain (see Risks and Constraints), but JFS's financial strength was a distinct "plus" for merger, as seen by JBG.

From the viewpoint of both agencies, the attraction of merger was ultimately tied to the adaptation to a new service-delivery model. For example, Jay Goldsmith is frequently recorded as saying that "... if one were to initiate an agency today ... [given] what we know about families and children ... [we] really would not set up two separate agencies. . . . [Thus] there was an impelling logic to bring it together. . . ."
Substantial discussion centered, throughout the merger talks, on the nature of the new model. The June, 1976 JBG memorandum on exploring merger asks whether a medical model, with generalists at intake and specialists (child or family therapists, residential treatment) called in as needed, should be adopted. A February, 1977 memorandum mentions four alternative models for services integration, offered for consideration by Shep Sherman.

However, the speed with which a new model of service delivery would be implemented was uncertain. The June, 1976 memorandum also asks: “Should corporate merger be followed by an interim structure, which would provide for an integrated administrative structure but with a dual service structure (family service and child guidance) to determine whether, to what extent, and for which services full integration would be useful?”

Jay Goldsmith says he was committed to an “integration” rather than “umbrella” structure from the start, but was cautious on the timing: “I was very committed to a merging of the processes of family and child treatment. I didn’t want to have a family department and a children’s department, which is what most Jewish family and children’s agencies have in this country. I wanted to merge the process, and we’re doing it by tracking patients into service with a different kind of intake disposition conference and the utilization of criteria that select one to fifty modes of treatment at different times, depending on people’s needs. . . .

“[However], the decision at the beginning was to make no changes, not to rock the boat. . . . There are certain requirements that have to take place. There are certain departments that logically ought to be questioned as to where they fit into the new service. . . . We’re aware of them, but we’re not moving on them right away . . . There are a lot of issues. That’s one of the things the Policy and Scope Committees [of] the board and the professional staff will be doing . . . [namely] reviewing which services are still pertinent to our mission and which ought to be modified or eliminated. And we will do that.”

Deference to the personnel within their respective organizations seems to have been a hallmark of strategy which Sherman and Goldsmith adopted to accomplish the merger. Having resolved to pursue the merger proposal, they were quick to involve their boards of trustees and their staffs in the deliberation process. Indeed, the executives took a back seat at first, until momentum developed. This cautious, low-key approach was in recognition of all the sensitivities involved in restructuring two large agencies. Board member and staff positions and personalities would have to be rearranged. Feelings could be hurt, and fears would arise. (See Risks and Constraints below.) A merger would have no chance unless the various personalities became an integral part of the decision process. Thus, beginning with the executive committees of the boards of trustees, and blossoming outwards to include staff, numerous committees were es-
established to explore various issues and implications of merger, and various joint meetings were held between board members and staff members of the two agencies during the period of merger consideration. (See Chronology of Events.)

Given this cautious, participatory approach, there was, of course, the possibility that more problems would be raised than solved by the various committees. Indeed, at a May, 1977 meeting of JBG’s Executive Committee (of the board) concern was expressed that it would take several years to work out all the problems. Hence two stages of consolidation were identified—legal corporate merger, followed by gradual merger of agency operations. In general, as merger discussions proceeded, the feeling grew that (legal) merger should be accomplished as soon as possible, before everything started to unravel. At the foregoing May, 1977 executive committee meeting, Goldsmith stated that he did not wish to delay any longer because "we are now at the right psychological moment." As Goldsmith recalls: "There were dozens of meetings that took place with board and staff . . . that kept coping with the issues, but one thing that came clear [was that] if you’re going to do it, the longer [you wait], the more anxiety develops and the more differences begin to emerge. It began to be very clear that if we have enough confidence [that] this is the way we want to go, we’d better do it fast. Otherwise, it’ll break up. . . . We’ll work out the differences later. The board and the key leadership among the professional staff made that decision quickly. Otherwise [it] would have fallen apart. . . ."

Finally, as the merger of two nonprofit organizations, JBFCS would logically incorporate as a nonprofit itself. This was always assumed and never an issue. Nonetheless, the preferred mode of merger would have been to dissolve the two original nonprofits (JBS and JFS) and to incorporate a new one (JBFCS). This would have reinforced the preference (especially by those associated with JFS) that the venture be viewed as a marriage of equals. However, technical considerations associated with JBG’s mental health accreditations required dissolution of JFS, its absorption by JGB, followed by a name change. (See Risks and Constraints below.)

RISKS AND CONSTRAINTS

While the arguments for merger eventually won the day, there was a myriad of concerns by board and staff members of both agencies, any number of which might have undermined the venture. There were, for example, certain recognized risks associated with loss of effectiveness, identity, and independence of the original agencies, and administrative overburden or financial problems for the new agency.

For those associated with JFS, which had been mostly reliant on pri-
vate funds, there was the feared loss of autonomy of a new agency heav-
ily dependent on public dollars, i.e., "that we would not [any longer] be 
. . . free agents," as Shep Sherman puts it. Part of the concern here in-
volved the more sectarian program of JFS, and whether the greater 
proportion of public funding would mean a loss of that identity and orient-
tation. For example, the observation was made in discussion by JBG's 
executive committee in June, 1977 that the City might pressure the new 
agency to serve more non-Jewish children. Throughout the merger delib-
erations the divergent orientations of JBG and JFS were recognized. For 
example, a June, 1976 statement on exploring merger asks: "With JFS 
serving a predominately Jewish caseload and JBG serving a significant 
proportion of black and Hispanic children, what result would the "mix" 
have? How could merger be directed to assure service to a larger sum to-
tal of Jewish clientele? How could the joint service not only maintain but 
significantly enhance its role in the general Jewish community and in the 
various Orthodox Jewish communities?" The January, 1977 minutes of 
the joint (board) subcommittee on staff go on to state: "The issue of the 
JBG serving a large number of non-Jewish clients and JFS serving a 
predominately Jewish population was discussed. Although the impli-
cations inherent in this will need further exploration, it was pointed out that 
both agencies consider themselves sectarian services giving preference to 
Jewish applicants."

An April, 1977 JBG memo also raises the possibility that: "There 
might be dilution of service to the Jewish community." The concern over 
loss of identity with, and service to, the Jewish community, was not 
solely confined to the question of public funding, nor was it solely the 
concern of JFS. Jay Goldsmith explains that staff of the Federation were 
also worried: "... We . . . had been meeting with Federation and talking 
to them about this [merger] . . . letting them know of our intent. Shep and 
I visited [the director] . . . and he gave us his blessing and said it was a 
wonderful thing. . . . Meanwhile, the rumors began to creep back to us 
that [other FJP staff said that], 'It's not such a good idea because JBG is 
more nonsectarian in style and will contaminate the Jewish orientation of 
JFS. . . .'"

Of a more personal nature, there was fear on the JFS side, especially at 
the board level, that the identity of JFS personalities would be swamped 
by the merger. Shep Sherman notes candidly: "... What was unspoken is 
that some of [the JFS trustees] felt that they would lose identity in such a 
larger board. They were much bigger [fish] in a small pond than they 
would be in such a larger pond. . . . And [there were] . . . similar senti-
ments among the staff. . . . [In addition], . . . in the staff . . . the single 
strongest opinion was that the JBG orientation toward [institutional] prac-
tice would corrupt the JFS practice [and] they . . . would become . . . less 
respected and valued [and] have less status. . . ."
From the JBG side there was an even stronger concern that the merger would risk a loss of effectiveness and decline in professional reputation. In a meeting of the JBG executive committee in July, 1976, one board member expressed the fear that the merger “may require total restructuring of the services of the two agencies with the risk that you may be giving up two good things that work, for one possible [one] that won't.” In April, 1977, a board member asserted that perhaps JBG should stick to psychotherapeutic treatment of children with emotional disorders and not take over a whole range of social services. In May, 1977, a board member expressed the fear that the size of the new agency and the preoccupation with merger will deleteriously affect attention to the quality of services. Perhaps the fears of a few JBG trustees were best summed up by one of them at an executive committee meeting in February, 1977. That trustee stated his opposition to merger and said he felt strongly about JBG's tradition of “quality and greatness” which he asserted was due to the fact that “we cut our cloth to a narrow pattern . . . [of] clinical treatment of the emotionally disturbed child.”

An important area of risk, especially as viewed by Goldsmith and others affiliated with JBG was the prospect of an administrative morass in trying to fuse the two agencies together, and overburden in attempting to administer the new creation. Of particular concern to Goldsmith were the potential divisions at the board and staff levels. Speaking of the new trustees from JFS, Goldsmith observes, “. . . I was engaging in a relationship with a whole new set of power people . . . [some of whom] came with high levels of suspicion and even some distrust. . . . Some were supportive but generally I would say that was an area of real . . . concern, having to reestablish yourself with that group and prove your capability.

"[The merger] gave me a split board. . . . [It] carried a great division within the board and within the professional staff, of those committed to outpatients in community-based treatment and [those committed to] residential treatment . . . [It was a] highly unstable professional situation with a great deal of suspicion on both sides. The assumption . . . by my own [JBG-derived] staff . . . that I would betray them and their commitments to child treatment, and suspicion by the newer staff for me . . . that . . . I wasn’t either acquainted or representative of their particular specialty. . . ."

Aside from the prospect of having to mediate internal divisions, there were more straightforward concerns over the potential administrative efficiency of the new, larger agency. An April, 1977 memorandum, for example, wonders if: “The increase in the number and variety of services located under the umbrella of the merged agency might pose administrative problems.” While in June, 1977 a JBG trustee questions whether the larger “conglomerate” agency would become too impersonal in style. At a May, 1977 meeting of the JBG executive committee, Goldsmith notes
administrative changes were already underway, consistent with the reorganization that would be necessary for merger. In particular, Goldsmith says he had already planned to be less involved in the day-to-day detail of operation but "closer to the concepts affecting the development of programs and services." Hence the merger reorganization would not be substantially different from the goal of the current reorganization of the JBG to "create a management system that will free me to deal with issues of policy."

Nonetheless, the merger represented an administrative risk if only from the viewpoint of additional workload in carrying it through. Moreover, Goldsmith was not unmindful that administrative problems of the kind potentially involved in merger, have unseated other well regarded executives: "... There are a few key executives in this town who have disappeared in the last few months, who had very secure positions and were very important people. That's always a possibility that ... your job is not secure and you may not survive. And while I guess I've never really thought about that as a serious potentiality, sure, it's slipped through my mind. . . ."

One set of risks of explicit concern to both agencies was the financial base of the merged organization. While there was some thought that merging a heavily government-funded agency with one that depended primarily on philanthropy represented a beneficial "hedging of the risks" associated with the two sources, much more attention was paid to the concern that the Federation might reduce its combined allocation to JBG and JFS. After all, Federation's interest in the merger was largely in saving money, and the new agency would represent an obvious target as the largest single recipient of FJP funds. The fear of cutbacks by Federation is noted in the June, 1976 exploratory statement and later in an April, 1977 memorandum, as well as in the minutes of numerous meetings. In the minutes of the January, 1977 meeting of the JFS-JBG Merger Finance Subcommittee, it is stated: "The question of continued Federation funding was of extreme importance to the Committee since, if the two agencies were to merge, Federation's grant to the combined organizations would represent 20 percent of the total funds distributed by Federation to all agencies. The Committee expressed concern that, in this contracting climate of philanthropic giving, Federation might not be able to fund the newly merged organization even at current levels; particularly, in light of its intent to reduce the levels of grants for the next fiscal year by 1 percent and substantially thereafter."

Goldsmith reiterates the point and goes on to say, "We . . . had a . . . meeting with Federation in which the (board) presidents of JBG and JFS and . . . the professionals met with . . . leadership . . . in Federation and [we asked] . . . if we did merge, what guarantees did we have [for] Federation not to use the occasion to reduce our grant . . . . [We talked of] the
concerns that . . . [we] would have . . . about being vulnerable as a large target for future cuts, with Federation's merger coming up with UJA . . . in the not too distant future . . . And, of course, we gained a lot of reassurances . . . [and] Federation encouraged us to move ahead. . . ." Loss of Federation support turned out to be a well-founded fear, as it ultimately became difficult to hold FJP to its promises of continued funding at the old levels.

In many ways, implementing the merger was analogous to threading a needle—numerous constraints defined a narrow opening through which the venture had to be guided. Some of these constraints were simply annoying but necessary legal and logistical requirements. Others, however, represented delicate balancing of competing demands from various organizational factions.

Goldsmith acutely observes that "... mergers cost money. In the long run they save, [but] in the short run they cost money. . . ." To assist with the costs of merger, the JFS and JBG applied to the Greater New York (United) Fund for a $45,000 (matching) grant in November of 1977. The proposal lists $90,000 worth of short-run merger expenses including legal fees, integration of business operations, consolidation of program reporting and data processing, relocation of facilities, staff reorganization and orientation materials, and public relations materials. The actual merger process would, of course, transpire over a period of time. It is interesting, therefore, that there was some earlier discussion over how the merger costs should be paid for in terms of the treasuries of the original agencies. In July, 1977, a JBG board member (who, not surprisingly, was an opponent of merger) proposed that a holding company be set up and each agency pay separately for costs of the merger. However, this idea was rejected in favor of immediate consolidation of fiscal resources.

Legal requirements represented a tricky, but ultimately not very serious bound on the merger process. Various approvals needed to be obtained from the New York State Departments of Social Service, Mental Hygiene, and Education and the Attorney General.

A basic concern was that JBG should not lose its mental health system accreditation. Jay Goldsmith explains that JBG technically had to absorb JFS (rather than merge with it) and then change its name, in order to accomplish this assurance: "[A] real merger meant both agencies would have had to go out of existence and a new one would have come into existence. That would have meant [that] the JBG would have lost all accreditation with the Joint Commission and all of its psychiatric clinic licenses, and [would have] had to start all over. A clumsy and difficult process, so the JFS merged into the old JBG, and then the JBG . . . changed its name. . . ."

As Goldsmith goes on to observe, this technical process was not widely understood, and carried with it some trauma: "When that notice
appeared in the papers, that JFS was being dissolved, all hell broke loose. Social workers who never read the financial page, read the financial page that day. . . . Nobody ever reads those notices of dissolution of corporations . . . but they saw that."

The really serious potential trauma that constrained the evolution of the merger pertained to parochial and proprietary feelings on the part of board and staff members of both organizations. The issues included use of JFS’s endowment funds, job security, structuring of the new board, and the general concerns for parity in structuring the new organization.

Two intertwined issues that arose through the merger discussions were the questions of JBG’s Hawthorne Cedar Knolls residential facility, and the use of JFS’s endowment funds. The concern of some affiliated with JFS was that its funds would be used to finance the JBG deficits emanating from the Hawthorne “sinkhole” and other JBG residential facilities. As noted by Shep Sherman, there was the further concern by some JFS people “. . . who had had some experiences with . . . institutions that . . . Hawthorne [as] an institution that has delinquent kids . . . [had an undesirable] image in the community . . . [that] would rub off . . . on the JFS.” For their part, some trustees of JBG argued that JBG should get its own house in order, and proceed with the needed renovation of the old Hawthorne physical plant, rather than divert its energies on the merger. This view is expressed by JBG board members at various meetings in 1977. But in a June, 1977 meeting of the Executive Committee, Goldsmith said that Hawthorne needs restructuring, but he didn’t think it should interfere with the merger.

That dissipation of the JFS funds was a serious problem is confirmed in the January, 1977 minutes of the Joint Merger Finance Subcommittee: “Another concern appeared to be whether, by virtue of the merger, the JFS funds would or could be dissipated. Both Mr. Hirsch and Mr. Cohen [JBG trustees] indicated that once the merger had been effected, there is no way to protect the funds of either organization against the creditors of the merged organizations but that JBG’s assets are substantial (although, primarily of a fixed nature) and they are not in any danger of claim by creditors in the foreseeable future although such is always a possibility.”

Ultimately, the merger agreement required that JBG provide moral assurance that JFS funds would not be used simply to cover JBG debts. According to Goldsmith, “. . . Whether the money would be dissipated in JBG’s residential centers which are notoriously expensive and have huge deficits . . . created a tremendous problem. . . . JFS . . . people had a great deal of concern about that. . . . We had to give guarantees that money would not be touched. While it was to become an asset to [the] new agency, the moral position of the new agency would be to leave those dollars untouched for several years, and not have it go toward solving deficits from the old JBG problems. . . .”
Even more anxiety centered on the question of job security. Care was taken, for example, to keep the employees' union informed, beginning with a meeting in July of 1977. Although the staff anxiety was pervasive, both Sherman and Goldsmith agree that the greatest resistance came from middle management—the division chiefs and program administrators who were uncertain about their futures in the new agency. As Goldsmith summarizes it: "... The difficulty is not in the top and not on the bottom. It's where it always is ... in the supervisory group. ... That's the group that's most resistant to change. ..." And as Sherman notes, the problem was particularly acute for JFS administrators: "... No matter how many times we said that there were no plans to cut anybody's head off, the administrator ... in JFS looked over at [his counterpart in] JBG, and saw that JBG had a bigger structure ... [and] felt, 'What the hell is going to happen to me?'"

The issues of job security and redefinition of responsibilities had to be dealt with delicately. There were, as Goldsmith emphasizes, "endless meetings" between top management, supervisors, line staff, and the union. The union was guaranteed that there would be no job loss (layoffs). The administrative consolidation was dealt with in various ways. Sherman explains how the borough directorships were handled: "... We solved it in a variety of ways. In the Bronx we ... have co-directors. In [another case] one of the borough directors was [fired]. ... In [another borough] one of the borough directors was promoted to another position. ..."

If staff problems required sensitivity and delicate maneuvering, structuring the board of directors of the new agency required even more diplomacy. Shep Sherman explains: "... There were one or two powerful people in the JBG board and similarly in the JFS board [who] if they had been crossed the wrong way ... could have blocked [the merger]. ..." Goldsmith observes further that "... The board's been very difficult. The sensitivities are much greater. ..." The problems at the board level involved reconciling reluctance to abdicate prestigious positions, with the need to consolidate and provide for parity between people from JFS and JBG.

The July, 1977 Joint Merger Committee featured a discussion of board structure for the new agency in which JFS trustees insist that the merger be a merger of equals. There was also sentiment expressed by one JBG trustee that greater representation [be granted to JBG] by virtue of its size. What is worse, Goldsmith recalls that JFS trustees were actually insulted early in the summer of 1977 by the "high hattedness" of some of the JBG trustees: "[In June, 1977] ... there was a crystallized resolution [of] ... intent to merge. ... Then the board committees ... met at the top and everything began to go bad. Until we reached July, 1977, it looked like the merger was going to be dissolved. ... Several of our
board members at JBG offended the board members and trustees at JFS . . . [because] the JBG crowd looked at [JFS] as an addition of an outpatient service . . . [while] the JFS was very sensitive to the fact [that] this was a merger, not a takeover . . . .

There was sentiment expressed at the July meeting that all present board members should be allowed to participate in the new board, but there was no agreement on how that board should be structured. By November, 1977, the issue of representation appears to have been resolved in favor of equality between the two agencies.

This seems to have been only the beginning of the resolution, however. The question of who would fill key positions on the board generated considerably more friction. Goldsmith explains: [We faced the question of] who was going to be president . . . . We had two presidents . . . and neither was going to step down . . . . Finally, it was agreed that [the JBG president] would step down . . . [the JFS president] would go on for a year . . . and after a year [the JBG president] would then become president for four years.

"... The former JBG president . . . now has resumed his role of presidency . . . and as the time has gone on since the merger, it’s apparent that a lot of strength is in the old JBG. . . . It looked like all the key . . . spots, by virtue of age and power, . . . were emerging as ex-JBG people. . . . JFS people were getting more and more uncomfortable with that. . . . [The ex-JFS president] got very stubborn about that and [insisted that] the Executive Committee [Chairman] . . . which is the [second] most prestigious position . . . had to be an ex-JFS activist. [However, the man] who had been Chairman of that committee for 12 years didn’t want to get off. . . . [The president] finally . . . had to tell him to . . . step down and leave room for an ex-JFS person. . . . But in the process, we’ve had to juggle all the committees, the budget committee, the balance of power. . . ."

Essentially, successful adoption and implementation of the merger meant operating with deference to the sensitivities of people, staff, and board members, whose conflicting loyalties required solutions within narrow bounds of compromise. Goldsmith himself had to work at overcoming distrust of affiliates of the old JFS while attempting to revise the loyalties of the JBG people without offending them.

**OUTCOMES**

More than a year after the formal merger, the consolidating and deliberating and rearranging were still going on. There were still numerous staff committees and meetings to deal with the issues of program and service delivery. But the ferment seemed healthy. Speaking of experimenting with a new format of disposition conferences, Goldsmith seemed
to aptly characterize the whole state of agency affairs: "... [There's] still a tremendous number of bugs but what we've got is a sense of openness and candor and battle."

There apparently has been learning and adaptation by staff from each of the former agencies. For example, Goldsmith notes that "there's more psychiatric input into the new JFS cases. ..." At the same time, "... we're incorporating a quick response ... in order to give service to all clients who come to you. That's a new concept for the old JBG people who really shunned short-term therapy and only thought in terms of long-term care."

Not all parts of the two former agencies have been equally affected by the merger. According to Goldsmith, "It touched the [JBG] residential centers least [initially]. But training has been consolidated ... [and] all the [old JBG] outpatient units have changed dramatically ... because we've introduced the notion of a quick response. ... We've [also] introduced priorities into Jewish families [cases], with children having first priority. ..."

In those parts of the agency where merger was the most visible, reactions were mixed. As Goldsmith sees it: "It's different in different offices. In [some offices] there's a compatibility and excitement that's very good. [Elsewhere] the JFS crowd feels it's being swallowed up by the JBG ... [or] the JBG crowd ... feels it's being swallowed up by JFS. ... It's a function of numbers and personalities of the staff directors. ... It's more the personality of the people who where chosen to head up each of [the] boroughs. ..."

**ANALYSIS**

The merger of JFS and JBG was a venture of mutual interest to executives Shep Sherman and Jay Goldsmith. To Sherman, whose heart was in practice and in scholarship, the merger represented a contribution to his field—a chance to set into motion the development of a comprehensive model of service delivery to troubled families. The merger also solved a potential leadership problem at JFS, and allowed Sherman to retire with a flourish. For Jay Goldsmith, the merger presented a whole new opportunity set. He would be the center in a whirlwind of new activity. And, as the executive of the huge and financially comfortable new agency, he would have the chance to indulge in grandiose new plans for the reform of service delivery to children and families and to develop new institutional affiliations and arrangements for melding theory to practice.

The merger proposal was born into a receptive institutional and professional context. For years, the Federation had encouraged consolidation among its agencies, but with little recent success in the family and chil-
the merger of family and children’s agencies was also in vogue. Such movement had both economic and political roots. As in the New York City context in which JBFCS emerged, traditional client populations were shrinking while philanthropic dollars were also becoming more scarce. Consolidation of partially duplicative and complementary systems made sense. Furthermore, social work and mental health thinking about child care was moving away from institutional care and from the “child as patient” model, towards a more preventive, family-focused approach. At the same time, family services were being encouraged to incorporate children into their purview and clinical specialties into their practice. A comprehensive, multimodal family service model represented the current state of the art.

The merger of JFS and JBG succeeded because it was carried out sensitively, with a good sense of timing. The fact that one of the executives was retiring solved a major potential obstacle to merger, i.e., the choice of chief executive. Still, other sources of pride and uncertainty had to be massaged. The two executives shrewdly engaged their boards and staff into early and detailed participation in merger deliberations. They took a back seat, go-slow stance in order to acclimate their organizations to the concept. At the same time, once all the issues were on the table, the executives, Goldsmith in particular, wasted no time allowing the momentum to slow or the merger to unravel. Rather than work out all the details prior to legal merger, the organizations were urged to merge first, and to continue the process of consolidation over time.

The sensitivities and proprietary feelings of members of both organizations defined a set of constraints within which merger could be worked out. Parity was a key guideline. It was to be a merger of relative equals in which power and responsibilities would have to be properly disbursed. Care would also have to be paid to the use of funds. It would not be acceptable for the funds of one agency to bail out the deficits of the other.

The case of the JFS-JBG merger appears to provide some general insights on the character of at least one class of nonprofit organizations. Certainly this merger experience shows some nonprofits to be ones in which power is dispersed. Chief executives are powerful—certainly merger is all but precluded if these men cannot be accommodated—but they cannot alone carry out such a venture. Unlike a profit-making corporation where an executive-owner might easily have his way, the nonprofit director must mollify the personal and proprietary feelings of his board members, as well as deal with staff, union, donor (Federation) and client (government) concerns. In the case of JBFCS, it was a semipublic process in which political as well as executive (management) skills were required.