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CHANGE MANAGEMENT FOR CHRISTIAN
LEADERS IN THE MARKETPLACE:
A MULTIPLE CASE STUDY

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CHANGE MANAGEMENT FOR CHRISTIAN
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Dedicated to the loving memory of my parents,

Bill (Mac) and Barb McGaughey.

Soli Deo Gloria

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LIST OF ABBREVIATIONS

| | |
|------|------------------------------|
| ERP | Enterprise Resource Planning |
| KPIs | Key Performance Indicators |
| MBO | Management by Objective |
| OD | Organization Development |
| PDSA | Plan-Do-Study-Act |
| SPC | Statistical Process Control |
| SPK | System of Profound Knowledge |
| TQM | Total Quality Management |

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PREFACE

As I approach thirty years of experience as a Big Four audit-trained financial leader, designing and implementing strategies that drive performance for global corporations, academic service institutions, and state government, change has been constant throughout my career. For the first half of my career, it is by God's grace that I had the honor and privilege to be mentored, by as well as to work alongside several highly talented business professionals at The Pillsbury Company and Deloitte & Touche. It was during these years that the gift of administration was shaped.

Against this professional backdrop, the topic of Change Management for Christian leaders exhilarates me for two reasons. First, it is my hope and prayer that God would be pleased to use this research for His glory. Second, my hope and prayer is that this research would advance the truth that Christians ought to intentionally and joyfully glorify God in secular employment.

Moreover, I have found this journey could not possibly have been completed on my own. The faculty and staff at the Southern Baptist Theological Seminary have been remarkable, and I am particularly thankful for the wisdom, counsel, and prayers offered by Dr. Michael S. Wilder when crisis and doubt hit my family. If it were not for the prayerful support and counsel of Dr. Wilder, it is likely I would not have returned after a year away from the program. For his support, I am grateful. I am also appreciative of Dr. Shane W. Parker, my current supervisor, on behalf of this project. Likewise, Betsy Fredrick and Elyse Kallgren have been helpful to suggest editorial, structural, and grammatical changes that have immensely improved this research. To my employers, I am thankful for Dr. Janet B. Sommers for her encouragement to begin this journey and Dr. Joseph B. Shapiro for his support during the research phase.

I would also like to express my deep gratitude to Pete Glynn and Bob Bisanz for their love and kindness by rescuing me from a shipwrecked life. These two men and the thousands that came before them opened the roof and let down before the Healer and pointed me Godward when I had no hope and was without God in the world (Mark 2:4; Eph 2:12).

I must also express heartfelt gratitude to Bethlehem Baptist Church in Minneapolis and, in particular, to Pastor John Piper, whose preaching and teaching compelled me to taste, savor, and drink deeply from the living well of Jesus Christ and to bask in the richness of the Word of God. Pastor Bud Burk and Pastor Jason Meyer are also faithful servants of God who have shaped my life, and I am thankful for them.

Finally, I cannot even begin to thank my incomparable wife, Jennifer, who has willingly sacrificed as this journey has progressed. As I have spent time at my desk, my wife has managed the home and our son, Jackson, with excellence. I am grateful for her loving heart and sweet spirit. Of her, there is not a more precious gift. She is a wife whose value exceeds any earthly treasure I could name.

Above all, thank you to God the Father and the Lord Jesus Christ who by “grace as a gift through the redemption that is in Christ Jesus, whom God put forth as a propitiation,” saved me from my sinfulness and the wrath to come (Rom 3:24-25). Therefore, my prayer is that this work brings glory to Him and furthers the Gospel of His kingdom here on earth as it is in heaven.

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San Diego, California

December 2016

CHAPTER 1

INTRODUCTION

“Wisdom cries aloud in the street, in the markets she raises her voice.”

(Prov 1:20)

“Imagine what could happen if every Christian businessperson recognized that God had a purpose for his or her company that was greater than profit, employment, or customer satisfaction.”¹ Also imagine how the world would be transformed if every believing businessperson was equipped by the church to fully embrace his or her vocation as a calling from God to fulfill the Great Commission.

From a biblical worldview, this study identifies effective practices of transformative change applied by a sample of overtly Christian leaders in the secular marketplace. Julia Balogun defines “transformation as change that cannot be handled within the existing paradigm and organizational routines; it entails a change in the taken-for-granted assumptions and ‘the way of doing things around here.’”² Transformation means a fundamental change that results in a shift of the culture, systems, processes, and strategy, while realignment is a change of the way of doing activities that does not involve a fundamental shift, though it could be a substantial change such as reorganization.³ Even though there is no clear division, this research will focus on transformative change or continuous planned improvement.

¹Michael R. Baer, *Business as Mission: The Power of Business in the Kingdom of God* (Seattle: YWAM, 2006), 9.

²Julia Balogun et al., *Exploring Strategic Change*, 3rd ed. (New York: Prentice Hall, 2008), 20-21.

³Ibid., 22.

John F. Kennedy said, “Change is the law of life. And those who look only to the past or present are certain to miss the future.”⁴ In the marketplace, change agents facilitate many different types of transformation, including process change, technology change, people change, whole systems change, and organizational transformation. Because of technological advances, changes in production techniques, consumer behavior, economics, globalization, societal pressure, regulations, increased complexity of markets, and a cultural moral revolution in today’s culture, most organizations in the marketplace are now experiencing vast change.

Businesses are being compelled to change what they do and how they do it. The essence of change management is change that influences how employees do their jobs, the speed and level of adoption and usage, and value creation of the change.⁵ The field of change management uses a broad range of methods and approaches. Overwhelmingly, research demonstrates that change initiatives often fail because of poor management. For example, some research shows a failure rate of 70 percent for all change initiatives. The research suggests the low success rate is because of a lack of understanding of the available theories and approaches.⁶ Therefore, change efforts may fail because of poor planning, ineffective change control strategy, focusing more on the objective than on the steps of the process to change, a lack of milestones along the way, and failing to monitor progress and take corrective action. This study proves that the ultimate outcome of change is a responsibility of senior management.

⁴John F. Kennedy, “Address in the Assembly Hall at the Paulskirche in Frankfurt,” *Online by Gerhard Peters and John T. Woolley*, The American Presidency Project, June 25, 1963, accessed September 24, 2016, <http://www.presidency.ucsb.edu/ws/?pid=9303>.

⁵Tim Creasey and Tracy Taylor, “Seven Greatest Contributors to Change Management Success,” *People & Strategy* 37, no. 1 (2014): 12.

⁶Anthony Chow, “Leading Change and the Challenges of Managing a Learning Organisation in Hong Kong,” *Journal of Management Research* 6, no. 2 (2014): 23.

Change initiatives often lack the necessary resources, such as financing, systems, timely information, and the necessary knowledge and skills to achieve the desired outcome. Good management of change is a sine qua non.⁷ Balogun points out that “it takes people time to change their behavior, and even longer to change their attitudes and the way they think about their work.”⁸

In 1985, W. Edwards Deming wrote that what is needed for a vibrant, robust marketplace in the United States is that the Western style of management must be transformed. He classified Western industry as being in a crisis. He clearly blamed the Western style of management for the crisis that began in 1968 and 1969 and would continue until corrected. Was he prophetic when he said the decline “may be ready for a nose dive”?⁹ He predicted, “Some companies will die a natural death, victims of Charles Darwin’s inexorable law of the survival of the fittest. In others, there will be a waking and conversion of management.”¹⁰

Deming explained that from 1950 until 1968, the United States knew nothing but increased market share or expansion, but in 1968, American companies one by one began to awaken to the competition of Japan. At that time, he explained that little by little, one by one, manufacturers moved into Japan, Korea, and Taiwan, and today, the pace has quickened with the expansion of the global economy with business going to China, Vietnam, India, Mexico, and others. He accurately stated, “Management in an expanding market is fairly easy. It is difficult to lose when business simply drops into the basket.

⁷Roger Gill, “Change Management—or Change Leadership?” *Journal of Change Management* 3, no. 4 (May 2003): 308.

⁸Balogun et al., *Exploring Strategic Change*, 27.

⁹W. Edwards Deming, “Transformation of Western Style of Management,” *Interfaces* 15, no. 3 (1985): 6.

¹⁰*Ibid.*

But when competition presses into the market, knowledge and skill are required for survival. Excuses run out.”¹¹

The Research Problem

Midway through the second decade of the twenty-first century, the socioeconomic well-being of Americans continues to be in sharp decline.¹² Depending on whom one believes, the United States is in the midst of, or beginning the recovery from, the most severe economic downturn in at least a generation: “Many feel betrayed by the nation’s financial institutions and economic policymakers.”¹³ Turmoil seems to be everywhere. Each day, Christians are faced with starting their faith journeys afresh. New dilemmas arise, and hard and fast choices must be made. Most of the time, action is required without a specific scripture or a common understanding from those in the church, while in the marketplace, colleagues, customers, supervisors, employees, and suppliers observe the conduct of Christians.

One of the urgent items in the marketplace is the issue of leadership in free societies and, in particular, the place of character in leadership.¹⁴ However, the marketplace is largely ignored by the church as a mission field. Arguably, the church has been slow to equip its people for Christian witness in their working lives and support them when faith is tested in the workplace. The challenge of this thesis is to consider transformational change or change management in the marketplace explicitly from a biblical worldview. The Bible teaches that Christians should view all of life as worship. Tim Keller writes,

¹¹Deming, “Transformation,” 6-7.

¹²New Strategist Editors, *The American Marketplace: Demographics and Spending Patterns*, 10th ed. (Ithaca, NY: New Strategist, 2011), 1.

¹³Ibid.

¹⁴Os Guinness and Virginia Mooney, *When No One Sees: The Importance of Character in an Age of Image* (Colorado Springs: Navpress, 2000), 13.

When we work, we are as those in the Lutheran tradition often put it, the “fingers of God,” the agents of his providential love for others. This understanding elevates the purpose of work from making a living to loving our neighbor and at the same time releases us from the crushing burden of working primarily to prove ourselves.¹⁵

Most working adults in Western culture spend over half of their lives at work. Whether working on an assembly line, healing patients, running a business, teaching students, or planting crops, work is where most of life happens. For some, work is a struggle, and they feel trapped and depleted, while for others, work is a place of security, and they feel energized and motivated—even fulfilled.

Why does the marketplace matter? The stark reality is that decisions and policies made by business leaders and bureaucrats shape the trajectory of society. “Of the 150 largest economies in the world, nearly half are not countries. They are businesses.”¹⁶ The marketplace largely shapes the physical world. The Bible teaches that God created and designed mankind to work because He works. In the created order on the seventh day, God rested from all the work that He had done (Gen 2:2-3). In the Trinity, Jesus glorified the Father on earth by accomplishing the work He had given Him to do (John 17:4), while the Holy Spirit said, “Set apart for me Barnabas and Saul for the work to which I have called them” (Acts 13:2). Moreover, for followers of Christ, the Great Commission is a mandate to make disciples of all nations (Matt 28:18-20); along with it comes the cultural mandate to have dominion over the whole of creation (Gen 1:26-28).

Contemporary culture has also been experiencing a long period of change. Just as the earlier age of faith made Christianity more plausible to the population at large, so the current age of unbelief makes atheism, or at least agnosticism, the more acceptable

¹⁵Timothy Keller, *Every Good Endeavor: Connecting Your Work to God’s Work* (repr., New York: Riverhead, 2012), 20.

¹⁶Jeffrey B. Van Duzer, *Why Business Matters to God (and What Still Needs to Be Fixed)* (Downers Grove, IL: InterVarsity, 2010), 20.

option.¹⁷ Few would disagree that Western society is in midst of a secular age. A. W. Tozer defined the secular age this way: “Our thought habits are those of the scientist, not those of a worshipper. We are more likely to explain than adore.”¹⁸

In the marketplace, one of the biggest phenomena facing leaders today is the rapid pace of change. For any successful organization, change management is an essential function. With globalization, the technology explosion, and the shifting social and economic trends, the rate of change in most industries is probably going to increase.¹⁹ Moreover, as it relates to the impact in the marketplace, the change inflicted by the moral revolution must also be considered.²⁰ R. Albert Mohler states, “Like a hurricane on a radar screen, this massive moral shift can be seen in its development and its storm track. We cannot tell this story without looking at how secularized our society has become.”²¹

Nevertheless, Russell D. Moore suggests,

There is a promise out there that took on flesh in a virgin’s uterus somewhere in Nazareth. If we could see the kind of inheritance, the kind of restoration of home,

¹⁷Brian Hebblethwaite, *The Essence of Christianity—Fresh Look at Nicene Creed* (London: Spck, 1996), 3.

¹⁸A. W. Tozer and Jonathan L. Graf, *The Pursuit of God with Study Guide: The Human Thirst for the Divine*, new ed. (Camp Hill, PA: Wingspread, 2006), 73.

¹⁹John P. Kotter, *Leading Change* (Boston: Harvard Business School Press, 1996), 161.

²⁰R. Albert Mohler writes, “We look on the horizon around us and realize that our culture has radically changed. In this case, the storm is a vast moral revolution and that revolution is not close to its conclusion.” R. Albert Mohler, Jr., *We Cannot Be Silent: Speaking Truth to a Culture Redefining Sex, Marriage, and the Very Meaning of Right and Wrong* (Nashville: Thomas Nelson, 2015), xiii. For example, the *Advocate*, the nation’s most influential newsmagazine of the LGBT community, stated, “At 10:02 a.m. Eastern on June 26, 2015, the U.S. Supreme Court changed America forever.” The reason for this was the June 2015 Supreme Court decision known as *Obergefell*, in which the courts ruled for the legalization of “same-sex marriage” in all 50 states. Mark Joseph Stern, “People of the Year: Anthony & The Supremes,” *The Advocate*, December 2015/January 2016, accessed February 6, 2016, <http://www.advocate.com/current-issue/2015/11/05/people-year-anthony-supremes>. As Mohler stated, “The *Advocate* is not shy to say that this is an enormous cultural revolution brought about by five justices—that is a bare majority of the United States Supreme Court.” Many say that if the American society was not considered post-Christian before this cultural change, it certainly is now. R. Albert Mohler, Jr., “LGBT Magazines Choose SCOTUS, Obama as Persons of the Year, Signaling Massive Culture Shift,” *The Briefing*, December 15, 2015, accessed February 6, 2016, <http://www.albertmohler.com/2015/12/16/the-briefing-12-16-15>.

²¹Mohler, *We Cannot Be Silent*, 120.

that he has waiting for us well, we'd probably laugh in wonder at it all. It may be that America is not "post-Christian" at all. It may be that America is instead pre-Christian, a land that though often Christ-haunted has never known the power of the gospel, yet.²²

However, no matter that the moral revolution is one of the single biggest issues impacting change in the marketplace, the topic is outside of the scope of the remainder of this study.

The biggest argument against transformational change is that organizational change will remain viable through incremental change.²³ Change management involves many human factors, such as leadership communication, employee motivation, training, and development.²⁴ Theorists and practitioners all agree that change is more frequent, less predicative, and of a greater magnitude than before.²⁵ Hammer and Champy write, "Change has become pervasive and persistent."²⁶ Successful change is difficult to accomplish. Deming explains, "Long-term commitment to new learning and new philosophy is required of management that seeks transformation. The timid and the fainthearted, and people that expect quick results are doomed to disappointment."²⁷

One of the primary opportunities for equipping Christian marketplace leaders to be the hands and feet of Christ is to come alongside them and develop effective practices of change management that are rooted and grounded in a biblical foundation. The literature about change management is vast,²⁸ yet very little, if any, is based on a

²²Russell D. Moore, *Onward: Engaging the Culture without Losing the Gospel* (Nashville: B & H, 2015), 218.

²³Kotter, *Leading Change*, 173.

²⁴Chow, "Leading Change," 24.

²⁵Bernard Burnes, "Emergent Change and Planned Change—Competitors or Allies? The Case of XYZ Construction," *International Journal of Operations & Production Management* 24, nos. 9/10 (2004): 886.

²⁶Michael Hammer and James Champy, *Reengineering the Corporation* (repr., New York: HarperBus, 1999), 23.

²⁷W. Edwards Deming, *Out of the Crisis* (Cambridge, MA: Massachusetts Institute of Technology, 1986), x.

²⁸Andrew M. Pettigrew, Richard W. Woodman, and Kim S. Cameron, "Studying

biblical foundation and intended for overtly Christian leaders. Throughout the twentieth century, there are many stories of the Christian values of blessings of creation, duties to employees, and diligence of serving customers to be told. However, these stories developed in an era when the vocation of the businessperson was not a topic in which the church developed a substantial voice. As a result, many of those working in the marketplace did not find their vocation affirmed or even explored in the thinking and writing of the church.

Martin Luther extended the concept of divine calling on vocation to all worthy occupations.²⁹ He taught that God has called men to work because He is working. Luther said from the pulpit, “I can just imagine the people of Nazareth say ‘Lord, didn’t you build my house? How did you come to this honor?’”³⁰ Luther noted,

The Virgin Mary worked and the most amazing example of her humility is that after she had received the astonishing news that she was to be the mother of the Redeemer, she did not vaunt herself but went back and milked the cows, scoured kettles and swept the house like any housemaid. Peter worked as a fisherman and was proud of his skill, though not too proud to take a suggestion from the Master when he told him to cast on the other side.³¹

Luther preferred to deal with men where they were. Billy Graham affirms Luther’s desire: “Christians at work in the world are the only real spiritual light in the

Organizational Change and Development: Challenges for Future Research,” *Academy of Management Journal* 44, no. 4 (August 2001): 697-713: “Yet the literature remains under developed regarding six interconnected analytical issues: (1) the Examination of multiple contexts and levels of analysis in studying organizational change, (2) the inclusion of time, history, process and action, (3) the link between change processes and organizational outcomes, (4) the investigation of international and cross-cultural comparisons in research on organizational change, (5) the study of receptivity, customization, sequencing, pace, and episodic versus continuous change processes and (6) the participation between scholars and practitioners in studying organizational change.” *Ibid.*, 697-98.

²⁹Roland H. Bainton, *Here I Stand: A Life of Martin Luther* (New York: Plume, 1995), 180.

³⁰*Ibid.*

³¹*Ibid.*, 181.

midst of great spiritual darkness. This places a tremendous responsibility on all Christians in the marketplace.”³²

The transformation theory for management by the late internationally-renowned consultant W. Edwards Deming is used as the baseline for this research. Deming, an overtly Christian leader himself, provided a significant contribution to society based on his theory of management, which is grounded in fourteen points for management and has a strong emphasis on organizational change.

To Deming, “Transformation of the American style of management is not a job of reconstruction, nor is it revision. It requires a whole new structure, from foundation upward.”³³ Deming is credited with major strides in quality and productivity. He taught that increases in productivity could be achieved continually through greater emphasis on quality in all phases of an operation. He believed there is a correlation: as quality increases, so does productivity. According to Deming, “failure of management to plan for the future and to foresee problems brought about waste of manpower, materials, and machine-time raise the cost and price that the purchaser must pay. The inevitable result is loss of market. Loss of market begets unemployment.”³⁴

Deming’s approach is based on the statistical control of quality to bring about organizational change. He believed every system needs to be designed in such a way that well-made products and services will produce optimal performance. Not only did Deming believe that processes and assemblies need to be designed optimally, he also believed the entire organization needs to operate as a system whether it is in industry, government, education, health care, or any service provider. Everyone in the organization must be

³²Billy Graham, *Billy Graham in Quotes*, ed. Franklin Graham and Donna Lee Toney (Nashville: Thomas Nelson, 2011), 366.

³³Deming, *Out of the Crisis*, ix.

³⁴W. Edwards Deming, *The Essential Deming: Leadership Principles from the Father of Quality* (New York: McGraw-Hill, 2012), 15.

focused on optimization of the system. Internal competition between divisions, departments, teams, and individuals cannot exist. Policies, procedures, strategies, mission, and vision must be aligned.³⁵

Current Status of the Research Problem

According to Shirley Roels, “Business Christians need the church to find meaning in their daily work; and the church needs its business members to shape the tremendous powers of the global economy.”³⁶ The global marketplace will continue to evolve in the twenty-first century. Business is too often regarded by its functions of finance, marketing, and human resources, with primary focus on the bottom-line. The twenty-first century will be the century of global business.³⁷ Furthermore, pluralism has reached the workplace. A. H. Mathias Zahner, Professor Emeritus of Christian Mission at Ashbury Theological Seminary, argues, “These neighbors [workers] do not believe in ideological pluralism—although plenty of that exists. . . . Often these people believe their religion represents the best way, if not the only true way, of the truth and life.”³⁸

Western culture is a multicultural world with a huge number of religious and philosophical ideologies. Copan observes, “There are so many that it is hard to know about much, let alone understand them; from monotheism, Judaism, to do-it-yourself New Age Spirituality or the strident New Atheism, to the ‘I don’t care’ attitude of apatheism.”³⁹

³⁵Joyce Nilsson Orsini, “W. Edwards Deming the First Management Engineer,” *IET Engineering Management* 16, no. 3 (July 2006): 46.

³⁶Shirley J. Roels, “The Christian Calling to Business Life,” *Theology Today* 60, no. 3 (October 2003): 358.

³⁷Van Duzer, *Why Business Matters to God*, 20.

³⁸A. H. Mathias Zahniser, “Christian Witness in a Marketplace of Cultured Alternatives,” *Missiology* 30, no. 2 (2002): 147.

³⁹Paul Copan, *The Gospel in the Marketplace of Ideas: Paul’s Mars Hill Experience for Our Pluralistic World* (Downers Grove, IL: InterVarsity, 2014), 11.

How can marketplace leaders communicate the gospel in ways that others can understand that there is something better? According to Polhill, “The preaching of salvation and the practice of healing in the name of Jesus had profound economic and political implications (Acts 17:6-7; 19:25-26). There must be similar effects in any culture where the gospel begins to make its impact on individuals.”⁴⁰

In the *City of God*, Augustine wrote about two cities: one earthly and one heavenly. These “two cities were formed by two loves: the earthly by the love of self, even to the contempt of God; the heavenly by the love of God, even to the contempt of self.” Augustine’s model of the secular enables believers and unbelievers to find a common cause around crucial moral and workplace issues of today.⁴¹ His teaching of citizenship invites rather than discourages collaboration of ethical concerns, such as immigration, human trafficking, terrorism, etc., as well as managing change in the workplace.

Through most of history, people expected their situations to change suddenly due to wars, famine, or other natural disasters. They inherently knew that from time to time they would need to adapt to stay alive. Today, uncertainty is woven into the

⁴⁰John B. Polhill, *Acts*, The New American Commentary, vol. 26 (Nashville: Broadman, 1992), 366: “On a daily basis, Paul bore witness in the agora, the famous marketplace and hub of the Athenian life. There he got his most pronounced response.” Ibid. In the marketplace of Athens, Paul was infuriated to see the city was full of idols: the gods and goddesses of the Greek pantheon. At the time, Athens was known worldwide for their impressive architecture, and most of the buildings were temples to the pagan gods. In this environment, Paul reasoned with devout persons every day in the marketplace (Acts 17:16).

⁴¹Gabriele Greggersen, “Between Heaven and Earth: Augustine’s Synthesis of Theology and History,” *Fides et Historia* 37, no. 1 (Winter 2005): 83. Not long after Rome was sacked by the Goths in A.D. 410, pagans blamed the Christians, saying that the fall was their fault because they stopped worshipping the gods that had made Rome great. They charged that Christianity was the cause of that neglect. In North Africa from A.D. 412 to 426, Augustine of Hippo began a defense of Christianity called *The City of God*. The work contains twenty-two books or chapters. The first ten books denounce that Rome was ever protected by the worship of old gods, but rather it was the worship of those gods that plunged Rome further into economic and moral decay. Then, in the twelve books that followed, Augustine documented the Christian doctrines of grace, faith, trinity, wisdom, and love.

marketplace and life.⁴² Change has become the new status quo, and John Kotter predicts that the key for successful and sustainable organizations in the twenty-first-century will be leadership.⁴³ Career paths will become more volatile, there will be less linear movement up through the organization, and fewer people will be doing one job the same way for long periods of time. Kotter warns, “A strategy of embracing the past will probably become increasingly ineffective over the next few decades.”⁴⁴

Tracing back to the work of Kurt Lewin, literature suggests that an enduring aspect of the work of organization development and change management is heavily weighted toward the humanistic concern for increasing potential. However, the humanism aspect is often marginalized by the pursuit of efficiency and profit maximization. Historically, employees have been positioned as recipients or objects of change efforts undertaken by managers and consultants. The managers and consultants are esteemed as agents of change while the workers are depicted as relatively agentless. As such, change literature is perhaps guilty of overemphasizing the actors over acts.⁴⁵

Research Question

This chapter has clearly established that it is top management’s responsibility to determine change initiatives. By the use of statistical methods, Deming teaches that to improve any process, one must determine which controllable factors in the process influence the unwanted variability that impact the customer experience. Process data must be collected, assignable causes must be identified, and it must be determined how the system will react to changes in the process. Then action plans to improve the process

⁴²Richard Sennett, *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism* (New York: Norton, 1998), 31.

⁴³Kotter, *Leading Change*, 185.

⁴⁴Ibid.

⁴⁵Rune Todnem By, Bernard Burnes, and Cliff Oswick, “Change Management: The Road Ahead,” *Journal of Change Management* 11, no. 1 (March 2011): 2-3.

can be designed and implemented. Many types of statistical methods and lean tools can contribute to these activities.

From a Christian perspective, a question that often seems to be overlooked is, what does God have to say about managing change? A central tenet of this research is to answer the question about how Christians should think about this. This study attempts to identify trends, if any, about how Christian executive leaders apply biblical principles to the day-to-day management of change in the marketplace. From a sample of overtly Christian leaders, this study attempts to understand the role of management in guiding the change process from a biblical worldview. The purpose of this multiple case study is to understand one research question: how do Christian leaders in the marketplace create an environment of continual, relentless, perpetual search of improvement for human flourishing? Principles of organizational transformation are examined through the theoretical lens of W. Edwards Deming's *System of Profound Knowledge*, which is a system of logic that defines his philosophy of continual improvement.

Conclusion

This chapter presents a clear problem for those concerned with transformational change management in the marketplace by Christian leaders. A comprehensive study about effective practices for Christian leaders was non-existent. There was a shortage of teaching in the church about how to manage change in the marketplace. There are many beneficial scholarly books, but they do not show how all this connects to God. This study attempts to address that problem. It includes a review of existing literature and consultation with experts in the field. Further, this study seeks to determine what, if any, practices are common among and most crucial for Christian leaders in the marketplace to manage transformational change.

Chapter 2 of this study reviews the existing literature that addresses or has implications for the research problem. The literature related to organizational change in general, Deming's theory of profound knowledge, and works that may have relevant

parallels to change management in the marketplace are considered. Chapter 2 offers the research hypothesis and key definitions used in the study.

In chapter 3 of this study is a detailed explanation of why a multiple case study approach was used. Additionally, the rationale for using purposive sampling is presented. Chapter 4 is devoted to reporting and analyzing the results of the multiple case study. It determines if any factors among Christian leaders lead to the intentional effective practices of change management in the marketplace from a biblical worldview. Finally, chapter 5 identifies any conclusions that can be drawn from the research. The final chapter also determines if the research results reveal any consistent factors that were present among multiple Christian leaders that can be organized into a set of effective practices. From the perspective of a sample of Christian leaders in the marketplace, this study attempted to understand the role of management in guiding the change process and what should be changed.

The role of the marketplace is a crucial part of God's plan for the world. Wayne Grudem writes, "If a society is going to grow from poverty to greater productivity and prosperity, then it is important that people understand the amazing creation of value that occurs as a result of voluntary buying and selling in the marketplace."⁴⁶ Grudem rightly argues that one of the ways of fulfilling the Golden Rule of loving one's neighbor as oneself is by creating value in relationships as buyers and sellers or employers and employees.⁴⁷ Because so much is at stake, Christian leaders must be concerned with successfully managing change in the marketplace to increase quality and productivity for society. It is vital that Christian leaders learn how to apply biblical principles intentionally in day-to-day management through a continual, relentless, perpetual search for quality in the marketplace. This research project sought to determine the effective

⁴⁶Barry Asmus and Wayne A. Grudem, *The Poverty of Nations: A Sustainable Solution*. (Wheaton, IL: Crossway, 2013), 351.

⁴⁷*Ibid.*, 352.

practices to carry out this task. The existence of these effective practices will enable Christian leaders to benefit from careful consideration of relevance as they seek to build relationships that glorify God and accomplish His purposes.

CHAPTER 2

LITERATURE REVIEW

The focus of this thesis is the phenomenon of transformational change for overtly Christian leaders within the marketplace. Through a multiple case study method, the aim of this research is to advance the discussion of integrating Christian faith with a practical approach for change agents to become more effective in managing continuous change in the marketplace. One presupposition of this research is that Christian business leaders desire to demonstrate mature Christian discipleship through managing change in the workplace.

Nichole Radzitwill emphasized that fundamental forces directly influence organizational culture and the management of change:

Included within the forces are global social responsibility, a shift in consumer awareness toward participative co-creation of value, the increasing rate of change, a workforce of the future that demands new models for learning, and the innovation of new systems for adapting the way we live to create a sustainable future.¹

Over the years, the subject of managing change has become a central theme in the marketplace, as it has for the social sciences. Today, one only needs to look at the popular bookshelves to see that consultants and populist authors provide an overwhelming volume of prescriptive strategies for change. The net effect of this diffusion is that most executives and consultants are familiar with the broad questions of change justification and change context—or the “why” and “what” of change—but are lacking the “how” to lead successful organizational change. The dominant tendency has been to focus on

¹Nicole M. Radzitwill and Morgan C. Benton, “Burning Man: Quality and Innovation in the Spirit of Deming,” *The Journal for Quality and Participation* 36, no. 1 (2013): 7.

managerialism. The result is an adoption of philosophy in which the author's expertise is presented as wisdom.

Henry Mintzberg states, "There is an enormous literature and consulting practice aimed at helping managers deal with major change in their organizations—turnaround, revitalization, downsizing and the like."² Organizational change in America can be categorized into six eras. The dominant theme of the first three periods focused on the Scientific Management approaches of structure, productivity, and systems. From 1910 to 1935, organization structure was the management response to the vast economic volume of the period. Through hierarchical bureaucratic control, managers drove tasks to achieve economies of scale.

The second period, from 1935 to 1955, was an era categorized by economic crises, both boom and bust. From the hardship of the Great Depression (1929) to World War II production that included the Marshall plan, which underpinned post-war recovery for many countries, this was a dynamic time of change. The era from 1955 to 1970 was

²Henry Mintzberg, Bruce W. Ahlstrand, and Joseph Lampel, *Strategy Safari: A Guided Tour through the Wilds of Strategic Management* (New York: Free Press, 2005), 324. The author goes on to say, "Change Management' is an oxymoron: A dubious consulting industry and 'profession' has developed claiming to provide 'change management' services. Those two words make about as much sense together as 'holy' war [and] 'nonworking mother.' . . . 'Change management' comes from the same dangerously seductive reasoning as strategic planning. They are both based on the shaky assumption that there is an orderly thinking and implementation process, which can objectively plot a course of action. Change cannot be managed. Change can be ignored, resisted, responded to, capitalized upon, and created. But it cannot be managed and made to march to some quarterly step-by-step process. . . . Whether we become change victims or victors depends on our readiness for change. . . . [As Abraham Lincoln] once said, 'I will prepare myself and my time must come.' . . . That is how change is managed. We cannot quickly win back customers who have quietly slipped away because of neglect and poor service. We cannot suddenly turn our organization into an innovative powerhouse in six months because the market shifted. We cannot radically and quickly re-engineer years of sloppy habits and convoluted processes when revolutionary new technology appears. When cost pressures build, we cannot dramatically flatten our organizations and suddenly empower everyone who has had years of traditional command-and-control conditioning. These are long-term culture, system, habit, and skilled changes. They need to be improved before they are needed. In the words of an ancient Chinese proverb, 'dig a well before you are thirsty.' . . . To effectively deal with change you do not focus on change as some kind of manageable force. You deal with change by improving you. And then your time must come." Ibid., 325.

marked by further corporate capitalism in the development of multinational corporations in pursuit of overseas markets.

A movement toward qualitative, people-focused issues and away from Scientific Management methods categorizes the next three periods. Individuals became viewed as assets to be developed instead of just costs. Organization Development (OD) emerged during this period, and strategy, culture, and innovation became dominant. International competition was the strategic focus from. The fifth period was defined by the failure of the strategic planning approach and the realization that Japanese companies were more dynamic and quality-focused. The current era or sixth period of organizational change is focused on the link between culture and new ways of working, such as flatter structures, employee involvement, and innovation.³

From a Christian perspective, the question of “What does God say about managing change?” seems to be overlooked. There is a shortage of teaching in the church about this process, and the available scholarly books, though beneficial, do not show the connection to God. This research answers that question.

As sojourners, business leaders miss something vital and amazing if they do not think about managing change from a biblical perspective. It seems strange that there is so little Christian teaching about organizational change, because while Christians believe the gospel changes everything—at home, at work, at church, and in the community—there is little Christian reflection on how the gospel changes the way leaders impact change in the marketplace.⁴ The goodness of work receives its greatest affirmation from the life of Jesus; for most of his life, Jesus had a secular job as a builder (Mark 6:3, Matt

³Jim Grieses, *Organizational Change: Themes and Issues* (New York: Oxford University Press, 2010), 186.

⁴Matthew Aaron Perman and John Piper, *What's Best Next: How the Gospel Transforms the Way You Get Things Done* (Grand Rapids: Zondervan, 2014), 18.

13:55).⁵ This research takes the position that Christian leaders in the marketplace must seek a biblical perspective to carry out the Great Commission as exiles.

A Biblical Foundation

God has lavished humans with gifts for enjoyment and delight, but Genesis makes it clear that His gifts are not only for pleasure; His good gifts are also for provision in His redemptive plan for Creation.

Imago Dei

Joe Rigney accurately argues, “Before seeing provision, we must first understand the mission.”⁶ According to Rigney, to grasp the mission, one must grasp what it means to be made in God’s image. He argues that being made in the *imago Dei* not only means that people have the ability to reason, speak, or relate to God and others, it also means it is a vocation; something they are called to do and be.⁷ God created work and gave it to mankind for good works. Moreover, to have a God-centered and biblical perspective about work is to appreciate God’s intention behind work, which gives one’s

⁵Ken Campbell, “What Was Jesus’ Occupation?” *Journal of the Evangelical Theological Society* 48, no. 3 (September 2005): 501-19. Jesus should be regarded not as a carpenter, but as a builder. Only Mark 6:3 and Matt 13:55 refer to Jesus’ occupation before his public ministry of preaching and healing. In these verses, Jesus is called *tekton* (in Greek) and the son of a *tekton*. Campbell concluded, “The word does not mean Carpenter as the word is understood today. In the context of first-century Israel, the [tekton] was a general craftsman who worked with stone, wood, and sometimes metal in large and small building projects. This is confirmed by a study of Jesus’s vocabulary in the Gospels, in which there are allusions to a variety of building structures and construction activities. There are only two clear references to wood in Jesus’s teaching (Matt 7:3-5 and Luke 23:31) and do not indicate the activity of a highly skilled and specialized woodworker. Rather, in both instances, construction timber is in the view. Therefore, we should probably think of Jesus as a manual laborer and builder. In a land of omnipresent stone and few trees, a craftsman works primarily in stone, and much less in wood or metal. Such a craftsman is called a builder, and he worked in all the structures mentioned by Jesus in his parables [such as clay ovens, kilns, toilets, tombs, millstones, barricades, fences, animal stalls, wells, entrances, gates, threshing floors, wine presses, and wind troughs], as well as . . . olive press stones, tombstones, cisterns, farm terraces, vineyards, watchtowers, house extensions.” *Ibid.*, 512. The Savior, who lived a sinless life that was pleasing to God in every aspect, profoundly dignified human work by sweating and straining in an ordinary, physical job for most of his life.

⁶Joe Rigney, *The Things of Earth: Treasuring God by Enjoying His Gifts* (Wheaton, IL: Crossway, 2014), 84.

⁷*Ibid.*

work meaning and purpose. The following two passages in Genesis provide a foundation for work:

Then God said, “Let us make man in our image, after our likeness. And let them have dominion over the fish of the sea and over the birds of the heavens and over the livestock and over all the earth and over every creeping thing that creeps on the earth.” So God created man in his own image, in the image of God he created him; male and female he created them. And God blessed them. And God said to them, “Be fruitful and multiply and fill the earth and subdue it, and have dominion over the fish of the sea and over the birds of the heavens and over every living thing that moves on the earth.” (Gen 1:26-28)

“ . . . there was no man to work the ground. . . . And the LORD God planted a garden in Eden, in the east, and there he put the man whom he had formed. . . . The LORD God took the man and put him in the garden of Eden to work it and keep it.” (Gen 2:5, 8, 15)

The Bible says that humankind was created to have a relationship with God and to honor Him, and work is one way of doing so. Stephen Wellum wrote that Genesis 1:26 defines two divine-human covenant relationships: the first is a vertical relationship between God and man, and the second is a horizontal relationship between man and the earth.⁸ Wellum states, “The relationship between humans and God is best captured by the term sonship. The relationship between humans and the creation may be expressed by the terms kingship and servanthood, or better, servant kingship.”⁹ Having been created in God’s image, He gave humankind the capability and capacity to work. Work itself was not just a goal in life; He demonstrated how to take on the responsibility.

Man is called to have dominion as stewards over God’s creation by providing shape and order in the world in a way that reflects the truth and beauty of the Creator—this is part of what it means to be human. In *Don’t Waste Your Life*, John Piper writes, “God makes man, so to speak, his ruling deputy and endows him with God-like rights

⁸Peter John Gentry and Stephen J. Wellum, *Kingdom through Covenant: A Biblical-Theological Understanding of the Covenants* (Wheaton, IL: Crossway, 2012), 200.

⁹Ibid. “Man is the divine image. This servant King and son of God mankind will mediate God’s role to the creation in the context of a covenant relationship with God on the one hand and the earth on the other. Hence the concept of the kingdom of God is found on the first page of Scripture.” Ibid., 201.

and capacities to subdue the world—to use it and shape it for good purposes, especially the purpose of magnifying the Creator.”¹⁰

Psalm 8 supports the mandate of dominion. It confirms the idea that humankind is created in the image of God and is called to image forth God’s truth and beauty. David began and ended with a declaration of God’s majesty, while verses 3-8 reflect on the dominion of man in God’s creation, which is confirmation that humankind was created in the *imago Dei* and reflects His glory as stewards of the earth and as His representatives.

Throughout the Bible, God is portrayed as an extremely active worker. For example, in the gospel of John, one reads, “The man went away and told the Jews it was Jesus who had healed him. And this was why the Jews were persecuting Jesus because he was doing these things on the Sabbath. But Jesus answered them. ‘My Father is working until now, and I am working’” (John 5:15-17). The obedience demonstrated by Jesus should affect how Christians view human work. Proverbs 8:22-31 is a narrative of the wisdom with which God created the things that are. Although believers are called to imitate God, He created out of nothing. Nevertheless, humans are like God, and therefore their work is to take what God made and shape it and use it to magnify him and add value to His creation. In her essay “Why Work?,” Dorothy Sayers proposes,

Work should be looked upon—not as a necessary drudgery to be undergone for the purpose of making money, but as a way of life in which the nature of man should find its proper exercise in delight and so fulfill itself to the glory of God. That it should be, in fact, be thought of as a creative activity undertaking for the love of the work itself; and that man, made in God's image, should make things, as God makes them, for the sake of doing well the thing that is well worth doing. God is not served by technical incompetence; and incompetence and untruth always result when the secular vocation is treated as a thing alien to religion.¹¹

Abraham Kuyper explains the reason why the goodness from God applies to all humankind: “Between the creation glory in Paradise and one’s birth lies the fall . . .

¹⁰John Piper, *Don't Waste Your Life*. (Wheaton, IL: Crossway, 2003), 139.

¹¹Dorothy L. Sayers, “Why Work?” in *Creed or Chaos?* (Manchester, NH: Sophia Institute Press, 1995), 46, 59.

and thereby a shadow of death rests upon that world, and on one's interaction with that world estranged from God."¹² In this scenario, he explains that the line of grace seems to have been broken. Furthermore, in God's redemptive story, all human beings, by virtue of ancestry, experience a kindness, an outworking of the same grace that is common to all people. Kuyper summarizes that in God's grace

we find three emanations of God's grace: a grace that applies to you personally (particular-fruit of sovereign grace), then a grace that you have in common with all God's saints in the covenant (organic); but also thirdly, a grace of God that you as a human being have in common with all people.¹³

A basic tenet of this study is grounded in the words of Tim Keller, who writes,

Abraham Kuyper taught that the church institutional was the gathered church . . . called to . . . make disciples. This he distinguished from the church organic, referring to all Christians living in the world who have been discipled and equipped to bring the gospel to bear on all of life.¹⁴

Hence, a presupposition of this study is the perspective that God is hidden, yet He is present throughout the day in all things. He provides strength to do work, when rightly ordered, and He waits to providently bless work of human beings as He pleases.

The Fall

Any biblical theology that does not consider Genesis 3 is incomplete.¹⁵

Literature reveals that the goodness of work is overemphasized in Christian thinking and writing while many working Christians, influenced by the world, focus on the toil and

¹²Abraham Kuyper, *Common Grace*, vol. 1, pt. 1 (Grand Rapids: Christian's Library Press, 2013), loc. 618, Kindle.

¹³*Ibid.*, loc. 631.

¹⁴Timothy Keller, *Center Church: Doing Balanced, Gospel-Centered Ministry in Your City* (Grand Rapids: Zondervan, 2012), 240, 241.

¹⁵"To the woman he said, 'I will surely multiply your pain in childbearing; in pain you shall bring forth children. Your desire shall be for your husband, and he shall rule over you.' And to Adam he said, 'Because you have listened to the voice of your wife and have eaten of the tree of which I commanded you, "You shall not eat of it," cursed is the ground because of you; in pain you shall eat of it all the days of your life; thorns and thistles it shall bring forth for you; and you shall eat the plants of the field. By the sweat of your face you shall eat bread, till you return to the ground, for out of it you were taken; for you are dust, and to dust you shall return'" (Gen 3:16-19).

frustration associated with work. Everyone experiences frustration from work to some degree, yet only the Bible explains why this world was subjected to futility. In the letter to the Romans, Paul wrote, “For the creation was subjected to futility not willingly, but because of him who subjected it, in hope” (8:20). When Adam and Eve chose to rebel against God, God cursed the ground and made work painful and difficult. Moreover, through sin, death entered the world. According to Graeme Goldsworthy, “Human thought that reflects this rebellion is foolishness, not wisdom and involves a deliberate and wicked suppression of truth” (Rom 1:18-23; 1 Cor 1:18-25).¹⁶

Rhythm of Labor and Rest

A biblical concept of rest must also be comprehended. Genesis 2:1-3 says, “On the seventh day God finished his work that he had done, and he rested. Therefore, God blessed the seventh day and made it holy, because on it God rested from all his work that he had done in creation.” J. I. Packer considers,

What is God’s ideal? A God-fearing community, marked by common worship and an accepted rhythm of work and rest, plus unqualified respect for marriage and the family, for property and ownership rights, for human life and each man’s claim on protection and for truth and honesty in all relationships.¹⁷

Of Sabbath rest, Gustav Friedrich Oehler writes, “Man, like God, is to work and to rest; thus human life is to be a copy of Divine life . . . by an alternation of work and rest

¹⁶Graeme Goldsworthy, *According to Plan: The Unfolding Revelation of God in the Bible* (Downers Grove, IL: InterVarsity, 2002), 174. Goldsworthy offers a biblical view of how to know what is real and true: “God created everything and therefore knows everything. God also created humankind in his own image so that we know God from what is created. All facts, including those about ourselves, are facts about God, since he is the creator of all facts and gives them their meaning. Confusion enters because of sin. As sinners, we refuse to accept that the universe is God’s and that we are God’s creatures. We refuse God’s interpretation of reality and substitute our own false interpretation. God justly gives mankind up to this folly and, as a consequence, we are no longer able to perceive the truth about God, which is everywhere around us and within us. But it is his goodness, and in accordance with his plan of salvation, God provides a special revelation through his Word. He also sends his Holy Spirit to subdue the rebellious wills of his people so that they can perceive the truth of this revelation. By this means alone are we able to know truly.” Ibid 37.

¹⁷J. I. Packer, *Growing in Christ* (Wheaton, IL: Crossway, 1994), 283.

corresponding with the rhythm of the Divine life.”¹⁸ Here is a vexing statement for contemporary culture from Dorothy Sayer: “We should no longer think of work as something that we hastened to get through in order to enjoy our leisure; we should look on our leisure as the period of changed rhythm that refreshed us for the delightful purposes of getting on with our work.”¹⁹

Joy in Work

For the true meaning of joy, one looks to Jesus. The author of Hebrews reminds readers that Jesus endured the cross for the joy that was set before Him (Heb 12:2). The author exhorts,

Lay aside every weight, and sin which clings so closely, and let us run with endurance the race that is set before us, looking to Jesus, the founder and perfecter of our faith . . . considering him who endured from sinners such hostility against himself, so that you may not grow weary or fainthearted. (Heb 12:1-3)

C. S. Lewis writes, “In our Christian experiences, no doubt we experience sorrow when we repent and joy when we adore.”²⁰

Knowing God, cherishing God, and valuing God above all things are the keys to living for His glory. Psalm 63:3 says, “Your [God’s] steadfast love is better than life.” John Piper’s admonition is that “God’s goal in creation and redemption is to humble the pride of man and exalt the glory of his grace in the person and work of Christ—to be seen and savored and spread.”²¹

From a biblical perspective, the chief end of man is to glorify God. John Piper rightly proclaims that it is truer in suffering than anywhere else, that “God is most

¹⁸Gustav Friedrich Oehler and George E. Day, *Theology of the Old Testament* (New York: Funk & Wagnalls, 1883), 332.

¹⁹Sayers, *Creed or Chaos?*, 55.

²⁰C. S. Lewis, *Christian Reflections*, ed. Walter Hooper, ePub ed. (Grand Rapids: HarperOne, 2014), 140.

²¹John Piper, *Think: The Life of the Mind and the Love of God* (repr., Wheaton, IL: Crossway, 2011), 189.

glorified in us when we are most satisfied in Him.”²² For Jesus said, “If anyone would come after me, let him deny himself and take up his cross daily and follow me. For whoever would save his life will lose it, but whoever loses his life for my sake will save it. . . . For the Son of Man came to seek and to save the lost” (Luke 9:23-24; 19:10). Paul builds on this by saying, “We know that for those who love God all things work together for good for those who are called according to his purpose. . . . For if God is for us who can be against us?” (Rom 8:28, 31).

In John 6:26-27, Jesus said, “I say to you, you are seeking me, not because you saw signs, but because you ate your fill of the loaves. Do not work for the food that perishes, but for the food that endures to eternal life, which the Son of Man will give you.” Jesus taught there is more than worldly gain. There is immeasurable joy in work when it is done according to God’s design. Jesus drank deeply of this well of pleasure. When considering the One who had no place to lay His head, felt the burden from every trial and temptation of mankind, was despised and rejected by men, smitten by God and afflicted, pierced for the transgressions then crushed for the iniquities for humankind, it is incomprehensible to understand the joy the Man of Sorrows felt as He saw the last fold of the grand design unrolled and He passed out of the world with the cry on His lips, “It is finished!” (Isa 53:3-5; John 19:30).

A biblical foundation is important because the gospel has the power to transform everything including the marketplace. Tim Keller teaches that the church institutional “should not think of Christians out in the world as merely distinct and detached individuals.”²³ Jesus reveals the story of God who loves the world and is working to bring hope, forgiveness, acceptance, and growth. Christian leaders in the marketplace should begin and end with this inspiring story of God’s transforming power and sacrificial love.

²²John Piper, *Desiring God: Meditations of a Christian Hedonist*, rev. ed. (Colorado Springs: Multnomah, 2011), 288.

²³Keller, *Center Church*, 241.

Moreover, a biblical worldview is important because humankind was created for community. Every human being needs caring, encouraging, and honest relationships. When people experience Jesus, they share Him with others. Jesus is on a mission to renew or transform people, marketplaces, and cities. Christians in the world must think and work together, band together in creative forms, and be the church organic that the church institutional has disciplined them to be.²⁴ The gospel transforms Christians with a sense of purpose and a mission to become a blessing to others. God loves people and the marketplace. As people love and honor their neighbors at work, home, and in the neighborhood, the marketplace is transformed socially; and as people embrace God's purposes for work, the marketplace is transformed culturally.²⁵ Building a great organization takes leadership. The aim of this study is to add to the body with knowledge that may aid in raising new leaders who experience and display Jesus, and who are intentionally pouring into others to the glory of God.

Literature Review

The purpose of this literature review is to gain a basic understanding of past and current research related to the field of organizational change. Since research on organizational change is broad and encompasses many areas of application, this chapter reviews literature related to the major concepts.

Limitations of the Literature Review

The current review of organizational change literature reflects the results of a comprehensive search of the literature via databases such as EBSCO, ProQuest, and

²⁴Keller, *Center Church*, 241.

²⁵Harbor City Church, "Vision & Values," accessed September 13, 2016, <http://www.harborcity.church/about-us/vision-values/>.

Google Scholar. Search terms, at least initially, were limited to “change management” and “organizational change.” These constructs are in fact technically interchangeable.²⁶

Theoretical Antecedents of Organizational Change

The concept of organizational change is broad, both in its current applications and in its past development. Change itself is the movement from the old way of doing things to a new way. It may entail installing new equipment, restructuring the organization, or implementing a new performance appraisal system—essentially, anything that alters existing relationships or activities. Organizational change has been defined as the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers.²⁷ Though there are many different approaches to organizational change and many ways of categorizing them, there is general agreement that the two dominant approaches are planned change and emergent change, which refer to the locus of control and influence.²⁸

Through his seminal work *Out of the Crisis*, W. Edwards Deming observed, “The first step in the transformation is to learn how to change.” He further stated, “Long-term commitment to new learning and new philosophy is required of any management that seeks transformation.”²⁹ Deming developed and promoted his evolving philosophy of

²⁶Research related to organizational change includes the fields of business and management, education, medicine and nursing, and software development. Organizational change research proper most often finds expression in the environments of business, medicine, and education. Then manufacturing developed its own special branch of organization change often referred to as “TQM” or “re-engineering.” Organizational change reviewed in this chapter includes a broad but limited spectrum of the organizational change construct.

²⁷Rune Todnem By, “Organisational Change Management: A Critical Review,” *Journal of Change Management* 5, no. 4 (December 2005): 369.

²⁸Bernard Burnes, “Emergent Change and Planned Change—Competitors or Allies? The Case of XYZ Construction,” *International Journal of Operations & Production Management* 24, nos. 9/10 (2004): 887.

²⁹W. Edwards Deming, *Out of the Crisis* (Cambridge, MA: Massachusetts Institute of Technology, 1986), x.

continual improvement in what he called the System of Profound Knowledge (SPK). Edgeman and Fraley write, “As conceived by Dr. Deming, profound knowledge is a consequence of individual transformation, leading to greatly enhanced awareness or consciousness.”³⁰ Those who worked closest with Deming said, “If one sentence could summarize or describe the Deming philosophy, I think it would be: ‘Joy of ownership through joy of workmanship.’”³¹ More about this amazing man is investigated as the basis of research.

Planned Change

Planned change aims at improving the operation and effectiveness of the human side of the organization through participative, group, and team-based programs of change. However, by the 1980s, with the rise of corporate Japan, the lines at the gas pumps of the 1970s, and a severe economic downturn, many organizations needed to transform rapidly and often brutally if they were to survive.³² Therefore, to many, planned change is viewed negatively.

Planned organizational change requires a systematic process of improvement from one condition to another. Organizations adapt to their environment in two ways: by reacting to the changes in the marketplace or by proactively influencing change and creating new opportunities in the marketplace. The first is driven by a response to a perceived threat while the second is motivated by a desire to innovate.³³

³⁰Rick L. Edgeman and Lynn A. Fraley, “A System of Profound Consciousness: Building beyond Deming,” *Total Quality Management & Business Excellence* 19, nos. 7/8 (August 2008): 687.

³¹William W. Scherkenbach, *Deming's Road to Continual Improvement* (Knoxville: SPC, 1991), 4.

³²Bernard Burnes, “Complexity Theories and Organizational Change,” *International Journal of Management Reviews* 7, no. 2 (2005): 75.

³³Grieves, *Organizational Change*, 388.

As the first antecedent, the scientific notion of “one best way” for the production process was developed primarily by Frederick Taylor, founder of Scientific Management, toward the end of the nineteenth century.³⁴ Scientific Management was representative of a new way of thinking for business people. Before World War I, most businesses were sole proprietorships or family businesses, which limited their ability to innovate and grow. Managers led by coercion, and the concept of pay-for-performance was virtually unknown. Change was very slow, if at all. Scientific Management aimed to reduce inefficiency through the study and improvement of each work task. Taylor’s theory is that the principle objective of management should be to seek the care of maximum prosperity for the employer, coupled with the maximum prosperity for each employee.³⁵ He further stated, “Maximum prosperity for each employee meant not only higher wages, but also the development of each man to maximum efficiency so that he may be able to do the highest grade of work for his natural abilities.”³⁶

As a second antecedent, Henri Fayol, in his 1916 book *General and Industrial Management*, was one of the first writers to make the link between structure and function. Henri Fayol was a French industrialist management thinker of the early twentieth century who has long been acknowledged as a founding father of the classical management school of thought.³⁷ Fayol is credited with a three-fold contribution to management thought. First, he is credited with the organizational belief that business life was an amalgamation that includes six activities: technical, commercial, financial, security,

³⁴Lee D. Parker and Philip Ritson, “Accounting’s Latent Classicism: Revisiting Classical Management Origins,” *Abacus* 47, no. 2 (June 2011): 235.

³⁵Frederick Winslow Taylor, *The Principles of Scientific Management* (Norcross, GA: Engineering & Management, 1998), 1.

³⁶*Ibid.*

³⁷Lee D. Parker and Philip A. Ritson, “Revisiting Fayol: Anticipating Contemporary Management,” *British Journal of Management* 16, no. 3 (September 2005): 175.

accounting, and management. Second, Fayol is credited with identifying the five key functions that comprise managerial activity: forecasting and planning, organizing, coordination, command, and control. Third, Fayol identified fourteen principles designed to guide managerial success.³⁸ Fayol encouraged leaders to set a good example:

One of the most effective methods of motivating employees is by example. When the manager sets an example of punctuality, no one else dares to arrive late; and, if he knows his job, his subordinates will find their work more enjoyable. Bad example, too, is contagious; coming from above it has very serious repercussions on the unit as a whole. That is one of the countless reasons why a manager must be productive and effective; not only his work, but the work of others is at stake.³⁹

Fayol and Taylor are commonly attributed with participating in the “classical school” of management. The difference between Fayolism and Taylorism is the notion that Taylor sought to perfect management from the shop floor up, while Fayol went from the top down.⁴⁰ Both are credited with advocating an authoritarian model of management. Fayol, along with Taylor, is commonly portrayed as a fellow traveler of the Scientific Management movement that focused on managing the total organization. Thus, reacting

³⁸Parker and Ritson, “Revisiting Fayol,” 176. “Fayol’s fourteen principles of management: 1) Division of work--Reduces the span of attention or effort for any one person or group. Develops practice and familiarity. 2) Authority—The right to give orders. Should not be considered without reference to responsibility. 3) Discipline—Outward marks of respect in accordance with formal or informal agreements between a firm and its employees. 4) Unity of command—One man [sic] one superior! 5) Unity of direction—One head in one plan for a group of activities with the same objective. 6) Subordination of individual interest to the general interest—The interest of individual or one group should not prevail over the general good. This is a difficult area of management. 7) Remuneration—Pay should be fair to both the employee and the firm. 8) Centralization—Is always present to a greater or lesser extent, depending on the size of the company and the quality of its managers. 9) Scalar chain—The line of authority from top to bottom of the organization. 10) Order—A place for everything and everything in its place; the right man [sic] in the right place. 11) Equity—A combination of kindness and justice towards employees. 12) Stability of tenure of personnel—Employees need to be given time to settle into their jobs, even though this may be a lengthy period in the case of some managers. 13) Initiative—Within the limits of authority and discipline, all levels of staff should be encouraged to show initiative. 14) *Espirit de corps*—Harmony is a great strength to an organization; teamwork should be encouraged.” Ibid.

³⁹Henri Fayol and Irwin Gray, *General and Industrial Management*, Lake Books ed. (Belmont, CA: David S. Lake, 1987), 52.

⁴⁰Parker and Ritson, “Revisiting Fayol,” 177.

to the authoritarianism advocated by Fayol, outcomes became contingency theory and a human relations movement.

As the third antecedent, Harvard professor C. I. Lewis, through his 1929 book *Mind and the World Order*, led the way in experimenting with new laws of thought that valued logical systems. He said, “‘The laws of logic’ are merely human conventions, adopted for their utility.”⁴¹ Lewis considers recognition of an objective world of orderly experience to be “an achievement of intelligence expressed in our categorical distinctions.”⁴² Lewis writes,

The *a priori* represents an attitude in some sense freely taken, a stipulation of the mind itself, and a stipulation which might be made in some other way if it suited our bent or need. . . . The formulation of these concepts is, indeed, a matter determined by the commerce between our intellectual or our pragmatic interests and the nature of experience.⁴³

Lewis himself called his philosophic position “conceptualistic pragmatism.” The conceptualistic aspect is considered the result of influence from Immanuel Kant, whereas the pragmatic element is deemed the outcome of Lewis’s education at Harvard under William James. Pragmatism is a philosophy developed and popularized at the end of the last century by philosophers such as James and John Dewey, with roots in Darwinism and secular humanism. It is inherently relativistic, rejecting the notion of absolute right and wrong, good and evil, and truth and error. Pragmatism ultimately defines choices as to what is useful, meaningful, and helpful. Ideas that do not seem workable or relevant are rejected as false.⁴⁴

⁴¹Nancy Pearcey and Charles B. Thaxton, *The Soul of Science: Christian Faith and Natural Philosophy*, Turning Point Christian Worldview Series (Wheaton, IL: Crossway, 1994), 153.

⁴²Clarence Irving Lewis, *Mind and the World-Order: Outline of a Theory of Knowledge* (New York: Dover, 1956), 114.

⁴³*Ibid.*, 25-26.

⁴⁴John F. MacArthur, Jr., *Ashamed of the Gospel: When the Church Becomes like the World* (Wheaton, IL: Crossway, 1993), 12. MacArthur wrote, “I am convinced that Pragmatism poses precisely the same subtle threat to the church in our age that Modernism represented nearly a century ago. Modernism was a movement that embraced higher criticism (an approach to Scripture that discards the

Lewis had a profound impact on W. Edwards Deming's mentor Walter Shewhart. Deming said about Shewhart,

He acknowledged an everlasting debt to Lewis' *Mind and the World Order*, which he recommended me. I had the usual difficulty with it, and I recall saying at the end of the seventh reading that so far it had meant nothing to me. "Stay with it," he said, "I read it fourteen times before it began to mean anything."⁴⁵

As the fourth antecedent of planned change, consider Walter Shewhart's books *Economic Control of Quality of Manufactured Products* (1931) and *Statistical Method from the Viewpoint of Quality Control* (1939).⁴⁶ Shewhart, whose advances in quality of products coincided with the time in which mass production started to dominate manufacturing, was concerned about the economic control of quality items produced on mass scale and stressed the need to make the most efficient use of raw materials, maximize the assurance of quality, minimize the cost of inspection, and minimize loss of rejection.⁴⁷

At Bell Laboratories, Shewhart pioneered a statistical method to ensure industrial quality, and during World War II, the War Department used this method. They created a think tank, which included Deming at Stanford, where he taught the statistical method. The War Department was so pleased with the work of the Stanford group that they required many defense contractors to apply Shewhart's standards. Shewhart was

notion the Bible is God's word) and liberal theology while denying nearly all the supernatural aspects of Christianity. Of modernism, it did not first surface as an overt attack on Orthodox doctrine. The earliest modernists seemed concerned primarily with interdenominational unity. They were willing to downplay doctrine for that goal, but they believed doctrine was inherently divisive, and a fragmented church would become irrelevant in the modern age. To heighten Christianity's relevance, modernists sought to synthesize Christian teachings with the latest insight from science, philosophy, and literary criticism. Modernism began as a methodology but soon evolved into a unique theology." Ibid., 14.

⁴⁵W. Edwards Deming, "Walter A. Shewhart, 1891-1967," *The American Statistician* 21, no. 2 (1967): 39.

⁴⁶Walter Andrew Shewhart, *Economic Control of Quality of Manufactured Product* (New York: D. Van Nostrand Company, 1931); idem, *Statistical Method from the Viewpoint of Quality Control* (Washington, DC: Graduate School of the Department of Agriculture, 1939).

⁴⁷Martyna Sliwa and Mark Wilcox, "Philosophical Thought and the Origins of Quality Management: Uncovering Conceptual Underpinnings of W. A. Shewhart's Ideas on Quality," *Culture & Organization* 14, no. 1 (March 2008): 98.

greatly influenced by the philosophy of science, particularly pragmatism and the notion of prediction. Deming became an expert in the application of Shewhart's methodology and came to love the work, not only for the mathematical excellence, but also because it provided social value; for by helping people to make their products better, it helped make their lives better.

It would appear the epistemology of Shewhart lies within the domain of phenomenalism, where the theory is that physical objects have no existence except as "sense data" experienced by the men who perceive them. Whereby from this theory—the only knowledge of truth is found in the sense data—one collects from the external world.⁴⁸

Deming was influenced by what he called a "rich legacy" left by Shewhart, which included his Rules 1 and 2 on the presentation of data:

Rule 1. The original data should be presented in a way that will preserve the evidence in the original data for all the predictions assumed useful.

Rule 2. Any summary of a distribution of numbers should not give an objective degree of belief in any one of the inferences or predictions to be made there from that would cause human action significantly different from what this action would be if the original distribution had been taken as a basis for evidence.⁴⁹

Then there is his Criterion of Meaning:

Every sentence in order to have definite scientific meaning must be practically or at least theoretically verifiable as either true or false upon the basis of experimental measurements either practically or theoretically attainable by carrying out a definite and previously specified operation in the future. The meaning of such a sentence is the method of its verification.⁵⁰

As the fifth antecedent for planned change, Kurt Lewin is credited with initiating the planned approach to organizational change in 1946. Group dynamics began as an identifiable field of inquiry in the United States toward the end of the 1930s, and its

⁴⁸J. V. Fesko, "N. T. Wright on Prolegomena," *Themolios* 31, no. 3 (2006): 7.

⁴⁹Deming, "Walter A. Shewhart, 1891-1967," 39.

⁵⁰*Ibid.*

origination is associated primarily with Lewin; however, group dynamics were not the creation of just one person.⁵¹ Lewin contends the term *learning* refers in

more or less vague way to some kind of betterment. . . . Around 1910, students were taught to explain any change in behavior by learning (which meant improvement in speed or quality), by fatigue (which meant decrease in speed or quality), or by a combination of the two. Actually, the term learning refers to a multitude of different phenomena.⁵²

According to Lewin, it is not possible to study a human system without intervening in it, and can only be fully understood by trying to change it. He proposed that a group standard consists of a field of forces. The force field analysis framework theorizes the status quo as an equilibrium state resulting from driving and restraining forces.⁵³ The distribution is such that while driving forces direct behavior away from the status quo, restraining brings about a return to the status quo. Therefore, for equilibrium to change, driving forces must be increased while restraining forces are reduced. Lewin advocates that successful change of behavior governed by group standard includes three aspects: (1) unfreezing the existing field of forces; (2) moving to a new level of equilibrium; and (3) freezing group life on the new level.⁵⁴ Lewin developed the fundamental assumptions of change in a human system.

⁵¹Dorwin Cartwright and Alvin Frederick Zander, *Group Dynamics: Research and Theory*, 3rd ed. (New York: Harper & Row, 1968), 7.

⁵²Kurt Lewin, *Field Theory in Social Science; Selected Theoretical Papers* (New York: Harper, 1951), 65. Lewin stated, "Like any science, psychology is in a dilemma when it tries to develop general concepts and laws. One abstract from individual differences, there is no logical way back from these generalities to the individual case. This problem has been accused in other sciences. In the time of the Greeks, geometry shifted from a 'classificatory' method (which groups geometric figures according to 'similarities') to a 'constructive' or 'genetic' method (which groups figures according to the way they can be produced or derived from each other). Ever since, the 'genetic definition' has dominated mathematics. In physics, a similar development occurred at the time of Galileo. Biology tried to take a major step in this direction when the system of Linne was superseded by that of Darwin." *Ibid.*, 60-61.

⁵³Gregory D. Hammond, Eric B. Gresch, and Dean C. Vitale, "Homegrown Process Improvement Employing a Change Message Model," *Journal of Organizational Change Management* 24, no. 4 (July 5, 2011): 489.

⁵⁴Cartwright and Zander, *Group Dynamics*, 149.

Emergent Change

It is always important to consider the strategy development processes of an organization. Typically, the strategies an organization pursue are a mixture of planned and emergent.⁵⁵ Planned strategies of organizational change are usually the product of formal, careful, and deliberate strategic planning associated with top management decisions, but the strategy that is actually pursued is generally somewhat emergent, including bottom-up initiatives, rapid responses to unanticipated opportunities and threats, or sheer chance.⁵⁶ Emergent change is a pattern of what has become known as incremental change or development. These types of strategies do not typically change in major shifts of direction, but rather, they change by building or amending what has gone before. Prior decisions tend to affect future directions, giving rise to the sort of pattern described as emergent or bottom up. This approach, in theory, is better able to achieve a broader understanding of the problems of managing change within complex environments. Organizational changes seem to be less dependent on detailed plans and projections than in reaching an actual understanding of the complexities of the issues involved in identifying the range of possible options.⁵⁷

As the first antecedent to emergent change, in 2012, Marie-Anne Chidiac's action research led to her finding that the Gestalt-informed approach strengthens the case for emergent approaches to be used in organizational change.⁵⁸ The research suggests two

⁵⁵Cartwright and Zander, *Group Dynamics*, 382, write, "Emergent situations' refers to what has been frequently called the 'leaderless situation.' It is felt that 'emergent' is more appropriate, since 'leaderless' connotes a lack of leadership, where in our groups a leader usually emerged."

⁵⁶Gerry Johnson, Kevan Scholes, and Richard Whittington, *Exploring Corporate Strategy*, 8th ed. (Essex, England: Pearson Education, 2008), 15.

⁵⁷Burnes, "Emergent Change and Planned Change," 548.

⁵⁸Eric L. Johnson, *Foundations for Soul Care: A Christian Psychology Proposal* (Downers Grove, IL: InterVarsity, 2007), 308. Human beings are forms of meaning. The concept of form has been a perennial theme in the Western intellectual tradition, and it has typically meant figure, pattern, structure, or whole; in German, the word is gestalt. Every object—the triune Creator as well as every creature he has made—has a particular form, a specific pattern of elements that together make it a whole entity.

implications for scholars and practitioners. First, it shows the usefulness of continuous sensing into the phenomenological experience of the change project. Second, the study shows that experimentation with new ways of being is crucial to an organization that wants to grow and remain responsive in its environment.⁵⁹ Chidiac identifies the research as “a preliminary/exploratory research into a more emergent, relational and holistic organizational change management approach.”⁶⁰ Chidiac identifies that further research is needed into the effectiveness of a Gestalt best approach for a variety of organizational change contexts.

The second antecedent to emergent change is John P. Kotter’s 1996 book *Leading Change*, which includes an eight-step model for transforming organizations. Two key lessons learned from the model are that change processes go through a series of phases, each lasting a considerable amount of time, and the critical mistakes in any of the phases can have a devastating impact on the momentum of the change process.⁶¹ Kotter’s eight-stage model is aimed at the strategic level of the change process: (1) Establishing a sense of urgency; (2) Creating the guiding coalition; (3) Developing vision and strategy; (4) Communicating the change vision; (5) Empowering employees for broad-based action; (6) Generating short-term wins; (7) Consolidating gains and producing more change; and (8) Anchoring new approaches in the culture.⁶²

Organization Development (OD)

Organizational development (OD) is the process of planned change and improvement of organization through the application of knowledge of the behavioral

⁵⁹Marie-Anne Chidiac, “An Organisational Change Approach Based on Gestalt Psychotherapy Theory and Practice,” *Journal of Organizational Change Management* 26, no. 3 (May 2013): 472.

⁶⁰Ibid.

⁶¹Anthony Mento, Raymond Jones, and Walter Dirndorfer, “A Change Management Process: Grounded in Both Theory and Practice,” *Journal of Change Management* 3, no. 1 (2002): 45-46.

⁶²John P. Kotter, *Leading Change* (Boston: Harvard Business School Press, 1996), loc. 320.

sciences. It addresses how people function in organizations and how to get them to function better. It is a field based on knowledge from behavioral science disciplines such as psychology, social psychology, social ecology, anthropology, systems theory, organizational behavior, organization, and management.⁶³ OD is a process of diagnosing, taking action, re-diagnosing, and taking new action.

In general, OD programs are aimed at three basic organizational dimensions which affect performance. First, *effectiveness* refers to the accomplishment of specific organization goals and objectives. Each organization creates its own method of measuring effectiveness. Second, *efficiency* refers to the ratio of output (results) to input (resources). Lastly, *motivational climate* consists of the employee attitudes and morale, which influence the level of performance.⁶⁴

The late William L. French wrote, “Action research is a cornerstone of organization development, underlying both the theory and practice of the field.”⁶⁵ There are two philosophical and pragmatic values underlying action research. The first value is that programs designed to solve real problems should be based on diagnostic research—an *action-should-follow-research* mode of thinking. The second value is that action should be accompanied by research in order to build the cumulative body of knowledge of the effects of the various actions directed to solve real problems—a *research-should-follow-action* mode of thinking.⁶⁶

⁶³Wendell L. French and Cecil H. Bell, *Organization Development: Behavioral Science Interventions for Organization Improvement*, 6th ed. (Upper Saddle River, NJ: Prentice Hall, 1998), 1.

⁶⁴Donald F. Harvey and Donald R. Brown, *An Experiential Approach to Organization Development*, 3rd ed. (Englewood Cliffs, NJ: Prentice Hall, 1988), 68.

⁶⁵French and Bell, *Organization Development*, 130. Action research is the process of systematically collecting research data about an ongoing system relative to some objective, the goal, or need in the vet system; feeding these data back into the system; taking action by altering selected variables within the system based both on the data and on hypotheses; and evaluating the results of actions by collecting more data.

⁶⁶*Ibid.*, 141.

Contextual Drivers for the Rise of Organizational Change

Today's global forces for change are moving the world into a remarkable new set of circumstances, in which human social organizations inherited from the modern era may be unequal to the challenges posed by overpopulation, environmental damage, technology-driven revolutions, gross imbalances between rich and poor, the onslaught of treatment-resistant diseases, radical Islam, and the fear of hostile nuclear proliferation.⁶⁷ In a note written April 4, 1992, to capture his thoughts that the United States was in a crisis, Deming wrote, “Japan was in crisis. The crisis was visible, the country blown to bits, destroyed by fire. Our country is in worse crisis because it is invisible.”⁶⁸ In the marketplace, the secret for Deming is management of people. He stated that transformation is required, not mere change.⁶⁹

Modern and Postmodern Organizations

Jim Grieve puts forth four pathways to change that he argues expose the managerialist—the structure-functional perspective, the multiple constituencies perspective, Organizational Development, and Creativity and Volition: A Critical Theory of Change.⁷⁰ Each perspective emerged as a reaction to modernism, most notably in business management where modernity reflected the tasks of controlling organizations.

The structural-functional change perspective is the oldest perspective on organizational change. It begins with the view that organizations are adaptive organisms.

⁶⁷David L. Cooperrider and Jane E. Dutton, eds., *Organizational Dimensions of Global Change: No Limits to Cooperation*, Human Dimensions of Global Change (Thousand Oaks, CA: Sage, 1999), preface.

⁶⁸W. Edwards Deming, *The Essential Deming: Leadership Principles from the Father of Quality* (New York: McGraw-Hill, 2012), 2.

⁶⁹*Ibid.*, 1.

⁷⁰Grieves, *Organizational Change*, 6-7.

In effect, it is a social-system view of organizations, or open systems view, rather than the mechanistic or closed-systems perspective of Newtonian physics.

Multiple contingency theory describes organizations as coalitions of self-interested participants. The change of organizational goals is a result of bargaining processes because an organization is a dynamic coalition of individuals and groups, all of which have different demands. The focus is on how goals are achieved and whose interests are satisfied and affected by the actions taken in the name of the organization. Focus is on the way resources are managed and distributed in the interest of governance.⁷¹ The multiple constituencies' perspective reflects the view of social systems in which people take actions and engage in activities to maximize their own interests.

As discussed previously, OD is derived from human resource theory or organizational behavior. The research indicates that individual and organizational needs are part of this use of applied social science.

The Creativity and Volition perspective focuses on the structures, functions, and practices of groups within the organization. It is informed by critical theory, which seeks to focus on the ways in which people interact as well as on the motives for doing so, and it suggests that creativity in critical analysis should become the focus for any change interventions.⁷² The central tenet of this focus is that conflict rather than consensus is the driving force for change at an individual or group level.

⁷¹Grieves, *Organizational Change*, 19. Grieves writes, "The multiple contingencies perspective suggests that, before any change initiative, change agents should analyze the following issues: (1) The purposes and motivations of a stakeholder; (2) The resources of a stakeholder. These will include material, symbolic, and physical resources, as well as informational resources and skills; (3) Special knowledge and opinions of the stakeholder; (4) Stakeholders' commitments to the organization and expertise; (5) Relationships between stakeholders, focusing particularly on the amount of power (or authority), responsibility, and accountability they have; (6) The extent of the network of independent relationships among stakeholders; (7) The extent of which a change in strategy can be identified in the interest of any one particular stakeholder." Ibid., 21.

⁷²Ibid., 22-23. Grieves explains, "Implications of this assumption are (1) Organizations, like the social world in general, are better characterized by conflict, flux, and change than by the stability and consensus typical of the structural-functional perspective. Indeed, the creativity emerges from the challenge and conflict of ideas; (2) People and organizations do not simply follow orders, nor do they occupy roles as prescriptively as the structural-functional perspective assumes. People are therefore active agents within

Up until this point, the focus has been on organizations of the post-industrialized age, or chaos management eras. In other words, they referred to the ideal form of organization of the modern era, or most major corporations (military, educational, and government), for more than a century. Emerging processes of organization can be categorized as postmodern.

Kenneth J. Gergen suggests,

The specific relevance to our present concerns, we must characterize the modern organization as one committed, at the outset, to a hierarchical view of relationship. The more primitive form, the single, rational agent takes command over a group of subordinates. . . . It is important to point out that the modern organization represents a major incitement to ethical conflict.⁷³

Since the modern organization is framed as an individual metaphor of relative independence from their social surroundings, as modern organizations become globalized, they essentially try to replicate themselves throughout the world. Gergen continues, “The organization becomes an alien intruder that functions primarily to fortify (and justify) its own hegemonic ends.”⁷⁴

On the other hand, postmodern organization theory does coincide with social constructionist philosophy. According to Gergen, social constructionists typically favor a relativistic stance concerning ethical premises and therefore stand against any potential hegemonic articulation of the good. The result is a shift of focus from individuals or social structures to processes of ongoing interchange—processes we may characterize as relational. It is interesting that Gergen concludes, “I wish to propose a conception of relational process as a pivotal metaphor for achieving the dual ends of organization sustenance and ethical well-being.”⁷⁵

organizations. The social practice of creativity is, therefore, the driving force of organizational change; (3) Observations of organizational life should reject the specter view of knowledge.” Ibid., 28.

⁷³Kenneth J. Gergen, “Global Organization and the Potential for Ethical Inspiration,” in Cooperrider and Dutton, *Organizational Dimensions*, 260-61.

⁷⁴Ibid., 261.

⁷⁵Ibid., 264.

Organizational Culture

When an organization evaluates the launch of the change program, it is often not clear at the outset how the culture will affect the change program. Therefore, the cultural assessment process may be required. Schein states, “It is generally better to be very clear about the change goals before launching the culture assessment.” He emphasizes, “Change goals must be defined concretely in terms of the specific problem you are trying to fix, not as ‘culture change.’”⁷⁶

A leader can dictate new ways of doing things, articulate new goals, and change reward and control systems, but unless the new way of doing things actually produces better outcomes and provides group members new and shared experiences, then the culture will not change. New cultural elements can only be learned if the new behavior leads to success and satisfaction. Once a culture exists and has had some period of stability, a culture cannot be changed directly unless the group itself is dismantled. Schein concludes, “Change leaders need a model of change that includes ‘unlearning’ as a legitimate stage, and that can deal with transformations, not just enhancements.”⁷⁷

Socio/Economic

Socio-economic factors should not be underestimated. Burnes states, “The influence of the immediate social context may be markedly different across regional, national and international borders.”⁷⁸ He provides an example of employees in well-established jobs that do not appreciate any form of change, where the results may not be

⁷⁶Edgar H. Schein, *Organizational Culture and Leadership*, 4th ed. (San Francisco: Jossey-Bass, 2010), 310-11. One of the biggest mistakes leaders make when they undertake change initiatives is to be vague about their change goals and to assume that “culture change” would be needed.

⁷⁷Ibid., 311. Schein adds, “Many kinds of changes that leaders impose require only learning and therefore are not resisted. These are usually behaviors that make it easier to do what we want to do anyway. However, once we are adults and once our organizations have developed routines and processes that we have become used to, we may find that new proposed ways of doing things look like they will be hard to learn or will make us feel inadequate in various ways.” Ibid., 314.

⁷⁸Burnes, “Emergent Change and Planned Change,” 886.

an open rebellion against change, but rather an “I am all right, why change anything?”⁷⁹ mentality. By contrast, an area that has undergone a great deal of social economic change during the preceding years, such as the closure of major local employers, creates a work population of people with experience in a high work ethic. Moreover, due perhaps to events witnessed within former employers, this can result in a group of people more willing to participate in progressive change initiatives.

Cognition

Through research of coercive persuasion, professional education, group dynamics training, and management develop, Edgar Schein has developed an elaborate three-stage human system change model. In “Stage 1 Unfreezing: Creating Motivation,” Schein contends, “If any part of the core cognitive structure is to change in more than minor incremental ways, the system must first experience enough disequilibrium to force a coping process that goes beyond just reinforcing the assumptions that are already in place.”⁸⁰ Lewin called creating disequilibrium or a motive to change “unfreezing.”

According to Schein, transformative change implies that the person or group must unlearn something as well as learn something new. He further suggests that the difficulty of such change has to do with the unlearning because what we have learned has become embedded in various routines and may have become part of our personal and group identity. Hence, Schein argues, “The key to understanding ‘resistance to change’ is to recognize that some behavior that has become dysfunctional for us may be difficult to give up and replace because it serves other positive functions.”⁸¹

⁷⁹Burnes, “Emergent Change and Planned Change,” 886.

⁸⁰Ibid., 299. Burnes continues, “Three processes must be present for the system to develop any motivation to change: (1) enough disconfirming data to cause serious discomfort and disequilibrium; (2) the connection of the disconfirming data to important goals and ideas, causing anxiety and/or guilt; and (3) enough psychological safety, in the sense of being able to see a possibility of solving the problem in learning something new without loss of identity or integrity.” Ibid., 301.

⁸¹Ibid., 301. Disconfirmation is any information that shows the organization that its goals are

Schein identifies *learning anxiety* as critical behavior risk of unfreezing. He defines learning anxiety as a feeling individuals or group members may have that says, “I cannot learn new behaviors or new attitudes without losing a feeling of self-esteem or group membership.” For change agents, reduction of learning anxiety is the most important component of unfreezing—the creation of psychological safety.⁸² People must be persuaded that the gains from the change will be greater than the felt needs associated with perceived losses.

After the unfreezing of an organization, the change process can proceed along a number of different lines that reflect new learning or, in the case of this thesis, through either planned or emergent change. In either case, the essence of new learning is “cognitive redefinition” of the core concepts in the assumptions set. Most change processes emphasize the need for behavior change. Such change is important and lays the groundwork for cognitive redefinition established on the part of the senior management of the organization, but behavior change alone will not last unless it is accompanied by cognitive redefinition. Schein identifies cognitive redefinition as “restructuring.”⁸³ The general principle is that the change agent must be clear about the ultimate goals—the new way of working that is to be achieved.

The final step in a change process is *refreezing*. In the Lewin model, new learning is not stabilized until it is reinforced by actual results. If the change leaders have accurately diagnosed the behavior that is to be modified or fixed in the launched change program, then the new behavior will produce better outcomes. If the new behavior does not produce better results, the disconfirming information may launch a new change process. Thus, human systems are potentially in perpetual flux. According to Schein, the

not being met or that some of its processes are not accomplishing what they are supposed to do.

⁸²Schein, *Organizational Culture and Leadership*, 301.

⁸³*Ibid.*, 307.

more dynamic the environment, the higher the probability for perpetual change or learning processes.⁸⁴

W. Edwards Deming

W. Edwards Deming knew that the best employees in the world or perfectly manufactured parts only work as well as the system allows. This is only accomplished by design, not by accident.⁸⁵ The impact of his teachings on American manufacturing and service organizations has been profound. He improved the competitive position of the United States by leading a sweeping quality revolution.⁸⁶ Deming taught the necessity to undergo a complete demolition of the American style of management that has become complacent, accepting defective materials, poor workmanship, and inattentive service, because that eventually leads to poor quality and lower productivity.

Within his fourteen-point transformation change theory, Deming believed America must adopt a new philosophy. He emphasized, “We are in a new economic age. Western management must awaken to the challenge, must learn to take responsibility and leadership for change.”⁸⁷ He further espoused,

We can no longer tolerate commonly accepted levels of mistakes, defects, material not suited for the job, people on the job that do not know what the job is and are afraid to ask, handling damage, antiquated methods of training on the job, inadequate and ineffective management not rooted in the company, job hopping in management.⁸⁸

Deming was born in Sioux City, Iowa, in 1900. Deming earned his Bachelor’s degree in electrical engineering from the University of Wyoming, a Master’s degree from

⁸⁴Schein, *Organizational Culture and Leadership*, 310.

⁸⁵Joyce Nilsson Orsini, “W. Edwards Deming the First Management Engineer,” *IET Engineering Management* 16, no. 3 (July 2006): 46.

⁸⁶W. Edwards Deming, *The New Economics for Industry, Government, Education*, 2nd ed. (Cambridge, MA: The MIT Press, 2000), loc. 50, Kindle.

⁸⁷Deming, *Out of the Crisis*, 23.

⁸⁸*Ibid.*, 26.

the University of Colorado, and, in 1928, a Ph.D. in mathematical physics from Yale. He worked for Western Electric and was greatly influenced by Walter S. Shewhart, the developer of the control chart. During World War II, Deming worked for the War Department and the Census Bureau.

In 1948, the Japanese Union of Scientists and Engineers invited Deming to teach quality control in Japan. Deming is credited with opening the eyes of Japanese manufacturers to the modern approach of the quality problem and taught them how to make products desirable among the world consumers. In a country burdened by scarce natural resources, Deming set the guideline that would bring prosperity to the island. As a teacher and consultant, Deming taught his Japanese students the scientific way to produce more products with greater uniformity, dependability, and marketability. When he went to Japan, his focus was to help them understand Walter Shewhart's work on statistical process control. In the following years, he made over twenty-five trips to Japan. In honor of his contribution to the Japanese economy, the Union of Scientists and Engineers created the Deming Prize for quality improvement. While Taylor represents a basic philosophical perspective that is based on positivistic, deterministic concepts rooted in the understanding of a predictable mechanical universe, Deming represents a systems-oriented and dynamic pragmatism.⁸⁹ Supporters of Deming's approach claim that Taylorism is a false methodology that ultimately seeks managerial dominance over workers and fosters unhealthy outcomes, treating workers as though they are biological parts in some great machine, as well as creating unhealthy competition between organizational units and individuals.⁹⁰ The Deming philosophy stresses education, which is vitally necessary but is not sufficient in itself for the change that is needed.

⁸⁹John B. Washbush, "Deming: A New Philosophy or Another Voice?" *Management Decision* 40, no. 10 (2002): 1029.

⁹⁰Ibid.

Meanwhile, for all his time in Japan, Deming struggled to get his ideas adopted by American management. It was not until 1978 that the octogenarian's name and reputation became known to a few Detroit auto executives. At that time, they were on a fact-finding mission to understand how the Japanese automakers surpassed American automakers in quality and design.⁹¹ All that changed in June 1980 with the airing of the NBC television documentary "If Japan Can, Why Can't We?" The show brought Deming and his philosophy into sharp focus for many American managers. Much of Deming's management philosophy is summarized in his fourteen points for management, which he developed in the 1970s from years of experience trying to teach other people how to achieve quality, strongly emphasizing organizational change. His fourteen points are generally held to be the philosophy on which any Total Quality Management (TQM) effort rests.⁹²

Deming practiced what he preached in terms of the first of his fourteen points, which he calls the constancy of purpose for ever-continuing improvement. For example, Deming's teachings are not cast in stone. Until his death at the age of ninety-three, Deming was continually developing a philosophy of management that is based on strong, methodical foundations. For example, *Out of the Crisis* was published in 1986 around Deming's 86th birthday. Deming was called "the father of the third wave of the Industrial Revolution."⁹³ He was committed to quality at every level. It is reasonable to project that this commitment to "total quality" had its roots and origin in his deep Christian faith.⁹⁴

⁹¹Andrea Gabor, *The Man Who Discovered Quality: How W. Edwards Deming Brought the Quality Revolution to America: The Stories of Ford, Xerox, and GM* (New York: Times, 1990), 3.

⁹²Susan Phelps, "More 'Walk the Talk:' Deming's 14 Points Applied to Contracting Out," *The Journal of Management Development* 17, no. 6 (1998): 463.

⁹³Edgeman and Fraley, "A System of Profound Consciousness," 687.

⁹⁴Frank Voehl and W. Edwards Deming, eds., *Deming: The Way We Knew Him* (Delray Beach, FL: St. Lucie, 1995), 162.

At the Requiem for W. Edwards Deming, Father August W. Peter said of

Deming:

It pleased him to a great degree to have the Deming Prize established in his name to recognize Japanese manufacturers who made significant advances in the quality of their products. Over the years his superhuman lecturing schedule brought him considerable prestige and material reward. Yet he never became overly impressed with his position and wealth, nor did he allow himself to become secularized. He was no slave to mammon. . . . The reward of eternal life was more important to Edwards Deming than the rewards of this world. . . . He never forgot who he was and Whose he is.⁹⁵

To Deming, the role of management in guiding a change process is of utmost importance. Management is solely responsible for answering the questions, “What should be changed” and “How should the change process be started?” Deming bluntly said, “Performance of management should be measured by the potential to stay in business, to protect investment, to ensure future dividends and jobs through improvement of product and service for the future, not by the quarterly dividend.”⁹⁶ He taught that the sickness in American industry resulting in unemployment is the failure of top management to manage.⁹⁷ Deming believed that schools of business play a fundamental role in the problem of the American management approach. In 1978, he wrote to the Dean of the American University School of Business:

There is in most American schools of business a loss of respect for the fundamentals of knowledge such as economics, history, theory of law, psychology, mathematics, statistical methods. Substitution of the computer for fundamentals will take its toll on American production.⁹⁸

According to Deming, “quality begins with intent, which is fixed by management.”⁹⁹ To him, the consumer is the most important part of the production line. Deming taught,

⁹⁵Voehl and Deming, *Deming*, 164.

⁹⁶Deming, *The Essential Deming*, 15.

⁹⁷Ibid.

⁹⁸Ibid., 6.

⁹⁹Deming, *Out of the Crisis*, 5.

Poor quality begets poor quality and lowers productivity . . . some of the poor quality goes out the door, into the hands of the consumer. The multiplying effect of an unhappy consumer is one of those unknown and unknowable figures, and likewise the multiplying effect of a happy customer, who brings in business.¹⁰⁰

Diseases and Obstacles

Trying to impact society with his wisdom, Deming taught that, for years, price and not total cost of use governed the purchases. He warned that market decline is accelerated by the aim of management to maximize the price of company stock, because “quick returns, whether by acquisitions, or by divestiture, or by paper profits or by creative accounting are self-defeating. The effect, in the long run, erodes investment and ends up as just the opposite to what was intended.”¹⁰¹ He frequently wrote and spoke about the seven deadly diseases of management:

1. Lack of constancy of purpose
2. Emphasis on short-term profits
3. Evaluation of performance, merit rating, and annual reviews of performance
4. Mobility of top management
5. Running a company on visible figures alone
6. Excessive medical costs
7. Excessive legal damage awards

Deming believed each of these diseases was a barrier to the effective implementation of his philosophy, and the role of management is to remove those obstacles that stand between the worker and his ability to do a good job. Regarding the first disease, it is solely top management’s responsibility to have the constancy of purpose, to plan products and services that keep the company in business, and to provide jobs.¹⁰²

¹⁰⁰Deming, *Out of the Crisis*, 12.

¹⁰¹W. Edwards Deming, “Transformation of Western Style of Management,” *Interfaces* 15, no. 3 (1985): 7.

¹⁰²*Ibid.*

Continuous improvement gives assurance to all stakeholders (employees, executives, investors, suppliers) that the value of the business will continue to grow. Deming is quite clear that

the aim of leadership should be to improve the performance of man and machine, to improve quality, to increase output, and simultaneously to bring pride of workmanship to people. . . . It is not merely to find and record failures of men, but to remove the causes of failure: to help people to do a better job with less effort.¹⁰³

The second disease is too much emphasis on short-term profits, or short-term thinking, to make the numbers look good. If this is achieved by reducing research and development investment, eliminating employees' training, or not deploying quality improvement activities, then irreparable long-term damage to the business will result,¹⁰⁴ which is the opposite of constancy of purpose. Deming contends this is a fear-based strategy to fend off a hostile takeover or to please bankers and meet debt covenants.

Concerning the third disease, Deming believed that performance evaluations, merit rating, and annual appraisals encouraged short-term performance, rivalries, and fear, and discouraged effective teamwork. Performance reviews can leave employees bitter and discouraged, and they may feel unfairly treated.¹⁰⁵ To Deming, the merit system fosters everyone for himself or herself, or a "me first" mindset. The undercurrent of frustration will ultimately rob the person of the pride of workmanship and will probably lead to worse performance. Performance reviews is an area of the Deming philosophy that is widely challenged. For example, H. James Harrington argues that there is nothing wrong with performance planning and reward concept; problems occur when an organization is ineffective at implementing the strategies:

Deming was not against individual performance evaluations. What he was against was the ineffective way most organizations conducted them. Employees want to

¹⁰³Deming, *Out of the Crisis*, 248.

¹⁰⁴"Giant of Quality—W. Edwards Deming," *Quality and Reliability Engineering International* 28, no. 3 (April 2012): 247-48.

¹⁰⁵Ibid.

know the rules, they want to be measured, and they expect to be rewarded better if they outperform their competition.¹⁰⁶

To determine if Harrington's assertion about Deming is correct, one would need to understand what he means by "competition." Deming's philosophy was about abolishing competition, mainly internal to the system or as it relates to servicing the customer. It must also be remembered that all of Deming's philosophy is interrelated into a management system that must not be dissected into isolated parts if transformative change, for quality is the aim.

The fourth disease, management mobility, refers to the widespread practice of job-hopping, which is a manager spending very little time in the business function for which he is responsible.¹⁰⁷ Job-hopping usually results in critical decisions being made by someone who does not fully understand the business. Managers often spend more time thinking about their next career move than¹⁰⁸ their current job and how to do it better. Deming is forthright that "mobility from one company to another creates prima donnas for quick results. Mobility annihilates teamwork, so vital for continued existence."¹⁰⁹ Frequent reorganizing and shifting management responsibilities is a barrier to a constancy of purpose and often wastes resources that should be devoted to improving products and services.

The fifth disease, management by visible figures alone (such as the number of defects, customer complaints, and quarterly profits), suggests that the truly important factors that determine long-term organizational success are unknown and unknowable, such as the multiplying effect on sales that come from happy customers or the effect of

¹⁰⁶H. James Harrington, "Performance Improvement: Was W. Edwards Deming Wrong?" *The TQM Magazine* 10, no. 4 (1998): 231.

¹⁰⁷"Giant of Quality," 247.

¹⁰⁸Ibid.

¹⁰⁹Deming, *Out of the Crisis*, 121.

unhappy customers. For example, in Deming fashion, he states, “He that runs his company on visible figures alone will in time neither have company nor figures.”¹¹⁰

Logically he writes,

Figures on accidents do nothing to reduce the frequency of accidents. The first step in reduction of the frequency of accidents is to determine whether the cause of an accident belongs to the system or to some specific person or set of conditions. Statistical methods provide the only method of analysis to serve as a guide to understanding the causes of accidents and to their reduction.¹¹¹

To illustrate his point of managing by visible figures further, consider that of the 100 largest companies in 1900, only a few (fewer than 20) still exist today, and of the 25 largest companies in 1900, only two are still top 25.¹¹² Obviously, some visible figures are important.

Deming’s sixth disease warning about excessive medical costs is prophetic. Health care costs may be the most important issue facing many sectors of business in the United States today. This may be a familiar refrain in Washington, but Deming was saying it in 1980, long before it was a popular political theme. He believed that government intervention would likely be necessary to provide effective long-term solutions to the medical costs problems. Deming felt that excessive medical costs and a greedy system were choking the life out of the American economy.¹¹³ Even in the 1980s, Deming alarmingly reminisced about a conversation with William E. Hoglund, manager of the Pontiac Motors Division: “[He] put it to me one day, ‘Blue Cross is our second largest supplier.’ Six months later he told me that Blue Cross had overtaken steel.”¹¹⁴

The seventh disease, liability, and excessive damage awards, is also a major issue facing many organizations. Deming often observed that the United States had more

¹¹⁰Deming, *The Essential Deming*, 17.

¹¹¹Deming, *Out of the Crisis*, 477-78.

¹¹²“Giant of Quality,” 247.

¹¹³Voehl and Deming, *Deming*, 173.

¹¹⁴Deming, *The Essential Deming*, 17.

lawyers per capita than any other nation, and routinely graduates more lawyers every year than engineers. The litigious society has an enormous negative impact on national competitiveness.

Today, the implications are obvious. Two of Deming's deadly diseases, rising medical costs (no. 6) coupled with increased litigation (no. 7), have strangled the American economy at an out-of-control pace. To Deming, the problem is a leadership void starting with national politics and continuing all the way down to the local community.¹¹⁵

Principles for Transformation

In addition to his proposed seven deadly diseases, Deming wrote and lectured about his fourteen points and an extensive collection of obstacles to success. His fourteen points of management have come to be accepted at many companies in the United States and Japan.¹¹⁶ The fourteen points do not and were not intended to stand on their own. They are a holistic guide to building customer awareness by understanding variation that will foster constant change and improvement of quality throughout the organization. Through the understanding of variation and the concept of continuous improvement, the Japanese were able to out-analyze the United States by giving every member of the organization a common focus for discussing problems and changes. Deming's approach includes a paradigm shift in management capability with the widespread use of statistical thinking and methods throughout the organization.¹¹⁷

The list of Deming's fourteen points may seem like an odd mix of business principles, and Henry Neave explains that to cover them thoroughly in a study like this

¹¹⁵Voehl and Deming, *Deming*, 175.

¹¹⁶Gabor, *The Man Who Discovered Quality*, 17.

¹¹⁷Henry R. Neave, "Deming's 14 Points for Management: Framework for Success," *The Statistician* 36, no. 5 (1987): 563.

“is rather like a vicar preaching a sermon on the whole Bible.”¹¹⁸ Therefore, the following text is only an attempt to make the reader aware of the points and to stimulate discussion about the evolution of Deming’s philosophy of continual improvement that he called the System of Profound Knowledge (SPK). Here then are Deming’s fourteen points, followed by a few comments.

Point 1: “Create constancy of purpose for improvement, with the aim to stay in business by providing products and service that will help man to live better and which will have a market.”¹¹⁹ Deming’s constancy begins and ends with the customer in mind. To Deming, success depends on the commitment to long-term strategies and the analytical know-how to accurately gauge where changes need to be made.¹²⁰ The basic role of a company is to turn a profit along with primary goals to stay in business and provide jobs through innovation, research, and constant improvement.

Point 2: “Adopt the new philosophy.”¹²¹ Managers must recognize and respond to the challenge by learning new responsibilities and assuming leadership for change. According to Gabor, “Deming’s philosophy has been widely hailed throughout corporate management, yet in the United States it has rarely been adopted in its totality

¹¹⁸Neave, “Deming’s 14 Points,” 563.

¹¹⁹Deming, *Out of the Crisis*, 22.

¹²⁰Gabor, *The Man Who Discovered Quality*, 19. Create constancy of purpose for continual improvement of products and service. Deming, *Out of the Crisis*, 22. By allocating resources to provide for long-term needs rather than short-term profitability. “Look ahead for new services and new products that may help people to live better materially and which will have a market.” Deming, *The Essential Deming*, 106.

¹²¹Deming, *Out of the Crisis*, 22. Adopt the new philosophy for economic stability. “Recognize we are in a new economic age. We can no longer live with commonly accepted levels of delays, mistakes, defective materials, and defective workmanship.” Ibid. Transformation of Western management style is necessary to halt the continued decline of the industry. Ibid., 27.

because of the magnitude of change required.”¹²² It can be difficult to change, especially when things have appeared to be successful for decades. Deming told a gathering of Ford executives, “It is going to be hard for you to accept . . . that you were promoted for the wrong reasons a time or two.”¹²³

Point 3: “Cease dependency on inspection.”¹²⁴ Deming often quotes Feigenbaum, who estimates that 15 to 40 percent of the cost of almost any American product bought today is for waste embedded in it—waste of human effort, waste of machine time, and nonproductive use of accompanying burden.¹²⁵ Quality comes less from inspection and more from process improvement. Some inspection is needed to study variation.

Point 4: “End the practice of awarding business on the basis of price tag.”¹²⁶ Variability can creep into the process through parts or services. Continual improvement to a system can only be accomplished if suppliers can deliver at a predictable and continuous rate. Suppliers, in this case, include service providers and consultants who are providing ERP and technology installations. Deming states, “There are no such things as price without the knowledge of quality.”¹²⁷ He says it is easy to read the price

¹²²Gabor, *The Man Who Discovered Quality*, 29.

¹²³William W. Scherkenbach, *The Deming Route to Quality and Productivity: Road Maps and Roadblocks* (Washington, DC: CEEP; Milwaukee: ASQC Quality, 1991), 22.

¹²⁴Deming, *Out of the Crisis*, 22.

¹²⁵Ibid., 12. Eliminate the need for mass inspection by building quality into the product in the first place. Ibid., 153. Require statistical evidence of built-in quality in both manufacturing and purchasing functions. “Quality comes not from inspection, but from improvement of the process.” Ibid., 28. Rework raises costs. Ibid., 29.

¹²⁶Ibid., 22.

¹²⁷Deming, *The Essential Deming*, 116. “End the practice of awarding business solely on the basis of price tag.” Deming, *Out of the Crisis*, 22. Instead, require meaningful measures of quality along with the price. Reduce the number of suppliers for the same item by eliminating those that do not qualify with statistical evidence of quality. The aim is to minimize total cost, not merely initial cost. Purchasing

tag, but education is needed for an understanding of quality.¹²⁸

Point 5: “Improve constantly and forever every system of production and service.”¹²⁹ As discussed previously in this study, during his early trips to Japan, Deming introduced an approach to process analysis and improvement called the Deming cycle or the PDSA cycle, for plan, do, study, act and analyze. The Deming cycle hinges upon on the constant cooperation of different departments so that the focus never shifts from the customer or any part of the process that might affect the quality for the client. Deming is clear that putting out fires is not improvement of the process:

Improvement of the process includes allocation of human effort. It includes selection of people, their placement, their training, to give everyone, including production workers, a chance to advance their learning and to contribute the best of their talents. It means removal of barriers to pride or workmanship both for production workers and for management.¹³⁰

Point 6: “Institute training on the job.”¹³¹ Deming believes “the greatest waste in America is a failure to use the abilities of people.”¹³² He cautions that money and time spent for training will be ineffective unless barriers to good work are removed and training teaches customer needs.¹³³ Controlling a process requires a detailed understanding of the system and how variation can affect it. Therefore, as many

managers have a new job, and must learn it. Deming, *Out of the Crisis*, 32.

¹²⁸Deming, *Out of the Crisis*, 33.

¹²⁹Ibid., 23.

¹³⁰Ibid., 51. Seek to “improve constantly and forever improve the systems of production and service and every other activity in the company, to improve quality and productivity and thus to constantly decrease costs.” Ibid., 23. It is management’s job to work continually on the system (design, incoming materials, maintenance, improvement of machines, training, supervision, retraining). Ibid., 49.

¹³¹Ibid., 23.

¹³²Ibid., 53.

¹³³Ibid., 53. Institute modern methods of training on and for the job, including management, to make better use of all employees. Ibid., 52.

members as possible should be trained to recognize when a system is in control or drifting out of control.

Point 7: “Institute leadership.”¹³⁴ Deming believes the job of a leader is to accomplish the transformation of his organization.¹³⁵ Most Western management still live in a Newtonian, Tayloristic paradigm that is choking companies’ ability to survive.¹³⁶ By Deming’s definition, managers’ and supervisors’ roles are to be transformed from a cop to a coach. The job of management is not supervision but leadership. “Supervision belongs to the system and must be improved.”¹³⁷ Deming exhorts supervisors to “coach and counsel. Do not be a judge and jury. Judging people does not help them.”¹³⁸

Point 8: “Drive out fear.”¹³⁹ Deming teaches that management’s job is to accomplish the change required. He comments, “Yet people fear change and ask ‘where would change leave me?’ When everyone has a part in the change, fear of change will vanish.”¹⁴⁰ He further defines the problem of fear: “No one can put in his best performance unless he feels secure. Secure means without fear, not afraid to express ideas,

¹³⁴Deming, *Out of the Crisis*, 23.

¹³⁵Ibid. “The job of management is not supervision it is leadership. The required transformation of the Western style of management requires managers to become leaders.” Ibid., 54. Management must ensure that immediate action is taken on reports of “inherited defects, poor tools, fuzzy operational definitions and other conditions detrimental to quality.” Ibid.

¹³⁶Kenneth T. Delavigne and Daniel J. Robertson, *Deming’s Profound Changes: When Will the Sleeping Giant Awaken?* (Englewood Cliffs, NJ: Prentice Hall, 1994), 121.

¹³⁷Deming, *The Essential Deming*, 132.

¹³⁸Ibid., 163.

¹³⁹Deming, *Out of the Crisis*, 23.

¹⁴⁰Deming, *The Essential Deming*, 41.

not afraid to ask questions. . . . A common denominator of fear is the loss from impaired performance and padded figures.”¹⁴¹

Point 9: “Break down barriers between departments.”¹⁴² For there to be continuous improvement, improved quality, and increased productivity, Deming raises the point that silos must be dismantled. Organization fiefdoms must learn to cooperate on common objectives as defined by customer needs and the company’s improvement strategies. Just like a supplier’s ability to hold sway over a company’s ability to meet its customer’s quality expectations, so do various departments, divisions, and functions within a corporation. Internal customers within the system of an organization affect one another’s ability to maintain consistency and control. “Negative interactions between components, often from competition [harm the system].”¹⁴³ Often the stiffest competition an organization faces comes from within its ranks.

Point 10: “Eliminate slogans, exhortations, and targets for the workforce.”¹⁴⁴ Since the workers alone do little to change the system, Deming has adequately established the burden of improvement rest with management. Deming’s point is that slogans and exhortations are degrading and misleading because they imply that improving quality depends on the added effort of individuals who are already doing their best. As an example, Deming uses the slogan “Do it right the first time.” He agrees it has a high ring but logically asks, “How can a man make it right the first time when the

¹⁴¹Deming, *Out of the Crisis*, 59.

¹⁴²Ibid., 23. People in different areas such as research, design, sales, administration, and production must work in teams to tackle problems that may be encountered with products or service. Ibid.

¹⁴³Deming, *The Essential Deming*, 154.

¹⁴⁴Deming, *Out of the Crisis*, 23. “Eliminate the use of slogans, posters, and exhortations . . . for the workforce, demanding zero defects and new levels of productivity, without providing methods. Such exhortations only create adversarial relationships; the bulk of the causes of low quality and low productivity belong to the system and thus lie beyond the power of the workforce.” Ibid.

incoming material is off-gauge, off-color or otherwise defective?”¹⁴⁵ He concludes that it is another meaningless slogan that is aimed at the wrong people. The effect is fear and mistrust of management.¹⁴⁶

Point 11: Eliminate numerical goals and quotas, including management by objective.¹⁴⁷ Management by objective (MBO) focuses on the result and not on the process. The other problem is that MBO is short-term focused rather than long term. For example, an organization can achieve any objective it wishes if it pays a high enough cost and, in extreme cases, destroys the system.¹⁴⁸

Deming warns that numerical goals lead to distortion and faking, especially when the system is not capable of making the goal, but management can fix the problem: “One way to move away from quotas is to introduce a horizontal production line, with a self-directed workforce (anybody does anything that needs to be done). This plan smooths out the valleys caused by someone absent for any reason.”¹⁴⁹

Point 12: Permit pride of workmanship.¹⁵⁰ Remove the barriers that rob hourly workers, and people in the management of their right to pride of workmanship. This implies inter alia, an abolition of the annual merit rating (appraisal of performance), and of management by objective.¹⁵¹ Again, the responsibility of supervisors must be

¹⁴⁵Deming, *Out of the Crisis*, 66.

¹⁴⁶Ibid., 67.

¹⁴⁷Ibid., 23. “Eliminate work standards that prescribe numerical quotas and goals (targets). . . . Substitute aids and helpful supervision; use statistical methods for continual improvement of quality and productivity.” Ibid., 65.

¹⁴⁸Gabor, *The Man Who Discovered Quality*, 21.

¹⁴⁹Deming, *The New Economics*, loc. 304.

¹⁵⁰Deming, *Out of the Crisis*, 24.

¹⁵¹Ibid.

changed from sheer numbers. Many may disagree with this concept. For instance, H. James Harrington writes, “The only people that would suggest eliminating individual performance evaluations are individuals that have never been responsible for managing others.”¹⁵²

Point 13: “Institute vigorous program of education and self-improvement.”¹⁵³ New skills are required to keep up with changes in materials, methods, product design, machinery, techniques, and services. In the global economy, education is much like quality; it is a matter of continual improvement throughout life. For example, Lloyd Dobyns and Clare Crawford-Mason write,

American’s must learn to think a new way about ourselves. . . . We must accept that we are not as smart as we think we are, that a college degree, even an advanced degree, does not mean that we are educated. There was a time when knowledge did not change that quickly, but that was a long time ago, back when students were taught that the atom was the smallest unit of matter and could not be split. In those days, a college education was for a lifetime.¹⁵⁴

Dobyns and Crawford-Mason further illustrate that America is a society in which 20 percent of the adult population have college degrees, and less than 10 percent in any year read a book more difficult than popular fiction.¹⁵⁵ The point that Deming himself modeled, as he continued to learn and develop his management system until his death, was that education is not something that can be completed. That old idea has to give way to the modern requirement for lifelong learning. Two of the fourteen points require education and training for job skills. Deming was very careful in his seminars to emphasize that the two should not be confused.

¹⁵²Harrington, “Performance Improvement?,” 230.

¹⁵³Deming, *Out of the Crisis*, 24.

¹⁵⁴Lloyd Dobyns, *Thinking about Quality: Progress, Wisdom, and the Deming Philosophy* (New York: Times /Random House, 1994), 20-21.

¹⁵⁵Ibid., 21.

Point 14: “Take action to accomplish the transformation. The transformation is everybody’s job.”¹⁵⁶ Organizations must be committed to analyzing every process of the system with the objective to improve it continuously. Transforming an organization by motivating managers, staff, and workers to adhere to a philosophy of never ending improvement requires constant vigilance, hard work, and visible affirmation at the highest levels. The primary requirement is the total commitment by top management.¹⁵⁷ Deming says what is needed is a movement: “A little fire here, and a little there, would be too slow. The movement must have the force of an earthquake. The first step (in Japan) was to fire up desire on the part of management to improve quality and to impart confidence that improvement was possible.”¹⁵⁸

Deming continued to refine his management system continuously, developing fourteen points around 1980 with an original list of ten.¹⁵⁹ About ten years later, Deming developed a new way to explain his philosophy that he called the System of Profound Knowledge, which is the theoretical lens of this study.

System of Profound Knowledge

After quoting Luke 3:17 (“and the chaff He will burn with unquenchable fire”), W. Edwards Deming wrote,

The first step is a transformation of the individual. This transformation is discontinuous. It comes from understanding of the system of profound knowledge. The individual, transformed, will perceive new meaning to his life, to events, to numbers, to interactions between people. Once the individual understands the system of profound knowledge, he will apply its principles in every kind of

¹⁵⁶Deming, *Out of the Crisis*, 24. “Clearly, define top management’s permanent commitment to ever-improving quality and productivity . . . and its obligation to implement all of the principles. Create a structure in top management that will push every day on the preceding 13 points, to accomplish the transformation.” Ibid., 86, 87.

¹⁵⁷Nancy R. Mann, *The Keys to Excellence: The Story of The Deming Philosophy*, 3rd ed. (Los Angeles: Prestwick, 1989), 157.

¹⁵⁸Deming, *The Essential Deming*, 303.

¹⁵⁹Delavigne and Robertson, *Deming’s Profound Changes*, 3.

relationship with other people. He will have a basis for judgment of his own decisions and for transformation of the organizations that he belongs to. The individual, once transformed, will: set an example; be a good listener, but will not compromise; continually teach other people; help people pull away from their current practice and beliefs and move into the new philosophy without a feeling of guilt about the past.¹⁶⁰

Around his ninety-third birthday, in 1993, Deming summarized his lifelong work in his last book, *The New Economics for Industry, Government, Education*. Deming explained his management theory as four interrelated fields he called the System of Profound Knowledge (SPK). It is an action-based framework for leaders who wish to transform or create a flourishing organization. He believed the four fields were a prerequisite for running a company well and was convinced that if management applies the principles and practices appropriately, quality, customer, satisfaction, and profitability can increase while simultaneously lowering costs by reducing waste associated with staff turnover, rework, and litigation.

SPK links Deming's theories of the fourteen points, Seven Deadly Diseases, and his teachings about quality and into four related fields: (1) Theory of Systems; (2) Theory of Variation; (3) Theory of Knowledge; and (4) Theory of Psychology.¹⁶¹ Knowledge that the prevailing style of management must change is necessary but not sufficient; what changes to make must be understood. Deming stated, "As a good rule, profound knowledge comes from the outside. And by invitation from someone eager to listen. A system cannot understand itself."¹⁶² He also believed that "one need not be eminent in any part of profound knowledge in order to understand it and apply it."¹⁶³

To Deming, there was an emphasis on fact-based or data-driven decision-making and the elimination of personal blame without negating personal responsibility. A

¹⁶⁰Deming, *The New Economics*, loc. 745.

¹⁶¹Scherkenbach, *Deming's Road*, 167.

¹⁶²Deming, *The Essential Deming*, 61.

¹⁶³*Ibid.*, 57.

key element of empowerment is the forgiveness of honest mistakes coupled with the duality of distributed decision-making authority and accountability for decisions made and subsequent results. In Deming's mind, a profoundly knowledgeable or conscious individual will inspire others in the organization.

Theory of Systems

Deming teaches that a system must have an aim; without it, there is no system, and it must be clear to everybody. Deming illustrates that public or private schools or universities are systems. They are not merely pupils, teachers, school boards, Board of Regents, or parents—they are systems of education. They should be a system of education where both students and teachers take joy in learning and in their work, respectively. Components of the system need not all be clearly defined, but the “management of the system requires knowledge of the interrelationships between all the components and of the people that work in it.”¹⁶⁴ Deming used the analogy of an orchestra to illustrate the concept of a system:

An orchestra is judged by listeners, not so much by illustrious players, but by the way they work together. The conductor, as manager, begets cooperation between players and as a system, every player to support the others. There are other aims for an orchestra, such as joy in work for the players and the conductor.¹⁶⁵

System management is action-oriented, requiring systematic learning based on awareness and understanding of interrelationships and comparison of predictions of both short-term and long-term results from alternative courses of action.¹⁶⁶ Deming helped managers understand that customers and suppliers are part of an organization's system, and the aim of the system should be that everyone gains. In 1980, when Deming proposed that companies work with suppliers as partners, people balked and distanced themselves

¹⁶⁴Deming, *The Essential Deming*, 58.

¹⁶⁵Deming, *The New Economics*, loc. 780.

¹⁶⁶Edgeman and Fraley, “A System of Profound Consciousness,” 688.

from such radical thoughts. Today, better products and services are available to consumers because of supply chain management.

The system will not manage itself. Growth in size and complexity of the system, change over time, and external forces such as competition, new products, and new requirements will require ongoing management of organizational change. Peter Senge writes, “Business and other human endeavors are systems. Systems thinking is a conceptual framework, a body of knowledge and tools that have been developed over the past 50 years, to make the full patterns clear, and to help us see how to change them effectively.”¹⁶⁷

If components within a system become competitive, the system is destroyed. Each element has expert knowledge, but those experts must learn to work together for the gain of all. In almost any system, there is interdependence among components, and the obligation of any component should be to contribute its best, not to maximize its profit, production, sales, or savings. Some components may operate at a loss. In negotiation, the principle should be optimization for everyone. The concern should be the basis for negotiation between any two people, between divisions, union, and management, between competitors, and between countries. Everybody would gain.

Theory of Variation

To Deming, life is variation. There are always variations, among people, in service, in output, and in the product. He states that various segments of the system of profound knowledge cannot be separated.¹⁶⁸ They interact with each other. Thus, knowledge of psychology is incomplete without knowledge of variation. He taught people how to understand statistical variation and how to reduce variation in parts and

¹⁶⁷Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization*, rev. and updated ed. (New York: Doubleday/Currency, 2006), 213.

¹⁶⁸Deming, *The New Economics*, loc. 754.

services. A manager of people needs to understand that all people are different, which is not the same as ranking people. He needs to understand that the performance of anyone is governed largely by the system in which he works.¹⁶⁹

The use of data requires knowledge about the different sources of uncertainty. Measurement is a process. Is the system of measurement stable or unstable?¹⁷⁰ Distinguishing the difference between the types of variation is key to management's ability to remove problems or barriers in the system properly. Without knowledge of variation, management might take action that makes things worse.¹⁷¹ Two mistakes are frequently made, and attempts to improve results are costly:

Mistake 1. To react to an outcome as if it came from a special cause when it came from causes of variation.

Mistake 2. To treat an outcome as if it came from common causes of variation when it came from a special cause.¹⁷²

According to Deming there are two types of variation: common cause and special cause. Common cause variations are problems built into the system, such as defects, error, mistakes, waste, and rework. In a stable state, a common cause will be predictable within certain limits. Deming warns,

Demoralization, frustration, and economic loss are inevitable of attributing trouble to some specific operator, foreman, machine, or local condition, when the trouble is actually a common cause, affecting all operators and machines, and correctible only at a higher level of management.¹⁷³

Special cause variations represent isolated incidents that happen outside of the system, such as a natural disaster or power outage. A point outside control limits on a

¹⁶⁹Deming, *The New Economics*, loc. 751.

¹⁷⁰Deming, *The Essential Deming*, 77.

¹⁷¹Ibid., 204.

¹⁷²Deming, *Out of the Crisis*, 318.

¹⁷³Deming, *The Essential Deming*, 248.

control chart indicates the existence of a special cause that Shewhart called “assignable causes.”¹⁷⁴

Theory of Knowledge

Deming believed that everyone doing his or her best is not the answer, since everyone is already doing so. It is necessary that people understand that transformation is necessary for survival. There must be constancy of understanding and effort, for there is no substitute for knowledge.¹⁷⁵ Deming suggested a systematic approach or learning, the “Plan-Do-Study-Act” (PDSA) Cycle which has its roots in epistemology and was originally introduced to him by Walter Shewhart. It is also known as the Deming Wheel or Deming Cycle. It is a systematic, dynamic approach of testing theories and applications in a methodical way that produces knowledge, not just data or information.¹⁷⁶

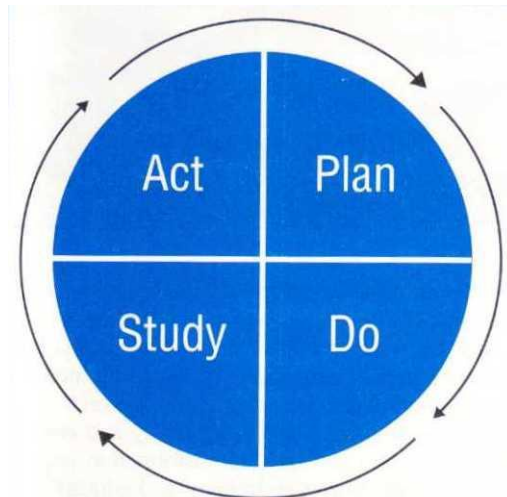


Figure 1. Plan-Do-Study-Act (PDSA) cycle

¹⁷⁴Deming, *The Essential Deming*, 248.

¹⁷⁵Deming, *Out of the Crisis*, ix.

¹⁷⁶Figure 1 comes from Harper A. Roehm and Joseph F. Castellano, “The Deming View of a Business,” *Quality Progress* 30, no. 2 (1997): 39.

Whether out of ignorance or convenience, Deming denounced management that asserted opinion as fact: “An overall prerequisite for innovation and improvement is to create an environment in which everybody takes joy in his work.”¹⁷⁷ To improve the situation, he challenged management to truly test their opinions, theories, hypotheses, and beliefs against data to learn what is occurring. In this case, PDSA can help because it is a flow diagram for learning. The first step is to plan. Ideas about improvement or innovation go down on paper and lead to a plan or test. A plan is the foundation of the whole cycle. Without adequate planning, a quick start may be wrong, costly, or frustrating. Deming writes, “People have a weakness to short-circuit this step. They cannot wait to get into motion, to be active, to look busy.”¹⁷⁸

“Do” is step 2. Carrying out the test, comparison, or experiment, preferably on a small scale, according to the design from step one. “Study” the results is step 3. Do the results correspond to expectations and, if not, what caused the deviation? If the outcomes are acceptable, “Act” is step 4. The change could be adopted or abandoned, or it could be delayed so that the cycle can be run through again, possibly under different conditions, different people, or different materials to see if there are similar results.¹⁷⁹

Most executives suffer from data overload, so the question is how to turn this abundance into knowledge that can be used for the future. Deming said management is a prediction, and to predict, knowledge is needed. According to Deming, “Data and information are not knowledge.” Theories and predictions need to be developed, applied, and tested to advance knowledge systematically.

The theory of knowledge helps the understanding that management in any form is prediction. Without theory, there is nothing to revise and nothing to learn. Any

¹⁷⁷Deming, *The Essential Deming*, 164.

¹⁷⁸Ibid., 165.

¹⁷⁹Ibid.

reasonable plan is a forecast concerning conditions, behavior, and performance of people, procedures, equipment, or materials. Knowledge comes from theory, and without theory, there is no way to use the information.¹⁸⁰ Learning needs to be continual and organization-wide.

Deming states, “There is no such thing as a fact concerning an empirical observation. Any two people may have different ideas about what is important to know about any event.”¹⁸¹ Communication and negotiation are required for optimization of operational definitions, which is an agreed-upon procedure for translating a concept into measurement of some kind.

Theory of Psychology

Psychology helps to understand people and interactions in any system of management. The managers of individuals must be aware of the differences in each person and optimize those abilities and inclinations. According to Deming, the most important action a manager can take is to understand what is important to an individual by understanding what motivates them to want to do a good job.¹⁸²

Research suggests that the typical organizational environment is midway between the extremes of high-threat to the high-opportunity spectrum, and differences between people can deeply divide or richly benefit organizations; in many ways, it is the ability or inability of people to mutually enrich one another through cooperation and collaboration that drives the outcome.

The dependencies for change are clearly more intricate than Deming suggested. Behavioral change is a very difficult process. As part of the process of change, it might

¹⁸⁰Deming, *The New Economics*, loc. 884.

¹⁸¹Ibid., loc. 844.

¹⁸²Ibid., loc. 886.

be useful to examine the ways in which decision environments may be configured to encourage the outcomes Deming earnestly desired. The research of Edgeman and Fraley also suggests that a more comprehensive consideration of human motivation than Deming employed may assist individuals' and organizations' progress to, in, and toward what might be called the next generation of profound knowledge.¹⁸³

According to Deming, “immeasurable damage comes from the evils of short-term thinking, ranking people, demoralization, and losses for incentive pay, pay for performance. Profound knowledge tells us why these practices cause loss and damage people.”¹⁸⁴ Deming understood people are primarily motivated by intrinsic needs. He wrote:

We must preserve the power of intrinsic motivation, dignity, cooperation, curiosity, joy in learning, that people are born with. . . . We must restore the individual, and do so in the complexities of interaction with the rest of the world. The transformation will release the power of human resource contained in intrinsic motivation. In place of competition for the high rating, high grades, to be Number One, there will be cooperation on problems of common interest between people, divisions, competitors, governments, and companies. The result will in time be greater innovation, applied science, technology, expansion of the market, greater service, and greater material reward for everyone. There will be joy in work, joy in learning. Anyone that enjoys his work is a pleasure to work with.¹⁸⁵

Definitions

To bring clarity of usage and intent, key terms used in the research are defined.

Change. Change itself is the movement from the old way of doing things to a new way. It may entail installing new equipment, restructuring the organization, or implementing a new performance appraisal system—essentially, anything that alters existing relationships or activities.

¹⁸³Edgeman and Fraley, “A System of Profound Consciousness,” 693.

¹⁸⁴Deming, *The Essential Deming*, 197.

¹⁸⁵Deming, *The New Economics*, locs. 971, 976.

Change management. Change management is the change that impacts how employees do their jobs, the speed and level of adoption and usage, and value creation of the change.¹⁸⁶ Change management involves many human factors, such as leadership communication, employee motivation, training, and development.¹⁸⁷

Marketplace. The marketplace is the creation of value that occurs as a result of voluntary buying and selling goods and services.¹⁸⁸ Bernard Bass writes, “In the ideal capitalist marketplace the most efficient organizations should survive and prosper. The inefficient should sink in a sea of red ink.”¹⁸⁹

Organizational change. Organizational change has been defined as the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers.¹⁹⁰

Scientific management. Scientific management described how production was to be accomplished in the organization. Work on the shop floor was subdivided into the smallest and simplest tasks. Workers were to follow instructions of their supervisors.¹⁹¹

Transformation. Transformation means a fundamental change that results in a shift of the culture, systems, processes, and strategy, while realignment is a change in the way of doing activities that do not involve a fundamental shift, though it could be a substantial change, such as reorganization.¹⁹²

¹⁸⁶Tim Creasey and Tracy Taylor, “Seven Greatest Contributors to Change Management Success,” *People & Strategy* 37, no. 1 (2014): 12.

¹⁸⁷Anthony Chow, “Leading Change and the Challenges of Managing a Learning Organisation in Hong Kong,” *Journal of Management Research* 6, no. 2 (2014): 24.

¹⁸⁸Barry Asmus and Wayne A. Grudem, *The Poverty of Nations: A Sustainable Solution*. (Wheaton, IL: Crossway, 2013), 351.

¹⁸⁹Bernard M. Bass and Ruth Bass, *The Bass Handbook of Leadership: Theory, Research, and Managerial Applications*, 4th ed., Free Press hardcover ed. (New York: Free Press, 2008), 211.

¹⁹⁰By, “Organisational Change Management,” 369.

¹⁹¹Ibid., 728.

¹⁹²Julia Balogun et al., *Exploring Strategic Change*, 3rd ed. (New York: Prentice Hall, 2008), 22.

Research Hypothesis

This literature review informed and shaped the current study through an overview of the biblical, historical, and theoretical concepts related to organizational change in the marketplace. It revealed a variety of ideas for effective practices of organizational change. First, though impacted by the fall, work is a good gift from God validated through the Scriptures. While the Bible does not hide the challenges and frustrations of work and change, it does give examples applicable to the joyful pursuit of work and change in secular employment that pleases and glorifies God.

The world is changing, but the things that matter most—such as the universal storyline of God’s unfolding redemptive plan—are unchanging. The Old Testament prophets foretold the change of a coming day of salvation when the kingdom would be revealed and the people of God would finally be saved and perfected. The New Testament clarifies this transformative change by showing the kingdom comes first in the person of Jesus Christ, then through the gospel in the world; only after these does it come openly and universally.¹⁹³

Second, the literature review has shown that the major problem reported by managers is the tendency toward inertia and resistance to change.¹⁹⁴ Research makes clear that planned and emergent change are not competitors, with each one seeking to show that it is better than the other, nor are they mutually exclusive or incapable of being used in combination. Burnes states, “Rather they are allies, each one appropriate to the particular change situations but neither appropriate for all change situations.”¹⁹⁵ Robin Buchanan and Andrew Campbell write,

In working with companies to improve their business or develop plans for meeting future challenges, we have concluded that there is no one system that is all things to all organizations. However, we also have determined that it is useful to have a

¹⁹³Goldsworthy, *According to Plan*, 221.

¹⁹⁴Johnson, Scholes, and Whittington, *Exploring Corporate Strategy*, 518.

¹⁹⁵Burnes, “Emergent Change and Planned Change,” 518.

generalized analytical framework that provides a starting point for each company to develop an individual operating style that suits it best.¹⁹⁶

Most marketplace leaders would agree that human capital is the key to competitive advantage.¹⁹⁷

Finally, the literature review has shown there is a gap in the understanding of how Christian leaders effectively manage change in the marketplace. Since few resources address effective organizational change principles for Christian leaders, much remains to be understood. The research sought to articulate the phenomenon of organizational change for overtly Christian leaders within the marketplace. The resulting information provided a framework that seeks to understand how Christian leaders in the marketplace create an environment of continual, relentless, perpetual search for improvement. Therefore, I sought to test the following hypothesis: Executive leaders whose faith and hope are in God (1 Pet 1:20) are compelled by the love of Christ to intentionally strive to be stewards of God's grace by creating an environment that promotes real continuous improvement for the joy of workmanship. I tested the hypothesis that successful organizational transformation in the marketplace by Christian leaders is applied from a biblical foundation and includes the principles of Deming's System of Profound Knowledge either directly or indirectly.

¹⁹⁶Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: A Road Map to Corporate Transformation* (Burr Ridge, IL: Irwin Professional, 1994), 122.

¹⁹⁷Grieves, *Organizational Change*, 282.

CHAPTER 3

METHODOLOGICAL DESIGN

This study attempted to identify trends about how five Christian executive leaders apply biblical principles to the day-to-day management of change in the marketplace. From a sample of overtly Christian leaders, this study attempted to understand the role of management in guiding the change process from a biblical worldview. The purpose was to understand how Christian leaders in the marketplace could create an environment fostering a continual, relentless, perpetual search of improvement for human flourishing. Principles of organizational transformation were examined through the theoretical lens of W. Edwards Deming's System of Profound Knowledge, which is a system of logic that defines his philosophy of continual improvement.

A review of literature suggested a need to test the hypothesis that successful organizational transformation in the marketplace by Christian leaders is applied from a biblical foundation and includes the principles of Deming's System of Profound Knowledge, either directly or indirectly. My hope for this research was to identify effective practices that may benefit marketplace leaders for the glory of God. This chapter begins with a description of the method used in this study, the research design, participants, how the original data was collected, limitations and delimitations, instrumentation, procedures, and summarization.

Multiple Case Study Description and Rationale

This study was designed to investigate executive leader participants who identify themselves as followers of Jesus Christ and have a proven record of accomplishment of leading change in marketplace businesses. According to Robert Yin, "A multiple case

study approach is selected due to the suitability of this method to address ‘how’ research questions.”¹ Yin further highlights that case studies are a common research method used to contribute to the knowledge of individual, group, organizational, social, political, and related phenomena. This research method enables investigators to retain the holistic and meaningful characteristics of real-life events, such as organizational and managerial processes, to provide a detailed understanding of the issue.²

The multiple case study inquiry was conducted systematically to understand the in-depth, real-life phenomenon while understanding important contextual conditions that are highly pertinent to the study.³ Furthermore, because phenomenon and context are not always distinguishable in real-life situations, other characteristics, including data collection and data analysis, were utilized in the second part of the study. Therefore, the process of the procedures to answer the research question was conducted in three phases through a qualitative, descriptive, multi-case study method.

The phenomenon of intentional, continuous improvement that brings joy of workmanship and the nature of the workplace can be difficult to understand. Therefore, the primary focus of the study was to explore how Christian executive leaders manage change in the marketplace. The rationale for the importance of this research was threefold. The first element was that this research was among the first studies, and was the only multiple case study exploration of how Christian leaders in the marketplace stimulate an environment of continual, relentless, perpetual search for improvement. The second is the unique contribution of this research in the literature on applications of Deming’s philosophy of the System of Profound Knowledge. Third, although knowledge of and research about organizational change is extensive, many researchers focus their

¹Robert K. Yin, *Case Study Research: Design and Methods*, 4th ed. (Los Angeles: Sage, 2008), 9.

²John Gerring, *Case Study Research: Principles and Practices* (New York: Cambridge University Press, 2006), 37.

³*Ibid.*, 17.

investigation on quantitative measurements without providing thorough qualitative descriptions of participants' experiences of promoting an environment for joy in work.

In addition to informing the larger research base on intrinsic motivation associated with planned organizational change, this multiple case study was the first to investigate intentional, continuous improvement in the marketplace by Christian leaders with an aim to joyfully magnify Christ. In this study, the aim was to fill this void with a detailed study of participants who are overtly Christian leaders operating in the marketplace.

Design Overview

Based on the nature of this study's research question, the multiple case study method was selected due to its capacity to investigate "how" and "why" research questions. Using a multiple case study approach, this research was conducted in three phases for multiple sources of data: Phase 1 was the gathering of documentation, such as published materials written by the participants, and artifacts such as annual reports or quarterly operating reports. Phase 2 was the interview process, and phase 3 was the analytical stage. The first step in Phase 1 consisted of developing a data collection protocol to ensure validity and reliability of the data collected through the proposed research. Next, I selected five Christian executive leaders, who have a record of accomplishments in the secular (for-profit) market arena, to interview about effective practices for managing transformative change in the marketplace. Five participants were selected because evidence from multiple case studies is often considered more compelling than single-case designs.⁴

During phase 2 of the study, I collected data on each participant and his or her respective accomplishments in business. The case studies were conducted through the protocol developed in phase 1. My intent was to conduct case studies, using open-ended and structured questions, about principles used by Christian executive leaders who have

⁴Yin, *Case Study Research*, 53.

successfully managed through change in the marketplace. In phase 2, data was strictly qualitative—verbal, descriptive, or impressionistic. Based on the findings of the literature review, interviews and content analysis were conducted in order to group themes and patterns for coding purposes in phase 3.

Utilizing this method of open-ended questions, participants were interviewed by inquiring about their individual experiences of leading transformational change from an executive perspective. I digitally recorded and transcribed the interviews. The advantage of open-ended interview questions was that it allowed me to follow standard questions with one or more individually tailored questions for clarification or to probe the participant's reasoning.⁵ The research questions were modified during the study in a manner consistent with the assumptions of the design.⁶

In phase 3, I identified cross-case conclusions and implications that resulted from the collected data. The final analysis of findings was developed to answer the initial research question and test the hypothesis.

Population

Participant selection for the study consisted of a purposeful sampling process of three major criteria: (1) the executive leader is a professing Christian, (2) the executive leader has a proven record of leading organizational change in the marketplace, and (3) the executive leader demonstrates clear intention to lead change by applying a biblical foundation. The executive leader's vocational influence lies outside the context of the local church in the for-profit sector.

⁵Paul D. Leedy and Jeanne Ellis Ormrod, *Practical Research: Planning and Design* (Boston: Pearson, 2013), 190.

⁶John W. Creswell, *Research Design: Qualitative, Quantitative, and Mixed Method Approaches* (Thousand Oaks, CA: Sage, 2009), 131.

Sample and Delimitations

The selection of the five case study participants was limited to overtly Christian executive leaders who identify themselves as followers of Jesus Christ and have a history of successfully leading change in secular marketplace businesses. Since the particular focus of the research was to qualitatively understand the effective principles of five Christian executive leaders managing change in the marketplace, a nonprobability, purposeful sampling method was utilized.⁷ Leedy and Ormrod write, “The goal of purposeful sampling is to select individuals for case study who are likely to be information-rich with respect to the researcher’s purposes.”⁸ In the case of this research study, the inherent need to research Christian leaders who have practiced transformative change in the marketplace warrants the use of purposeful sampling. According to Robert Stake, “selection by sampling of attributes should not be the highest priority. Balance and variety are important; opportunity to learn is the primary importance.”⁹

Limitation of Generalization

Qualitative research dictates that generalizations are viewed distinctively from other types of research. First, qualitative research provides the reader, rather than the researcher, with enough detailed information to transfer findings to the reader’s own particular situation. The objective is to know a particular case well, “not primarily how it is different from others, but what it is, what it does.”¹⁰ Providing a rich, thick description is a major strategy to ensure external validity or generalizability in the qualitative sense.

⁷Leedy and Ormrod, *Practical Research*, 218.

⁸Joyce P. Gall, M. D. Gall, and Walter R. Borg, *Applying Educational Research: A Practical Guide*, 4th ed. (New York: Allyn & Bacon, 1998), 294.

⁹Robert E. Stake, *The Art of Case Study Research* (Thousand Oaks, CA: Sage, 1995), 6.

¹⁰*Ibid.*, 8.

A second way that qualitative research can expand the generalizability of findings is through multi-case designs. Multi-case designs assist in replicating findings from one case to another, thus expanding generalizability. According to Yin, “The evidence from the multiple cases is often considered more compelling, and the overall study is therefore regarded as being more robust.”¹¹ In addition, the findings may serve to better inform Christian leaders how to manage transformative change.

Instrumentation

The research questions were answered through a case study protocol that included extensive interviews. Wherever possible, document analysis was used in addition to the interview transcript to triangulate research. The interview questions were formed according to the categories of the System of Profound Knowledge (e.g., Theories of Systems, Variation, Knowledge, and Psychology) found in the literature review to determine how Christian executive leaders in the marketplace stimulate an environment of continual, relentless, perpetual search for improvement that results in the joy of workmanship through the joy of workmanship. Each question was open-ended to allow the participants to answer as thoroughly and articulately as possible regarding their involvement in transformative change.

I digitally recorded responses to the questions during interviews. In addition, each interview was transcribed from the recordings. As the interviews for each case study were completed and transcribed, I coded them for content analysis. Dedoose qualitative analysis software was used to assist in the data management process.

In order to maintain as great a consistency as possible in the interviews with each participant, I used the following techniques:

1. Read the questions exactly as worded.

¹¹Yin, *Case Study Research*, 53.

2. If the respondent's answer to the initial question was not a complete and adequate answer, probed for clarification and elaboration in a nondirective way; that was, in a way that did not influence the content of the answers that were provided.
3. Answers were recorded without interviewer discretion; the answers that were recorded reflected what the respondent said, and they only reflected what the respondent said.
4. The interviewer communicated in a neutral, nonjudgmental stance with respect to the substance of answers. The interviewer did not provide any personal information that might imply any particular values or preferences with respect to topics covered in the interview, nor did the interviewer provide any feedback to respondents, positive or negative, with respect to the specific content of the answers they provided.

When the data was analyzed, it was coded to the categories revealed in the literature review: Theory of Systems, Theory of Variation, Theory of Knowledge, and Theory of Psychology. These categories enabled the development of each individual case study, a final cross-case analysis in phase 3 of the research design, and ultimately, answer the research question.

Procedures

The following provides a description of the procedures that were utilized in answering the research question. This study was completed in three phases.

Phase 1: Data Collection

In Phase 1, after the germane literature was reviewed, the next step in answering the research questions was the development of the case study protocol. According to Yin, the protocol was used to assist the researcher in increasing reliability and carrying out data collection. The protocol included an overview of the objectives of the project, the field procedures utilized, and the "specific questions that the case study investigator kept in mind."¹²

The case study questions contained in the protocol were grouped together in the following categories derived from the literature review: Theory of Systems, Theory of Variation, Theory of Knowledge, and Theory of Psychology. The questions were arranged

¹²Yin, *Case Study Research*, 79-81.

to assist in gathering information about how Christian leaders in the marketplace, amidst the moral revolution, create an environment of continual, relentless, perpetual search for improvement that simultaneously brings joy of workmanship to people.

Before the interview questions became part of the case study protocol, I completed the necessary documents related to the “Assessment of Risk to Human Research” and applied for approval of the research questions from the Research Ethics Committee of the Southern Baptist Theological Seminary.

Once the protocol was approved, I selected five overtly Christian executive leaders with a demonstrated history of accomplishments in the marketplace to serve as the case study. Participants were selected according to three major criteria:

1. The executive leader is a professing Christian.
2. The executive leader has a proven record of accomplishments of leading organizations in the secular marketplace.
3. The executive leader’s vocational influence lies outside the context of the local church in the secular (for-profit) sector. The executive leader demonstrates clear intention to lead change by applying a biblical foundation.

I contacted the five hundred largest SBC churches to submit names of leaders who met the study criteria. In addition, Redeemer Presbyterian Church in New York City and Bethlehem Baptist Church in Minneapolis were also contacted to submit names of leaders that might be interested to participate in the research. From the list of names that emerged, websites were reviewed and potential participants were contacted to determine possible inclusion in the research project. Once the five individuals for the case studies were selected, a preliminary contact was made to reaffirm that each met the selection criteria and that he or she was available for an interview.

Phase 2: Data Analysis

In phase 2 of the research, I utilized the protocol developed in phase 1 to gather information from each case study participant. The data from each participant was

kept separate throughout this phase. The interviews were conducted with participants at a time and place of mutual agreement, and all interviews were in person.

I emailed the case study to each participant at least one week before the interview to allow for thoughtful and thorough responses. In addition to the protocol, participants received a list of necessary definitions related to the research study. Permission was requested from the participants to digitally record the interviews. The interviews were recorded to enhance interview performance. To improve the quality of responses, each question was read as it was worded, asking every question that applied to the participant.

Once the interview for each respective case was completed, they were transcribed to generate text-oriented data. In order to allow the participants to share as openly and freely as possible, the promise of confidentiality was communicated during the interviews. As the interviews were transcribed, individual identifiers were removed and replaced with generic character identification. The transcribed interviews were submitted to each participant for review and feedback to ensure that what was transcribed was accurate. The participants' review process enhanced the accuracy of the case study, hence, increasing the construct validity of the study.¹³

Once approval was given by each participant, I coded and analyzed the transcripts using a content analysis approach facilitated by Dedoose qualitative analysis software. This approach enabled an examination of the data in a systematic and thoughtful manner. In order for the coding of the data to be effectively correlated to the identified categories in the System of Profound Knowledge (e.g., Theory of Systems, Theory of Variation, Theory of Knowledge, and Theory of Psychology), I also functioned as the interpreter of the content to be analyzed.

Phase 2 ended with the development of individual case study reports to account for the research from each participant. I utilized a question and answer format for the

¹³Yin, *Case Study Research*, 183.

individual case reports.¹⁴ Phase 2 was completed once the participant review process concluded and the case study reports were finalized.

Phase 3: Report Findings

Phase 3 was an examination of each case study report in order to draw cross-case conclusions and further develop implications that resulted from the collected data. Data analysis was organized inductively from the “bottom up,” where patterns, categories, and themes were organized into increasingly more abstract units of information. I sought to find logical connections among the data, relying on knowledge of how systems, organizations, and individuals work. The inductive process was enhanced comparing the themes and the database until a comprehensive set of themes was established. Interactive collaboration with the participants was sought so that they had a chance to shape the themes or abstractions that emerged from the process. Evidence was then deductively gathered to support the themes and the interpretations.

While the cross-case analysis differs little from the analysis of the single interviews, it assisted with the development of themes and typologies that conceptualized the data from all the cases. The goal was to “build a general explanation that fits each individual case, even though the cases varied in their details. The objective was analogous to creating an overall explanation, in science, for the findings of multiple experiments.”¹⁵

¹⁴Yin, *Case Study Research*, 171.

¹⁵Ibid., 142.

CHAPTER 4

ANALYSIS OF FINDINGS

The aim of this study was to add to the body of knowledge that it may aid in raising new leaders who experience and display Jesus and intentionally pour into others. Therefore, the research findings were analyzed according to the purpose of this study, which was to discover and articulate effective principles for how overtly Christian leaders create an environment of continual, relentless, perpetual search of improvement for human flourishing. Case study methodology helped to discover trends of how five overtly Christian executive leaders guide organizational change process from a biblical worldview. The following discussion seeks to present the research data collected from the various case study participants in a clear and unbiased fashion to communicate the research findings accurately. This chapter then articulates the strengths and weaknesses of the research design.

Compilation Protocol

The data of this research was collected in the form of interviews guided by the case study protocol. The research methodology included three phases: (1) define and design; (2) prepare, collect, and analyze; and (3) analyze and present conclusions. This section describes the process for each phase.

This phase of the study began with a thorough review of the pertinent scholarly literature in the field of organizational change. A framework of understanding emerged from an examination of the biblical foundations as well as the historical and theoretical foundations of the transformational change in the marketplace.

The case study protocol guided the data collection process for the five case study interviews. Based on the literature review and the research question, *a priori*

categories emerged by following the theoretical proposition of W. Edwards Deming's System of Profound Knowledge. The data collected from the interview questions within the protocol was classified into four categories, Theories of Systems, Variation, Knowledge, and Psychology, for further analysis.

Prepare, Collect, and Analyze

The second phase of the study was to prepare, collect, and analyze the data. The case study protocol and interview questions were designed to guide the interviewer in answering the research questions. The protocol sought to assist in data triangulation by gathering information from multiple informants using semi-structured interviews. The interviews were recorded and a transcript of each interview was prepared for analysis.

The data was imported into Dedoose, a web-based, qualitative analysis software program. The content was grouped for comparison into the following categories: personal background information, Theory of System, Theory of Variation, Theory of Knowledge, and Theory of Psychology. This process was replicated for each case study participant.

Analyze and Present Conclusions

The final phase of this study was to analyze the data and present conclusions. Once each case study was completed, the data was analyzed to determine if a general explanation for creating an environment of continual, relentless, perpetual search for quality "fit each case, even though the cases will vary in their details."¹ The explanations reflect the significant theoretical propositions of the System of Profound Knowledge, which is a system of logic that defines W. Edwards Deming's philosophy of continual improvement.²

¹Robert K. Yin, *Case Study Research: Design and Methods*, 4th ed. (Los Angeles: Sage, 2008), 142.

²Ibid., 141.

Findings

As the data was collected, transcribed, and analyzed, it was grouped into four categories so as to provide a process of managing the acquired data. In what follows, the narratives of each case study are presented. The next section, then, provides analysis, describing the relationship of these studies to the research question. To allow participants the opportunity to share as openly and freely as possible, anonymity in reporting the results was granted. In addition, the data displays are provided to assist in drawing appropriate conclusions to one's context.³

Executive A

Executive A is the president and founder of a precision injection molding and tooling business in Lafayette, Louisiana. After graduating from the Massachusetts Institute of Technology with a bachelor's degree in electrical engineering, he worked at Aerospace in Illinois. In 1991, he founded his business and carefully focused on customers to become a leader in the rapid mold-making and thermoplastic injection molding industry, despite the meager beginning of sleeping on the couch next to his first machine. Executive A said, "Despite being warned by some people, I had a fairly good level of confidence that sooner or later I was going to make it and things are going to be different." Today, the organization has been operating for approximately twenty-five years and employs approximately 50 people at its one location. They have developed processes to replace less reliable prototype injection molds with competitively priced hardened molds. Their engineering knowledge, patience, technical expertise, and desire to please clients has led to consistent innovation.

Distinctions of the company include engineers who understand the complexities of beginning a new project and work to ease the transition and customers can trust their

³Yin, *Case Study Research*, 119.

expertise to take a product to completion. They are committed to helping customers find solutions to production questions.

Executive A was nominated by pastor Stephen Horn, Ph.D, of First Baptist Church in Lafayette, Louisiana. The interview took place at the plant in Lafayette, Louisiana.

Executive A: Coded Group Summary

The following section profiles the case study interview with Executive A. Table 1 shows the relationship between the category of the System of Profound Knowledge, the code summary and the frequency of the occurrence. The information contained in this section allows the reader to understand the principles applied by Executive A to stimulate transformative change in the marketplace.

Table 1. Narrative summary for Executive A

| Category | Code Summaries | Frequency |
|----------------------|---|-----------|
| Theory of Systems | 1. Relate to a better life for everyone. | 24 |
| | 2. Unity. | 21 |
| | 3. Aim must be clear to everyone | 21 |
| Theory of Variation | 1. Learn to listen to process and the system. | 13 |
| | 2. Keep learning and improving with new knowledge. | 10 |
| | 3. Understand causes of variation. | 9 |
| Theory of Knowledge | 1. Operational learning. | 13 |
| | 2. Processes in which learning can occur. | 12 |
| | 3. Knowledge of the effects of the system on the performance of people. | 12 |
| Theory of Psychology | 1. Lead, to coach to provide methods and tools. | 28 |
| | 2. Personal transformation through meaning. | 24 |

Theory of Systems relate to a better life for everyone. Executive A explained,

In the midst of inevitable conflict in business, in employment, as a father or as a husband, my job is not to say things that I feel I have a right to say, not do things I feel I have a right to do, not behave in a way that I feel is justified or is representative of the way other people behave, but in all things to represent Christ. . . . There are plenty of male and female employees who are trying to make critical decisions in life. How as a Christian leader can I help them?

He used Steve Jobs as an example. According to Executive A, “Jobs accomplished incredible things in the industry, but he did so by berating, belittling, and chastising people at every opportunity to the point people feared being in his presence.” Employees would never dare to be in Steve Jobs’ presence without being prepared with the answer that he commanded them to have. Executive A said, “Jobs had an incredibly successful business, but his style was inconsistent with the way Christ calls me to run my business and who I am to be as a person.” Right now, Apple is floundering with all sorts of problems. It will be interesting to see where they are in ten years, but according to Executive A,

It is evident Steve Jobs may not have done his part in building up leadership to continue the success of the company. It would be a shame that whatever genius he had was not shared with and taught to the next generation and that his mode of doing business was inconsistent with perpetuating success.

Executive A’s company is raising up young men and women. They have individuals who once worked for them that now are doctors, architects, lawyers, and even the head of engineering at Boeing: “Over twenty-five years there have been all sorts of people work at this plant, and I would like to think the things they learned here were helpful, consistent, and uplifting to a Christian life.”

Theory of System: Unity. Every forty-five days, an all-employee meeting is held where they talk about the accomplishments they had as a company and new developments for customers. For example, they created a part for a company that makes LED systems for motorcycles. In the meeting, Executive A showed the employees a picture of the part they made and then showed a movie of a motorcycle with lights flashing, and he said, “Your hands made this possible.” That way they can tie their work back to something significant.

When asked about internal competition, Executive A answered that internal competition is largely a function of an organization’s leadership. In their operation, care must be given when organizing processes to achieve the desired outcome. For instance,

they operate three shifts and run twenty-four hours Monday morning through Saturday morning. Each shift tracks packaging error rates, and the one with the fewest errors receives a weekly pizza party. The plant manager warned Executive A about setting up something like this because inevitably it would turn into a competition where one shift is turning against another so they can win. Prophetically, it happened within a month. Therefore, the shift leaders were called in and Executive A said to them, “If we cannot work together and accomplish the goal, then we have a fundamental failure.” Changes were made to make this a win-win situation so that everyone was working together. Now it is set up that if there are no errors, everyone gets pizza, and each shift is watching out for the other. The point is that “care must be given in the way things are managed so that competition works for the overall good of the organization. There is a better way than going into a big room to fight for resources or fight for a budget.”

Theory of Systems: Aim must be clear to everyone. “Our objective is to please customers in a way that is a reflection of what God has called us to do.” He added that whether somebody is a Christian or not, they need to understand that what the company does is a calling. It is a reflection of who they are, and they are going to take the customers’ interests and represent them as if they were their own. The intent is to give clients exactly what they want. The company is organized to react fast to customer needs. None of them take customers for granted; it is unacceptable. Feedback is gauged through surveys or phone calls. The first question in management review meetings is, “What customers are not happy?” Then they discuss the reasons and do everything in their power to make them happy. Every customer wants to have parts that meet their requirements, and a detailed design conversation must take place to learn those requirements. Executive A said, “If I asked what the requirements are? Some people do not know what they do not know. Most of us do not know what we do not know.” He illustrated, as a company, that they come to some understanding of what is vital to the customer and what is going

to work in that application. They then translate that into some validation and some quality system of what they want.

Theory of Variation: Learn to listen to process and the system. In the meetings that include all employees, they discuss what they did, what is being accomplished, what must be done to keep satisfying customers, and why customers come to them. They also talk about inconsistencies. For example, in a previous meeting, Executive A showed a picture of a sink in the break room with a plastic bag and a cup in it. He illustrated that somewhere, someone thinks this is acceptable, and that is inconsistent with who the corporation is. He shared that this sink has nothing to do with delivering a good product, but it does have to do with being a satisfied employee who contributes. He used the illustration to teach that if this acceptable, what else is acceptable?

Theory of Variation: Keep learning and improving with new knowledge. The employee meetings are used to engage the employees so that the team can improve a few percentage points, and for the employees that have no hope or foresight, it gives them an opportunity to see that there is something different. In these meetings, Executive A is looking to change heart characterizations. For example, Executive A explains to them regularly that “anyone here for a year will not be guilty of thinking that the way things have always been and . . . the way things will always be. Nothing could be further from the truth.”

Theory of Variation: Understand causes of variation. The company is building systems to ensure that they do not keep making the same mistakes over and over—they eliminate systems of errors and eliminate characterizations of mistakes. For instance, color matching is a problem. A customer had a part with the application at the top of a high tension power line forty feet off the ground. The customer told them in the initial meeting it was unimportant if the colors matched perfectly. However, their first call was about a problem: two parts did not match exactly. Executive A said,

The point is, it was our fault. A system should be in place to make sure all parts match, and all colors are consistent, independent of what the customer says. Parts should not ship when the colors are not consistent. That is not consistent with who we want to be as a company.

Theory of Knowledge: Operational learning. Executive A said there have been many changes. The team is continually having discussions by asking, “Is this is where we want to go? What is the best way to get there?” For example, the tool maker was instructed a year and a half ago to double the volume without increasing labor. Everything they could need was recorded on a list. Through that process, a whole list of equipment, software, and tooling were identified, including a machine that reproduces tolerances to one millionth of an inch and turns 30,000 RPM. After analysis and process design, that machine was purchased and successfully installed. The advantage of installing that machine has had a cascade effect throughout the system. For example, the plant manager said sales were down and the company was suffering, and he was concerned. However, it does not always occur to many people that capacity was added, and in actuality, sales are up 5 percent over the year before, which is good for all. The team sees where the company wants to go and talks openly about how to get there. Someone may have a solution to get there, and it may not work well at the time. However, the organization will eventually come to a solution because everyone is vested into the aim.

Theory of Knowledge: Processes in which learning can occur.

Communication, management, training, and process are the responsibility of senior leadership. Executive A says if those are not in place, it is on him: “There are only three reasons why someone is fired: poor hiring, poor training, or poor management.” Instead of asking, “How things are going?,” he asks, “What blew up today?, What did not work well today?” He said many people do not have peaceful lives. There is much trouble at home, and life is difficult. Executive A said, “I want this to be a place where people can come, do a good job, do good work, leave satisfied, and feel like they are making progress. If there is no peace in someone’s life, I would like this to be a place of peace.”

Theory of Knowledge: Knowledge of the effects of the system on the performance of people. “Getting the right people on the bus is important. Then it is important to get the right people sitting in the right spots on the bus.” To find the right people for the bus, they are looking for people who must accomplish something during the day for them to feel satisfied. People are comfortable only going so far. Executive A explained, “No matter how capable a human being is, there is a limit someplace. Some people’s limits are extraordinary, but there is always a limit.” That is how they find out where team members should be sitting on the bus. What are they willing to do? For example, in the inspection department, two employees want to do more. Executive A said that as a leader, it is his job to show them how they can do more. With the one employee, he or she may be getting to the end of the ability. However, if the employee makes some personal changes in the way he or she handles things in life, then in all areas of life, he or she could continue to make significant progress. There is no problem with intelligence or abilities, but some characteristics prevent them from moving forward, and that is true for anybody.

Theory of Psychology: Lead, to coach to provide methods and tools.

Executive A emphasizes that he tries to live life consistently with Christian values and not the way the world is: “The rule around here is you can be incredibly talented, intelligent, and just a wonderful human being but if the job does not get done, it does not help us.” If an employee does not show up for work, it disrupts the flow, which is like the church. Executive A is compelled to develop an organization that promotes consistency and honors leadership and progress.

According to Executive A, all he can do is offer opportunities to people in consistent ways and ensure the communication, management, training, leadership, and processes are in place so that they can succeed. For example, there is a young man who gets halfway through a project, then stops, distracted by something else. Embracing the coaching opportunity, Executive A explains a new assignment to the young man. They

both stand and look at the project. He asked the young man what he saw: “Is this consistent with what you know in your heart of hearts that is the desired outcome of this project?” When the answer was “no,” he said, “Okay, it is not consistent. What needs to be done so that the result is in line with what you know is expected?” He explained to the employee that he should feel free to ask questions or for information, but it is his responsibility to accomplish the task and get it done without being kicked in the rear, so to speak.

Some people lack knowledge, motivation, intent, and perspective. Executive A said,

If I provide methods, training, or insights to add the skills they lack and if they have the ability within them to get to these objectives, then it is my job to give them the opportunity, give them the training to increase the knowledge and self-worth. If the individual can get the task done and adopt the intent, then we will share more for development along the way.

He asks questions such as, “These are the things that life is looking for, these are the things that leaders are looking for, this is the way that leaders behave, and this is the way things get done. Can you look yourself in the mirror and say that I am living consistently with this measure?”

Theory of Psychology: Personal transformation through meaning. Executive A is committed to building up Christ-centered leaders. He said the church is not making the progress that it should. If competent leadership and competency in business are integrated with the church, it is only going to benefit what Jesus Christ wants in people’s lives. He provided the example that his local church is yearning for good leadership-centered discipleship training. He emphasized that he is talking about manly-centered discipleship training relevant to living a Christian life, including in the marketplace.

He was asked to discuss his vocational calling and the major events that led him to the decision to integrate faith and business, and he responded that he does not see his life as an integration. As an engineer, he gave an example about the importance of diagnostics: if one is driving to Florida from Louisiana late in the evening and the sun is

in one's eyes, diagnostics would say you are going in the wrong direction. Two diagnostics are most important in his life. The first is living a consistent life. He asks,

Is there several of me or is there one of me? I claim my life belongs to Christ but either it does, or it does not, it is very basic. There are no ifs, ands, or buts. There is no gray area. Christ is not something to put on or wear. He is not an image to be taken at a certain convenient time.

The litmus test would be if he can stand in front of the church and honestly, with clear eyes and straight face, introduce business associates on behalf of the body of Christ.

Second, in business, Executive A believes God gives him the time in the day to do what He wants him to do. He has a list of things he tries to accomplish, and "in the midst of it all God is going to pull me aside and have me represent Him in any number of things." He shared a valuable life lesson learned from a young woman who had been a Christian for less than a week. He was teaching the college and youth department at church, and at the time, he felt enamored with all his learning and knowledge; he was also complaining about his week and how he had no time. He recounted,

Then a week old Christian looked at me and said 'Wouldn't you think God gives you enough time in the day to do what He wants you to do?' . . . It could not have been more striking or alarming if she had hit me with a baseball bat. It has been a watchword for the last twenty-five years.

Executive B

Two case study participants hail from Chick-fil-A but offer two unique points of view within the organization. The Chick-fil-A story must begin with S. Truett Cathy. Cathy "made it personal and that is how he grew the company for over sixty years. He made emotional connections, and he knew we can change lives by the way we treat people."⁴ Chick-fil-A started in 1946 when Cathy opened his first restaurant, Dwarf Grill, in Hapeville, Georgia. Cathy was known for having a keen business sense, a work ethic forged during the Depression, and a personal and business philosophy based on biblical

⁴S. Truett Cathy, "In Memoriam," accessed September 24, 2016, <http://www.truettcathy.com/memory.asp>.

principles. In the early 1960s, Cathy founded Chick-fil-A, Inc. and in 1967, he opened the first Chick-fil-A restaurant at a mall in suburban Atlanta. Chick-fil-A is still privately held and family owned.

The first Chick-fil-A case study participant is Executive B, a vice-president at the corporate office in Atlanta, and the second participant is Executive C, a board member and operator of two restaurants in North Carolina. Executive B will be discussed first. Executive B is also an author with more than 700,000 copies in print and enjoys serving leaders through his writing. He has traveled extensively around the world, teaching numerous international organizations. His theme and passion is always about encouraging and equipping leaders. He was interviewed at the Chick-fil-A corporate headquarters in Atlanta. He was nominated by Executive C.

In 1977, he began his career working for Chick-fil-A as an hourly team member. Since that time, he has progressed through the organization, providing leadership for Corporate Communications, Operations, Quality and Customer Satisfaction, Training and Development, Organizations, and Leadership Development. This accomplished executive has been with Chick-fil-A as annual sales grew to over \$6 billion, and currently, the company is approaching 2,000 restaurants and nearly 75,000 employees in thirty-nine states and the District of Columbia.

Executive B: Coded Group Summary

The following section profiles the case study interview with Executive B. Table 2 shows the relationship between the category of the System of Profound Knowledge, the code summary, and the frequency of the occurrence. The information contained in this section allows the reader to understand the principles applied by Executive B to stimulate transformative change in the marketplace.

Table 2. Narrative summary for Executive B

| | Code Summaries | Frequency |
|----------------------|--|-----------|
| Theory of Systems | 1. Relate to a better life for everyone. | 15 |
| | 2. Aim is a value judgment. | 15 |
| | 3. Aim must be clear to everyone. | 13 |
| Theory of Variation | 1. Service reliability and dependability | 7 |
| | 2. Learn to listen to the process. | 6 |
| | 3. Keep learning and improving our system with new knowledge. | 5 |
| Theory of Knowledge | 1. Continual learning and improvement | 7 |
| | 2. Knowledge of the effect of the system on the performance of people. | 5 |
| | 3. Tap into and learn from predictability. | 5 |
| Theory of Psychology | 1. Lead, to coach to provide methods and tools. | 16 |
| | 2. Understand what it is that is most important to an individual. | 14 |
| | 3. Intrinsic and extrinsic motivation. | 13 |
| | 4. Personal transformation through meaning. | 13 |

Theory of Systems: Relate to a better life for everyone. Chick-fil-A believes their success in community is directly tied to the caliber of the individual franchised Operator who runs the local Chick-fil-A restaurant. They clearly articulate that they “are extremely careful about choosing Operators. They are looking for a good fit.”⁵ The application process is rigorous and highly competitive. They receive approximately 20,000 franchise inquires per year. Only 75 to 80 new Operators are added per year. The franchisee turnover rate historically has been less than 5 percent per year. Based on goals for system-wide expansion in targeted markets, location and development is determined solely by Chick-fil-A. They do not offer franchise opportunities to all qualified candidates. Rather, they select the best candidates for a limited number of franchise opportunities.⁶

Expressly foundational for Chick-fil-A and implied in Deming philosophy is that great leaders serve. Executive B illustrates,

⁵Chick-fil-A, “Franchising Opportunities-Application Process,” accessed September 24, 2016, <http://www.chick-fil-a.com/Company/Careers-Franchise-Application>.

⁶Ibid.

That is what we figured out after lots and lots and lots of work is that great leaders serve. No great shock there. Jesus said [that] in Matthew 20:26 when the disciples were talking about positions of leadership. People miss that it is a leadership conversation. That is what they [disciples] wanted. Putting it in the context of leadership, Jesus said, you do not understand leadership. Those that want to be great have got to be willing to become servants. Chick-fil-A believes that great leaders serve. . . . We value results and relationships. There is a powerful tension between the two.

He used Jim Collins' *The Genius of the And* as an example.⁷ He said if the focus is exclusively on results, relationships are undermined. If the focus is solely on relationships, results will be undermined. Executive B said,

You can take two things that on the surface appear to be in conflict, and they often are in conflict, and when you can find a way to embrace them both, there's power released in that tension. Amazing things can happen if the focus is on both results and relationships.

Executive B teaches, "It is a broader definition of success. It is not just the P&L; it is also the relationships within the team, with your customers, with the organization, and with vendors. Results and relationships are part of the *And*."

Theory of Systems: Aim is a value judgment. The corporate purpose or aim of Chick-fil-A, Inc. is "to glorify God by being faithful stewards of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A."⁸

Executive B states it is in the DNA of the organization. He adds that Dan Cathy, CEO, points out that the purpose statement does not say anything about selling chicken. The restaurants are the platform for influence. He says, "We do not have a standard pulpit. We have a pulpit that is twenty feet long, the length of the counters."

⁷James C. Collins, "Building Companies to Last," *Inc. (Special Issue): The State of Small Business* 17 (1995): 83-86. Collins writes, "If there's one lesson from our finding to keep in mind above all other, it is this: Clock Build your company so that it preserves a passionately held core ideology and simultaneously stimulates progress in everything but ideology. Preserve the core and stimulate progress. A truly visionary company embraces both ends of a continuum: continuity and change, conservatism and progressiveness, stability and revolution, predictability and chaos, heritage and renewal, fundamentals and craziness. And, and, and." Ibid. 86.

⁸See Chick-fil-A, "Corporate Information," accessed September 9, 2016, <http://chick-fil-a.com/FAQ#?category=2>.

Since the inception in 1946, Cathy decided to close on Sundays. He often shared that the decision was as much practical as it was spiritual. The value judgment of why Chick-fil-A restaurants are still closed on Sundays is the belief that all Operators (franchisees) and restaurant employees should have an opportunity to rest, spend time with family and friends, and worship if they choose to do so.⁹ It is part of their recipe for success.

Theory of System: Aim must be clear to everyone. There is a difference between managing people and leading people. At its simplest form, management is about doing things well, and leadership is about doing the right things. Executive B explains that his challenge is less with management because of the people they have attracted; rather, his greatest fear is that they are not doing the right things. He said, “They will do things well, but the leader’s role is to make sure they are doing the right things.”

Theory of Variation: Service reliability and dependability. The Chick-fil-A philosophy about service is that it is virtually free. Service is about how you treat people and how attentive, courteous, and engaged you are with people. Truett Cathy said, “Nearly every moment of every day we have the opportunity to give something to someone else—our time, our love, our resources. I have always found joy in giving when I did not expect anything in return.”¹⁰ Moreover, “The Operators come from all over the country with different career backgrounds, educational experiences, and goals. But they all share certain similar qualities, including a track record of achievement, entrepreneurial spirit and skill, and a drive to succeed.”¹¹

⁹Chick-fil-A, “Closed on Sundays—Sunday Philosophy,” accessed September 17, 2016, <http://www.chick-fil-a.com/Company/Highlights-Sunday>.

¹⁰S. Truett Cathy, “Truett Cathy Quotes,” accessed September 24, 2016, http://www.truettcathy.com/about_quotes.asp.

¹¹Chick-fil-A, “Operator Stores,” accessed September 24, 2016, <http://www.chick-fil->

Truett Cathy always said, “Food is essential to life, therefore, make it good.”¹² For decades, many could argue that food was a competitive advantage. However, approximately twelve years ago, Chick-fil-A began pursuing service as a competitive advantage. Dan Cathy had the insight that food is not a sustainable competitive advantage because people can copy the food, but they cannot copy the caliber of the people the Operator model attracts. He felt that if food is not a competitive advantage, then “we have got these great leaders with these great people. What if we channel their energy and their talent and say we are going to make service our competitive advantage?” According to Executive B, Dan Cathy maintains the standard that “we are not just going to talk, we are going to tell them [customers] the biblical story of the second-mile service and cite the verse Matt 5:41.” Executive B says, “Service is the future for us.”

Theory of Variation: Learn to listen to the process. According to Executive B,

Everything rises and falls on leadership. When we get the right leader, a lot of good things happen; if it is a leader with the wrong skill set, a lot of bad things happen. We create the mechanisms and the system and the support and the encouragement, but we are fanatical about selecting Operators.

Truett Cathy said,

I believe no amount of business school training or work experience can teach what is ultimately a matter of personal character. Businesses are not dishonest or greedy, people are. Thus a business, successful or not, is merely a reflection of the character of its leadership.¹³

Theory of Variation: Keep learning and improving our systems with new knowledge. After the thorough vetting of the selection process, every new Operator spends four to six weeks in intensive training, which is part of the cultural indoctrination.

a.com/Company/Careers-Operator-Stores.

¹²Cathy, “Truett Cathy Quotes.”

¹³Ibid.

The Operators must successfully complete an extensive, multi-week training program prior to commencing operation.¹⁴ However, 60-70 percent of them have Chick-fil-A experience, so they already have some knowledge of the culture. The real estate selection process puts the restaurant in great strategic locations. Variation is controlled through long-standing relationships with many of the vendors. Executive B said, “Truett always valued long-term relationship, so we try to do the same thing.”

He reports, “Many of our vendors have been with us for decades and have grown with us.” The ongoing menu development process gives them great products to serve. Standardized, location-specific customer data provides the method for listening to the customers and facilitating decisions based on customer-driven facts. Chick-fil-A corporate monitors all the processes in the system from training resources for operations to brand standards that are used as support mechanisms. Additional development courses and franchise support is always available.¹⁵ “At corporate, we are doing everything we can to set them up for success, but at the end of the day, the Operators are the decision makers for their business.”

Theory of Knowledge: Continual learning and improvement. At the corporate level, Chick-fil-A is methodical in their decision-making process. A majority of decisions are consensus decisions, which is the most challenging and time-consuming way possible. Executive B provides an illustration of how great leaders value relationship and results for improvement. When the serve model was still taking shape, the then-president asked Executive B to be a Director of Field Operations. He was concerned that the organization was not being a good steward because they had become so relationally-focused that they were not focusing enough on results. The president was clear he wanted to keep the emphasis and the priority of relationships high, and at the same time, raise the

¹⁴Chick-fil-A, “Franchising Opportunities,” accessed September 24, 2016, <http://www.chick-fil-a.com/Company/Franchise-Opportunity>.

¹⁵Chick-fil-A, “Operator Stores.”

value of results. Chick-fil-A not only talks about these things, but they also reinforce learning and improvement continually.

Theory of Knowledge: Knowledge of the effect of the system on the performance of people. For operational learning to occur—if one wants to create a leadership culture of change—one has to measure it. Organizations measure leadership effectiveness in many ways, but the right answer is the one that fits the culture. Executive B said, “I do not believe there is one right way, it is multifaceted. I think you need to have a leadership scorecard and it changes overtime.” The scorecard in the beginning may have something to do with how many leaders have been trained. Executive B emphasized that if 95 percent of the leaders have not been trained on the aim, then they are not making a lot of traction toward making that part of the culture.

In many organizations, a key metric is how many people have been trained. Federal Express took seven questions out of their employee engagement survey. An example is “I understand the vision and mission of the organization.” They used that question as an indicator of leadership effectiveness because an employee not knowing the aim is the leader’s responsibility. GE has nine boxes with performance on one axis and values on the other, and they put all of their leaders in one of those nine boxes. They have action plans and development plans in all of those different boxes. Said Executive B, “At Chick-fil-A, we call it a leadership talent review. As we look for how to develop leadership effectiveness, we have been doing it now for about three years so it is a relatively recent [phenomenon].”

Theory of Knowledge: Tap into and learn from the system for predictability. Executive B emphasized,

The first step of creating a leadership culture of change is to define it. We went into this whole thing and said, “Our first problem is that we do not have a common definition.” . . . A local professor stated that there were over 6,000 definitions of leadership. If we were trying to accelerate leadership development as change and everybody defined it differently, then that built in inefficiency at best, and it actually made the problem virtually unsolvable. . . . The second step is to teach it because if

people do not understand it, the fact that it exists is somewhat irrelevant. In addition to teaching the point of view, the skills and competencies necessary to deliver it must also be taught.

Theory of Psychology: Lead, coach to provide methods and tools. At the heart of the Chick-fil-A leadership model is the idea of reinventing continuously. According to Executive B, leaders that are not reinventing continuously are not leading to their full potential, and they are not fulfilling their job responsibilities. Therefore, the company tries to give people some hooks because even the idea of reinventing continuously can be confusing; exactly what does it mean? He provided three domains for consideration:

1. How are you continually learning and growing systems or work processes? “If you do what you have always done, you will get what you have always got.”
2. If a different outcome is desired, what needs to change in the process or work system to get the outcome? Hope is not a strategy. Our leaders are taught if the strategy is of hoping that something is going to be better, I am not voting [to] support it. Leaders know that if they want a different outcome, they have got to change the process.
3. Create a structure that is appropriate for the task at hand. The structure is a choice.

Based on the experience of Executive B, he feels organizations often become victims of the structure. It is just assumed the structure is the structure. What is often not realized is that leaders create structure. Structure does not make it easy to do work, but the appropriate structure makes it easier to do the job. The question becomes, “Is it going to require extra communication and lots of energy with tendencies to just go in circles, or can you create a structure that will make it easier to enable the organization to move forward?” Executive B says, “The best leaders are willing to hold structure loosely and create a structure that is appropriate for the task at hand.”

Theory of Psychology: Understand what it is that is most important to an individual. Asked to describe his vocational call and the major circumstances that led to the decision to integrate faith with business, Executive B said, “I didn’t know you weren’t supposed to integrate faith in business. It would seem counter-intuitive to me to

separate them.” He attributed that in part to his upbringing, but more importantly, to his experience of working in the culture for almost forty years where they are not separated.

He added,

I sat around a table every day and had lunch with some really outstanding leaders who are also men and women of deep faith. It never occurred to me that you should separate those things. When we pray before a meeting, it is because we know we need God’s help. It is not because we have chosen to integrate our faith at work. It is because we are aware we are not smart enough to figure all of this stuff out.

Theory of Psychology: Intrinsic and extrinsic motivation. For seventy years, Chick-fil-A has built a foundational commitment of service to customers, Operators, team members, suppliers, and their communities. They say this begins in the restaurant, one customer at a time. Executive B emphasized,

We firmly believe in treating every person who comes through our doors with honor, dignity, and respect. We teach it to everyone who comes to work for us, and it is something that they take with them throughout their careers, whether they choose to stay with Chick-fil-A or go on to other careers.

It is a worldview, and that worldview is that there is not a secular and sacred divide. God is God of all and Creator of all. Executive B feels privileged that he has the opportunity to be in a culture that would never separate the two. He provided an example:

We were in a meeting fifteen years ago when we were talking about taking our service to a new level. There were all these different names proposed for the campaign. I’m in the office with Dan Cathy and Tim Tassopoulos, our new president, but he wasn’t back then. We were talking to Dan about this new service play. Dan proposed all of these different names and one of them was Second Mile Service. One of the others was Five Star Service, and I said Second Mile Service. Dan makes us now, even to this day, tell everyone that it is Matthew 5:41.

Theory of Psychology: Personal transformation through meaning.

Executive B shared his perspective of the source of the strategic direction:

The leadership model was a progressive revelation for us. When we came up with this model, we believe it was born out of the need for more leaders. Prior to this change, our process had been what I call immersion and osmosis. It was basically leaders will make themselves known.

Executive B colorfully stated,

What we did over two years, interviews, benchmarking, read a couple hundred books on leadership, as rigorous as chicken people could do. Because washing someone’s car and walking their dog doesn’t make you a leader. It makes you a

servant, but not all servants are leaders. What we began to say was, what are the strategic ways that leaders serve?

They came up with five strategic ways leaders serve:

4. They see the future, which is about vision.
5. They engage and develop others, which is about people.
6. They reinvent themselves continuously.
7. They value results and relationships.
8. They embody values.

Executive C

Executive C is the owner and Operator of two Chick-fil-A restaurants in North Carolina. He was nominated by pastor David Thompson of The Summit Church, Durham, North Carolina. I interviewed Executive C at his private suburb office in Raleigh, North Carolina, and afterwards, I visited one of his two bustling restaurants on a weekday. The service and food were impeccable.

In addition to operating restaurants, he has worked as a restaurant team member in Alabama, Georgia, and Virginia. He is also a Board Member of Chick-fil-A. Prior to joining Chick-fil-A, Executive C worked alongside college students, preparing them for mission work in North Africa.

Executive C grew up as a missionary kid in Brazil. His father was a pastor for the International Missions Board (IMB) with the Southern Baptist Convention. When he was twelve, they moved back to Richmond, Virginia, where his father was the Vice President for the IMB. Executive C was a walk-on football player for an SEC University where he earned a bachelor's degree in economics.

The basic requirements to become a franchised Chick-fil-A Operator include¹⁶

1. Looking for a full-time, "hands-on" business opportunity.
2. Have a proven track record in business leadership.

¹⁶Chick-fil-A, "Franchising Opportunities."

3. Have successfully managed your personal finances.
4. Are a results-oriented self-starter interested in growing a business.
5. Are prepared to have no other active business venture.

Executive C: Coded Group Summary

The following section profiles the case study interview with Executive C.

Table 3 shows the relationship between the category of the System of Profound Knowledge, the code summary, and the frequency of the occurrence. The information contained in this section allows the reader to understand the principles applied by Executive C to stimulate transformative change in the marketplace.

Table 3. Narrative summary for Executive C

| Category | Code Group Summaries | Frequency |
|----------------------|--|-----------|
| Theory of Systems | 1. Relate to a better life for everyone. | 17 |
| | 2. Aim must include plans for the future. | 15 |
| | 3. Aim is a value judgment. | 14 |
| | 4. Aim must be clear to everyone. | 14 |
| Theory of Variation | 1. Learn to listen to the process and system. | 6 |
| | 2. Procedures aimed at minimizing economic loss. | 5 |
| Theory of Knowledge | 1. Knowledge of the effect of the system on the performance of people. | 5 |
| | 2. Never-ending learning in order to understand and reduce variation. | 4 |
| | 3. Continual leaning and improvement. | 3 |
| Theory of Psychology | 1. Lead, to coach to provide methods and tools. | 10 |
| | 2. Understand what it is that is most important to an individual. | 9 |
| | 3. Establish an environment that motivates. | 8 |

Theory of Systems: Relate to a better life for everyone. Executive C

attributes much of the success of the Chick-fil-A system to the Operator selection process:

“For an initial financial commitment of \$10,000, selected franchisees (who are called Operators) are granted rights necessary to operate a franchised Chick-fil-A restaurant.”¹⁷

¹⁷Chick-fil-A, “Operator Stores.”

Executive C explained, “The Operator model of Chick-fil-A is a business partnership where the Operators are taking care of the restaurant for the Owner, but they have a good bit of ownership of how the business is run.” Profits of the restaurant are shared 50-50 between the Operator and the Owners.

As one of America’s most trusted and recognized brands, relationships with suppliers are also viewed as business partnerships. Executive C said, “The more successful we are, the more successful they are.” If the Operator’s sales are up, the Owner’s sales are most likely going to be up as well. These valued partnerships are intended to be long-term relationships.

Theory of Systems: Aim must include plans for the future. As discussed, Executive C attributes much of the success of Chick-fil-A system on the operator model and “the extensive interview process and process of getting to know the operator.” In fact, the model was founded on an interview process that included the candidate and his wife staying at the Cathy’s home overnight. In those days, the partnership was based on a handshake. Still today, “There are many Operators who were brought on that way.”

At Chick-fil-A, service goes beyond the restaurant doors. Executive C discussed,

We serve our communities through volunteerism and giving. We also make a commitment to take care of the people who take care of our communities. For example, by giving sandwiches to first responders in times of crisis, we honor the commitment they make to serve all of us. This is what makes us who we are.¹⁸

Theory of Systems: Aim is a value judgment. In 1982, when interest rates went upwards of 19 percent, Chick-fil-A found itself in crisis. The executive committee got together at a strategic planning retreat. Early on in the retreat, the question “why are we doing this and what are we really about” became the focus. That conversation was used to define the Chick-fil-A purpose. From that weekend until today, the Chick-fil-A

¹⁸Chick-fil-A, “How We Give: Our Giving Tradition,” accessed September 17, 2016, <http://www.chick-fil-a.com/Company/Responsibility-Giving-Tradition>.

corporate purpose reads, “We are here to glorify God by being faithful stewards of all that has been entrusted to us and to have a positive influence on everyone who comes in contact with Chick-fil-A.”

To Executive C and many in the organization, stewardship is the realization that “it is not you that you are taking care of it.” It is more than financial stewardship; that is one component. The way he views it, they are to steward the restaurants, tables, equipment, employees, and communities. They are to be stewards of all those things that God has given them in a way that has a positive influence on people in a caring way.

Founder Truett Cathy frequently used biblical principles as business practices. Cathy said, “I’d like to be remembered as one who kept my priorities in the right order. We live in a changing world, but we need to be reminded that the important things have not changed, and the important things will not change if we keep our priorities in proper order.”¹⁹ For example, Executive C views his business “as a place to serve others.” In fact, he added, “Few people know this, but our service model is based on Matthew 5:41: ‘if anyone forces you to go one mile, go with him two miles.’” Chick-fil-A calls it “Second Mile Service.” The aim is to go above and beyond what the customers expect. As a quick-service restaurant, customers expect the food to be hot, the place to be clean, the staff to greet them, and the service to be speedy.

Theory of Systems: Aim must be clear to everyone. Whatever part of the organization that leaders are in, it is their role to provide clarity to team members. Executive C said, “You must cast the big picture vision that this is what we are trying to do, but you must provide that vision of the roles and here is your job and your assignment. This is what you are expected to do and here are the boundaries.” Cathy said, “No goal is too high if we climb with care and confidence.”²⁰

¹⁹Cathy, “Truett Cathy Quotes.”

²⁰Ibid.

As part of the Chick-fil-A aim to have a positive influence on all who come in contact with them, many Operators offer programs to enrich their communities. For example, some Operators partner with neighborhood schools to distribute the Core Essentials character education program that encourages children to develop positive values, and many implement fund-raising efforts in which Chick-fil-A products and merchandise serve as student incentives.²¹

Moreover, Proverbs 22:1 was a favorite verse of Cathy and had a profound impact on Chick-fil-A as an operating value. According to Executive C, on numerous occasions, Cathy set the tone by stating, “It goes back to Proverbs 22:1: ‘A good name is to be chosen rather than riches, and favor is better than silver or gold.’” The aim for Chick-fil-A is that they value people over profits. Executive C makes it clear that this includes all people: customers, suppliers, and employees. With this values-driven approach, complexity of the system is reduced because Operators are not driven by the need for power, influence, or recognition. In fact, it is not tolerated. With a lower degree of complexity, Operators carry less of the load themselves and can focus on serving people over profits.

Theory of Variation: Learn to listen process and the system. Within the Operator model are quality and consistency practices that are required to be followed. Executive C said,

Obviously we all sell Chick-fil-A sandwiches, we don’t have anyone selling random products. However, the Operators do run the business by choosing who to hire, compensation packages, how to market, and growth strategies. . . . There is a lot of trust Chick-fil-A Corporate has put in each individual Operator. Chick-fil-A has been known to invest millions of dollars back into suppliers to help them be more consistent or build capacity to ensure success for all.”

Theory of Variation: Procedures aimed at minimizing economic loss. Communication is key in supplier relationships. No matter if it is a new product or a

²¹See Chick-fil-A, “Company Fact Sheet,” accessed September 9, 2016, <http://chick-fil-a.com/Company/Highlights-Fact-Sheets>.

launch, the supplier must know where the organization is going, and they must be able to keep up, otherwise there will be a misalignment. To minimize loss or variation from misalignment, Chick-fil-A frequently meets with all suppliers individually and collectively. In fact, twice a year they bring all suppliers together for face-to-face meetings to communicate vision, build relationships, and solve problems.

Theory of Knowledge: Knowledge of the effect of the system on the performance of people. Executive C explained that for a team to flourish, one must share with them and teach them what the business is about. Vision and aim must continually be reinforced. A team must understand what they are trying to accomplish—the “why” they are doing this. Once they understand, they can embrace the vision, embrace the business, and add value back to the organization with a sense of accomplishment. On the other hand, if a leader does not explain the “why,” train employees, or give them a context of what is important and how it fits the aim, then it is hard for anyone to add value and flourish.

Theory of Knowledge: Never-ending learning in order to understand and reduce variation. Chick-fil-A Operators are equipped to handle decisions and reap the rewards of a challenging business.²² Executive C stated,

Training is critical. There are no dollars wasted on training. We are constantly looking at ways to be more productive and efficient on what and how we train employees. We have employees dedicated to training and the type of people that work best for us.

The Operators have autonomy for training programs at the restaurant level. Executive C emphasized that “90-95 percent of my time is dedicated to thinking about the talent we have, and how we are pouring into them.”

Executive C views his restaurant as a place of restoration for customers: “The word ‘restaurant’ is from a French word that means ‘restore.’ . . . Yes we fill up customers

²²Chick-fil-A, “Franchising Opportunities.”

from a physical stand point with great food, but we also view it as a place for us to restore people emotionally, physically, and spiritually.”

Theory of Knowledge: Continual learning and improvement. Chick-fil-A has a long history of continually renewing itself. From the financial crisis in 1982, the organization continually improved on operations, food quality, and consistency. They focused on providing great service, cleanliness, and good food served quickly. In the 1990s, the organization responded to the market by successfully shifting from the mall model to predominantly free standing locations near big box retailers such as Target, Home Depot, and Costco.

That trend is starting to change as big box retailers have slowed suburban expansion. It is beyond the scope of this study to analyze the reasons for the demographical change in slowing the suburban sprawl, but the point is that Chick-fil-A is continually renewing their business model to respond to market pressures. Their business model is changing to more inline locations, which has other retailers attached to the same space and predominantly serves pedestrian traffic without a drive thru. They have recently opened stores in downtown Chicago and in Manhattan, and a future opportunity could be international expansion. However, at this time they are only focusing expansion plans on the mainland United States.²³

Theory of Psychology: Lead, to coach to provide methods and tools.

Executive C stated,

It goes back to the individual operator giving ownership, trusting in their staff. . . . I have a tremendous amount of confidence in my leadership team and give them ownership of different parts of the business and [keep] them accountable. As the owner, my job is to set clear expectations or the aim.

²³Chick-fil-A, “Targeted Areas,” accessed September 24, 2016, <http://www.chick-fil-a.com/Company/Careers-Map>.

Executive C makes it clear that positional power is a least preferred method of leading. Cathy passed down a practice of mutual respect: “They had that much respect for him because he had that much respect for them. They knew he would do anything for them. In turn, they were willing to do anything for him.” From a developed practice of mutual respect, it is more efficient to motivate by empowering, casting a compelling vision of what the leader is trying to get done, and getting the right people who want to make it happen.

Theory of Psychology: Understand what it is that is most important to an individual. For Executive C, John 1:14 is foundational for how he operates his business. John 1:14 says, “And the Word became flesh and dwelt among us and we have seen his glory, glory as of the only Son from the Father, full of grace and truth.” Executive C said, “There are many examples in the Bible of Jesus showing both grace and truth to people. In business, for different people, you show more grace or truth. Knowing the difference is what makes a great leader.”

Executive C cares about all employees and he cares about what is going on in their personal lives. Executive C is inspired to add value to anyone who works for him. He said, “I want to increase the value to them professionally, that they come away with skills that will be helpful for them in a future job whether at Chick-fil-A or not. For me it is about pouring into my staff and seeing to it that there are opportunities for them to grow.” He explained the most satisfaction in his role is to pour into young leaders with the hope that it can help them flourish: “It goes back to grace and truth. I care about you. I want to see you be successful, but I am also going to hold you accountable. I have this expectation that this is what we are trying to do, this is the level of service we want to provide.”

Theory of Psychology: Establish an environment that motivates. Truett

Cathy said, “It is when we stop doing our best work that our enthusiasm for the job wanes. We must motivate ourselves to do our very best, and by our example lead others to do their best as well.”²⁴ According to Executive C, looking at the heart of a person is the most important aspect of selecting staff. To discover someone’s heart is a process; it does not come from one interview question. Executive C passionately believes,

Innately we were created to care for people, and we were created to want people to care about us, to generally want to serve and to encourage and be a part of life. We are looking for people who receive more joy out of giving than receiving from a heart standpoint and then we teach them to serve others.

To him, it is relational and not transactional, and this is a guiding principle by which Cathy established Chick-fil-A.

Executive D

Executive D is the Chief of Police for one of the largest port authorities on the west coast of the United States. Under his direction, the police officers and staff collaborate with local, state, and federal partners in a wide variety of public safety and homeland security functions. Civil officers serve in Records, Communications, Bay Operations, and Support Services, and there are officers in some specialty assignments, including Police K-9, Dive Team, Weapons Training Unit, Marine Firefighting, Investigations, Training, and a variety of state and federal task forces. Executive D oversees 158 employees and an annual budget of \$31 million. His jurisdiction includes five cities, one of busiest commercial airports in the United States, and almost two-thirds of the US. Pacific fleet. The port under his jurisdiction receives nearly 3.3 million metric tons of cargo per year and draws close to 100,000 active-duty Navy and Marine Corps personnel assigned to local ships and bases.

²⁴Cathy, “Truett Cathy Quotes.”

The themes of his department include the following:

Leadership: The Police Department considers every employee a leader, not only in how they perform at every call but also how they handle every contact with the public. Supervisors are committed to being consistent amongst the shifts and committed to the success of those who work for them.

Visibility: The Police Department is committed to being highly visible to deter crimes and acts of terrorism.

Preparation: Members of the Police Department are prepared to respond to emergencies or any hazards by ensuring their equipment, training, and readiness are always maintained at the highest level. As a department, they are ready to serve the region and to deter or prevent crime and counter-terrorism. The agency is well trained in response to any natural or human-made disaster.

The Chief has served in municipal policing for 23 years, and his service includes patrol, investigations, training, and tactical operations. He is a graduate of the FBI National Academy and has a master's degree in organizational leadership. The Chairman of the Board Commissioners said this about the Chief: "He excels at motivating people. He is an excellent communicator and inspirational leader. He brings a record of leadership to build on the sound foundation of financial sustainability and integrity."

Executive D was selected to enrich the research by expanding the coverage to include an executive Christian leader from the civil service sector. He was nominated by expert panelist Tim Rich, Associate V.P. at the University of Northwestern-St. Paul. Executive D was interviewed at his office.

Executive D: Coded Group Summary

The following section profiles the case study interview with Executive D. Table 4 shows the relationship between the category of the System of Profound Knowledge, the code summary, and the frequency of the occurrence. The information contained in this section allows the reader to understand the principles applied by Executive D to stimulate transformative change in the marketplace.

Table 4. Narrative summary for Executive D

| Category | Code Summaries | Frequency |
|----------------------|---|-----------|
| Theory of Systems | 1. Relate to a better life for everyone. | 19 |
| | 2. Aim is a value judgment. | 17 |
| | 3. Unity. | 13 |
| Theory of Variation | 1. Learn to listen to the process and system. | 8 |
| | 2. Service reliability and dependability. | 7 |
| | 3. Variation from common causes. | 3 |
| Theory of Knowledge | 1. Never-ending learning to understand and reduce variation. | 13 |
| | 2. Evidence of Plan, Do, Study, Act. | 11 |
| Theory of Psychology | 1. Lead, to coach to provide methods and tools. | 24 |
| | 2. Understand what it is that is most important to an individual. | 19 |
| | 3. Establish an environment that motivates. | 17 |

Theory of Systems: Relate to a better life for everyone. Professionalism, service, and leadership are the aim Executive D instills in officers. They train and communicate continually, taking satisfaction in service. He said,

We train to be prepared for whatever we encounter whether it is a deranged lunatic, homeless guy who you cannot reason with or someone who is on drugs or alcohol and emotionally bent out of shape, or someone above their senses, being very impolite. We have to treat all those people the same.

He teaches the standard that “as a cop, civilian staff member, or dispatcher your job is to be a leader and leave the situation better than you found it. . . . A lot of this job is that we have to take satisfaction in doing a good job and doing the right thing especially when no one is looking.”

Executive D said, “I make no secret that to be a leader, teamwork is essential, [and] we must stay together.” In the system, the sergeant is the most important job in the department because it has the most direct impact on the officers; it is a seven-to-one ratio.

As he explained,

We stress picking the right people for that job. They must love people. If they do not love people and just love doing tasks, that is not the right job for them. . . . Sergeants can make the officers’ lives miserable in many ways because they control schedules and workflow, or they help them succeed by being mentors, training and encouraging them.

Executive D trains his first-time supervisors to continually make clear what is expected, what the situation is, provide a pathway forward, and always have an attitude of “Let’s do this together.” He stressed the way one monitors the transformation or growth: “The next time you see the person do that thing the way it was taught, you should celebrate the success. We make it very clear how to move up in this organization, and it starts with teamwork.”

Theory of Systems: Aim is a value judgment. The aim is clear. Executive D said,

Our mission is to provide exceptional public service. We have twenty million passengers come through the airport from all over the world. Their first impression might be the cop at the airport. That needs to be a good experience. How do we do that is by focusing on our mission. . . . In any police department, two-thirds of the calls have nothing to with crime, it is all about service.

The calls are about somebody in an accident, lost, or in distress about something unrelated to crime. “It is just helping people,” he said, and “if you go to any police department in the country, a third of the volume is crime related, and two-thirds are service. We have to be good at both but especially service.”

Theory of Systems: Unity. Transformation of the department is a process. When Executive D was hired, it was made clear that he was hired to fix problems or they would get somebody else who could. His philosophy is that problems are symptoms. In this case, like so many other situations, the symptoms were broken relationships. He said,

The management had no connection with the troops, the middle-level management was playing sides and favors, which are symptoms. . . . You can take your worst employee and encourage them and demonstrate that you care for them and get better performance just by loving them with dignity and respect.

He gave an example of an officer he had in a previous city. The outgoing Chief inappropriately warned him, “This guy is a nightmare; you are going to have your hands full.” Executive D recounted, “Sure enough in the first meeting he pops off something ridiculous. I call him the arsonists; he lights a fire and watches it burn.” Right

then, Executive D determined he was going to make an example of him and transform him with dignity and respect by showing him he cares about him.

Executive D said, “His behavior was out there, but he liked to work.” In Executive D’s second month they had an awards banquet. He decided to give the officer an award as the best DUI officer. Executive D said, “After that, he still complained and did ridiculous things, but from that point on, I developed a trusting relationship with him and he became a fine officer. Everybody noticed if you reward what is good it will get repeated.”

Theory of Variation: Learn to listen to process and the system. Executive D said that in police work,

Every time you do something, it is recorded. It is very conducive to performance measures. For example: how many calls do we go; how many speed intakes; how many arrests; how many are in custody; how many citizen’s complaints and compliments do we get; and how many awards were we given, etc.

The department has many metrics and reliable data. It was not always this way, but the department had an ongoing transformation when they crafted the metrics in a way that rewards teamwork and team performance. Executive D said when they “started out doing individual metrics, [there was] lots of resistance, much anxiety, and we said, ‘Wait a second.’ If we talk about team goals, the hypothesis was we would get people working together instead of competing.”

The results of the team focus are impressive. They reported newfound collaboration. They were able to apply proper technology to create a command board, which is a way of communicating information across all shifts so that everybody has the same information. For example, if an officer is off for three days, he or she can learn about all the things that happened during those days by logging on and reviewing the synopsis of the intelligence. To illustrate the type of team metrics, this year the department has three primary team goals: (1) property crime reduction through proactive policing; (2) call through service involving the homeless; and (3) reduction in traffic accidents.

Theory of Variation: Service reliability and dependability. Executive D said, “Our job is to help people. Arresting people is service.” The department has a team metric to reduce service calls for homeless people by 3 percent. How do they do that when they are not generating the calls? Executive D answered, “By providing great service to the homeless people and getting them into the services that they need: shelter, food, and clothing.”

He said, “We have been accused of relocating crime by relocating homeless.” That is not true. The department transformed how they deal with the homeless through a program they started called Work Your Way Home. They partner with a Christian non-profit organization which was founded by a former homeless gentleman who devised a way to get out of that condition. Executive D said that, initially, they faced resistance from city council because some said it was not a police problem. It is true that homelessness by itself is not a crime, but it is a human condition. When they convinced the council how they wanted to work their way out of the situation without increasing the budget, “the politicians could not endorse it fast enough.” The result was that

we got all of these homeless people off the street into shelters. Now the hardcore ones who do not want anything to with it, we deal with them every day. . . . That is fine, we cannot arrest our way out of it. We still serve these people with dignity and respect and let them know what the rules are and try to help them the best we can.

Incidentally, the goal of a 3 percentage reduction ended up being 20 percent because of the program.

Theory of Variation: Variation from common causes. Communication is essential for identification of common causes and change. The use of crime mapping software displays the map of the beat on a huge board that can quickly be monitored. For example, they can visually see where there is a rash of accidents and deploy resources in that immediate area for traffic control. Now officers can deploy with a sense of purpose. When they go out to work traffic, they can go directly to where the issue is with the expectation of making a difference. Studies show the nexus between traffic enforcement

and accidents is clear. The more traffic enforcement, the more accidents are reduced.

Executive D said,

When we want to reduce traffic accidents by X percent for the year, we will do it by traffic enforcement, high visibility, and by beginning in the area where the traffic is the worst or offenders are the most blatant. . . . By utilizing the transparency of the communication tool, officers can quickly see the correlation between increased traffic stops resulting in fewer accidents.

Theory of Knowledge: Never-ending learning to understand and reduce variation. Executive D said, “We place a high value on education, constant lifelong learning.” The operation is very complex, so as Executive D explains, “the training is over the top.” For example,

Our officers go to the same police academy that everyone else does in this county. It is a regional academy. Then when they get here, they start all over. They have to learn to drive a boat. They have to learn to be a crew person on a boat. They have to learn firefighting. Because we are so complex we need to help each other. . . . A successful leader pours into the individuals they are responsible for leading. Their job is to teach, mentor, and help people be successful. Leadership is a learning process. You do not have to be tough to have strong expectations. To have high expectations, you can be caring and compassionate in how you carry out these things.

Theory of Knowledge: Evidence of Plan, Do, Study, Act. Conveying care is essential to cops, whether they show it or not. Like many professions, cops have a subculture. The Chief explains cops are skeptical of the world because they deal with bad stuff: “We have a front row seat to life, the good, the bad, and the ugly. Because much of it is bad and ugly, we get cynical.” His challenge is to build in healthy outlets that counter the cynicism and care for his troops.

One of the transformational processes that Executive D started is the Officer Wellness Program. It consists of chaplains recruited from local churches. He said, “A lot of cops are skeptical of chaplains or anything Christian or religious of any kind.” The program also consists of peer counselors who are staff-trained as counselors just to come alongside officers. Executive D said the program is designed to “extend our care and compassion for our people when they are going through a hard time with family, an illness, a loss, or a critical incident on duty such as an injury or a near death experience

that rocks their world.” The peer counselors are volunteers who are embedded in the force.

The purpose of the aim of the program is to demonstrate that the organizations care about each individual. Executive D said,

The program enforces to our people that they are our most valuable resource. We are in the people business; we need people to do this business, and we need to take care of our people. We take a lot of pride as an organization to say, “Look, we want to provide the best training, equipment, encouragement, and support for you to be successful in this tough job.”

The program is not mandatory. The officers have to want it. Executive D compared it to addiction treatment; you have to want the help. He said, “They have gotten past the stigma that the chaplains are here to cram their religion down their throats. They realize the pastors are here to help. They are not here to proselytize; their first mission is care.” It is now part of the culture. The officers know that if something happens, they will be cared for.

Theory of Psychology: Lead, to coach to provide methods and tools.

Executive D said, “I do not like to use the word ‘manage.’ We like to use lead.” He elaborated, “Cops hate change, and when they do not like the way things are, they are impossible to manage. They are strong willed, independent, take charge kind of people.” Executive D prefers the concept of leadership. He motivates officers by constantly reinforcing the vision that

everybody in this department is a leader. It is not because you have stars, bars, or stripes on your uniform. It is the way you show up. If someone is having a problem, they expect you to solve it. You are a leader right there, and you are vested with great authority and responsibility. . . . We want to give them the opportunity to succeed as a leader.

As a Christian leader, “I try to be patient, demonstrate love, live and lead in a way that honors each individual with dignity and respect.” He explained early in his career that he read a book that profoundly impacted his leadership style: *Theory R Management*

by Wayne T. Alderson.²⁵ From the book, Executive D said he learned a valuable leadership lesson that he continues to try to practice: “If you are missing love, dignity, and respect in the workplace, you are missing out. That is so true. If you just love people, and love is an action and not a feeling, you will be successful in relationships.”

Executive D said that, as a leader, it is important to watch what you say: “As you go up the ladder, you must watch what you say and how you say it. You might mean well, but if it is not articulated just right, people will be offended.” He was referencing James 3:10: “From the same mouth comes blessing and cursing.”

Theory of Psychology: Understand what it is that is most important to an individual. Executive D believes in a servant leadership style. He has been recognized for his attributes and was asked to teach a class on servant leadership for the district attorney’s office. He said, “In this job, servant leaders are successful in building bridges with the community and working across a wide range of labor issues. I found leadership transcends the job. Leadership is transferable; it is not a crisis.” He explained what does not work are “police chiefs who are paramilitary top-down, command and control. It is not about positional power, and we’ve got to take that hill.” Positional power can be wielded like a club, but the question becomes, how does that further the goals of a team, to continuously improve and get better at accomplishing the mission? Positional power comes from a “me attitude.”

If leaders get out of the way and just give them a little guidance, it is amazing what people can do. Leadership is so powerful that if one looks out for the interests of others first and treats them with love, dignity, and respect, they will follow the leader to their certain deaths. Executive D provided a sobering example:

Heaven forbid some day we might have to ask somebody to do that. If there is an active shooter at the airport, their instructions are to grab their rifle and go in and get the guy. Now that is a high risk operation but that is what we expect them to do,

²⁵Wayne T. Alderson and Nancy Alderson McDonnell, *Theory R Management* (Nashville: Thomas Nelson, 1994).

and it is much easier when they feel like they have the encouragement and support of somebody they trust and admire.

He explained, “That is the discussion we have about the importance of leadership.”

Theory of Psychology: Establish an environment that motivates. In meetings or role calls, Executive D tries to keep a sincere posture of gratitude for the great work by the officers that, as he acknowledges, he does not always see directly. He said, “God created leadership and gave us a definitive model to follow” and explained they have different people from many different beliefs and lifestyles. He continued,

I do not try to get esoteric or scientific, I just like to love people the way God loves them. It is simple. I just have to love the people; that is my job, and I get paid to do it, that is a good deal. . . . We have 160 employees, and I try to get to know every one of them a little bit and give them the time and attention, so they know I care.

As a leader or supervisor, a requirement for success is self-awareness.

Executive D said, “You must know yourself. You need to know what trips you up and try to work around that and be honest about it. Be honest with yourself, your partner, and your boss, ‘In this, situation I struggle.’ The first step in transformation is honesty.” To illustrate, the first step in the program of Alcoholics Anonymous for transforming a life trapped in a seemingly hopeless state of mind and body is to humble oneself by admitting the powerlessness and unmanageability of sinful behavior.²⁶ The same is true for servant leaders; the first step of true servanthood that motivates others is the humility to honestly identify with others’ personal shortcomings and the dependence that comes from a love for God. Otherwise, the risk of a “me first” attitude will likely overtake good intentions in a fallen world. As James wrote, “God opposes the proud, but gives grace to the humble” (Jas 4:6).

²⁶*Alcoholics Anonymous: The Big Book*, 4th ed. (New York City: Alcoholics Anonymous World Services, 2002), 59.

Executive E

Executive E is a heating and air contractor located in Oklahoma. He was nominated by pastor Alton Fannin, First Baptist Ardmore. Executive E was interviewed at his office in Ardmore, Oklahoma. On his company's website, he identifies himself as "a follower of Christ, leader of my family and have the best heat and air team around." He and his wife started the business in 2006. His company bio continues,

I currently hold an unlimited mechanical contractors license, 7 different NATE certificates, NCI air balancing certification and am a member of several technical organizations and serve on three local non-profit boards. I get my business and life philosophy from the ultimate instruction manual, the Bible. In Colossians 3:23 it says, "Whatever you do, work at it with all your heart as to the Lord and not to men." That type of mentality is what led me to seek out the industry best to learn from, assemble the best team I could and always be looking for ways to better serve our customers. We have seen great growth since then, and I love being able to focus on building the team, spending priceless time with my family and the opportunity to spread the Good News of the Gospel to people I would not have had the chance to without the success we have had.

Their pledge to customers states, "Let's face it, no one wants to call an HVAC company. When things break, it is very stressful, and it never happens at a good time. We take the stress out of it." Deming wrote, "The best way for a student to learn a skill is to go to work in some good company, under masters, and get paid for it while he learns."²⁷ This company embodies that principle. They appeal to the customer by stating their technicians train over ninety hours a year on how to save them money. They never charge overtime, have technicians on call at all times, and promise fast, professional service that will save money. The features that differentiate them from competitors are as follows:

1. Upfront pricing on all repairs
2. NATE Certified Technicians
3. No extra fees for after-hours repairs
4. Unbeatable guarantees
5. Certified drug free employees

²⁷W. Edwards Deming, *Out of the Crisis* (Cambridge, MA: Massachusetts Institute of Technology, 1986), 130.

Executive E said that it all started in high school when he was looking for an easy half-day schedule, so he took an HVAC class. At the time, he had no real intentions of doing heating and air conditioning work. After graduation he had an opportunity to go to a year-long electrical school and was hired by AT&T as a communication technician. After 9/11, they laid off 10,000 people and he was going to be one of them, but they needed an HVAC technician. If he could pass the test, which he did, he could have the job. He is extremely grateful that he paid attention in the high school HVAC class years before.

His customer service philosophy was developed at AT&T. He was responsible to service the central office, and the communications system put off much heat; if a system went down, it had to be repaired immediately. When they called, no matter what he was doing, he had to drop everything and run to the equipment. If he could not fix the equipment immediately, he brought in rental equipment for temporary spot cooling. There was no throwing his hands up and saying, "I can't fix it."

Executive E is a life-learner; he is training-focused. Any time he could, he was taking classes. He is grateful to AT&T for paying for most of his training. Another benefit from AT&T was that they contracted out much work, and he thought it would be valuable to get his contractor's license. After he obtained that, he started to do work for friends and family after hours. In 2009, he was so busy that he began working on his own full-time.

After four years, he took his tools out of the truck and concentrated on building the team and investing in them. He looked at who was good at the business, got involved, and started studying the industry's best. The transition from technician to the office was difficult as he changed from a technician standpoint, where he had solved one problem at a time, to a business standpoint, where he was confronted with multiple problems from different angles. He made a commitment, though, and concentrated on helping the team

succeed with training, building them up, and building the business instead of trying to do it all himself.

Executive E stated, “Training is a cornerstone of our success, and we don’t just focus on the customer service, technical and sales. We devote a lot of time on life skills.” He added, “We started a Bible study and had free pizza. Before you knew it we had other trades wanting to participate, and we had to move it out of our building because 100 guys would show up.” They call it the Iron Man Group. He said he grew tired of seeing guys come to work who were battling their finances or going through a divorce without the skills to cope. He knows if there is trouble at home or something that is dividing attention, it affects performance at work. His philosophy is that if he can help improve somebody’s life and give them life tools to succeed, it returns ten-fold on the workforce side.

According to Executive E, it comes back to culture:

If you know who you are, what you stand for and what your mission is, and have fun doing it, you are going to attract people who want to be part of the team. I want people with the same values. . . . I have found people want to be in a place where they can grow, where they are wanted, where they feel like they can make a difference and be part of a team that means something and gives back. Many people want to be a part of something bigger than simply a job, so often it’s not only about the money.

Executive E: Coded Group Summary

The following section profiles the case study interview with Executive E. Table 5 shows the relationship between the category of the System of Profound Knowledge, the code summary, and the frequency of the occurrence. The information contained in this section allows the reader to understand the principles applied by Executive A to stimulate transformative change in the marketplace.

Table 5. Narrative summary for Executive E

| Category | Code Summaries | Frequency |
|----------------------|--|-----------|
| Theory of Systems | 1. Relate to a better life for everyone. | 23 |
| | 2. Aim is a value judgment. | 19 |
| | 3. Aim must be clear to everyone. | 18 |
| Theory of Variation | 1. Learn to listen to the process and system. | 9 |
| | 2. Understand causes of variation. | 9 |
| Theory of Knowledge | 1. Knowledge of the effect of the system in the performance of people. | 10 |
| | 2. Evidence of Plan, Do, Study, Act | 10 |
| Theory of Psychology | 1. Intrinsic and extrinsic motivation. | 23 |
| | 2. Establish an environment that motivates. | 20 |
| | 3. Personal transformation through meaning. | 20 |

Theory of Systems: Relate to a better life for everyone. Executive E said, “Everyone here wears a wristband with Colossians 3:23 on it as a constant reminder of why we are working.” The prescriptive text says, “Whatever you do, work heartily as for the Lord and not for men.” The verse supports the heart of the mission, which is “keep customers comfortable, save them money, do it better than anyone else and honor God.”

They keep customers comfortable by being there when customers need them. “We are going to be fast. We are going to be professional,” he said and emphasized that most heating and air companies only operate 8:00 a.m. to 5:00 p.m., but they want to be available when the customers need them:

Most homeowners get home after 5:00 p.m. and that is when they find out their air is broken. We want to be there when the customers need us most, not when it is convenient for us. That is how we keep them comfortable. We also keep them comfortable by doing one of the best preventative maintenance programs in the nation.

Much technical training goes into keeping the customer comfortable, whether that it is maintaining the equipment so it runs correctly, improving indoor air quality, or correcting room balance.

They save customers money by not charging them an overtime rate since they know their overhead cost, and it is covered Monday through Friday from 8:00 a.m. to 5:00 p.m. Anything above and beyond that is profit, and they are still able to pay

technicians time-and-a-half after 5:00 p.m. It is a win-win. Executive E said, “Here is another thing I have found, it goes back to keeping them comfortable, whenever you save them money after hours or on a weekend, they become very loyal customers.” They also save customers money by doing a complete inspection to get to the heart of the problem and doing a professional job every time. It may cost a little more up front, but it will save them money on utilities and repairs later on. He says that doing it better than anyone else is simple. It comes from a leadership level, and they are trying to raise up the leaders.

Theory of Systems: Aim is a value judgment. Executive E teaches that when there is the perspective of trying to glorify God in everything one does, it gives ultimate meaning to work: “I can be vacuuming this floor, and it can be a form of worship if done to the best of my ability for God.” Vacuuming a floor can have just as much meaning as closing a multi-million dollar deal or going to church on Sunday, if it is done for the Lord and not for men.

Theory of Systems: Aim must be clear to everyone. Developing leaders is a key theme that motivates Executive E. When asked how they know that they are improving every day, he responded that it is linked to leadership. He discussed the approach of monitoring processes, which starts with consistently reviewing Key Performance Indicators (KPIs) so that the team can ensure they are not going backward while also ensuring they can track the progress of improving in every area. He emphasized that leadership can be on display by trusting the team to be accountable for the KPIs, instead of him “being the bottleneck or the lid of the organization.” Executive E’s approach is to empower others: “Get out of their way and let them do what they do best and then giving them the power to improve the process themselves instead of everything coming back to me.”

Theory of Variation: Learn to listen to process and the system. By finding out what is important to employees, Executive E can be strategic with his employees.

Executive E said, “I want to know what my team cares about and what their goals are and what they are looking to do. They are requested to provide their bucket list of where they want to be in one, three, and five years. I want to hear some of the works goals.” He added it is the same for him. Connecting a work vision and personal mission are essential for focused, continuous improvement. The career mission has to work for the personal mission, employees, and Executive E. The executive has learned that this approach enables him to touch hearts. He said, “When you touch a person’s heart, they are more likely to be loyal employees and more willing to change because they believe in your leadership. It comes down to asking and finding out what is important to them.” He said it is also a way to be strategic in prayer for these employees. Here is a specific example:

Duane is an excellent guy and worker. He loves the Lord, and his whole family are involved in the church. Duane and his wife have been trying to have kids for a long time. It just was not happening. He was so positive, saying, “It is just God’s will.” We told him we were going to pray that God would open a door and make it happen. We actually circled it on the calendar. One day he gets a call. Not only did they have one kid, they four kids available and wanted to know if he would take them. They did. They are adopting them. What a blessing that was.

What does this have to do with work and listening to process and the system for a positive change? Executive E would argue that it has everything to with creating a culture for human flourishing. He said, “When you have a culture of doing things differently and doing things that mean something, not just as a financial reward, but caring for people at a deeper level, it affects the whole family.” Then the outcome is unity.

Theory of Variation: Understand causes of variation. Reflection is another advanced skill that Executive E uses for continual improvement and leadership development. He said they do much reflection. This individual skill can be taught. As for individual reflection, he illustrated that they used time trackers so employees could analyze how their time was spent. He explains,

As a team we inventory what everyone did and then we rate the level of importance. For instance, we might ask. “What could have been done at least 80% as well by somebody else?” From there, we look to build a system around those tasks so that we can free up key resources to grow the business.

As a company each month, they actively reflect. They reflect on what they did, what they did well, and celebrate successes. They also have an annual planning meeting and think about what was done well and what needs to change. From there, they set focused plans and targets for the next year, addressing any items that need attention or need to be improved. Executive E passionately stated,

I feel the monthly reflection is key because if people do not know how they are performing, how do they know if they are doing what is expected? We have key performance indicators in place that we need to maintain. . . . The employees need to know where they stand. Otherwise, they drift along, come to work and do their thing without knowing if they are improving.

To summarize, Executive E emphasized that, for an individual, daily reflection is ideal. For the company, at a minimum, there should be a weekly scorecard type of reflection, and a monthly team reflection is essential. Group reflection is a communication tool used to create knowledge and unity.

Theory of Knowledge: Knowledge of the effect of the system on the performance of people. Similar to knowing what is important to employees, when actions touch a customer's heart as a company, it rallies the team. For example, the company has a program called The Gift of Heat. It started because they learned about families without financial means having no heat because of broken equipment. They felt terrible about the hardships, so they began to take nominations of people in need. Executive E negotiated a deal with a supplier for equipment, and they now replace heaters in the winter for free.

The outcome of the program has been remarkable. The technicians rallied around the program so much that they began to donate money and labor, which enables the program to touch more people. The program is not yet in its seventh year. Executive E humbly explained what happened:

When you have that giving spirit, it is contagious. Other businesses in town are now doing the same thing. Other heat and air contractors across the nation are now doing the same thing. A business owner who can use his influence can spark a revolution. This is not my doing. This was God working through us. It is all for His glory.

Theory of Knowledge: Evidence of Plan-Do-Study-Act. Executive E exhorts the technician by saying, “Remember what we stand for and who we ultimately represent. Now if we were doing that tune-up for our Lord and Savior, would you have done it that way?” When the technician said “no,” Executive E “used the opportunity to remind him that what we are working for is not a quick monetary gain. We are there to do a great job.” On the business side, he explains, doing a great job creates repeatable customers.

Theory of Psychology: Intrinsic and extrinsic motivation. Once again, Executive E draws upon his philosophy that one must touch an employee’s heart before asking for his or her hand. Here the training and modeling are about servanthood, not about the positional power of traditional management. Executive E said, “It is all about how to grow your organization; build your team, put them first, find their needs, and show them how to win instead of a dictatorship mentality of telling them what to do.” This leadership training model is focused on the ultimate servant leader, Jesus Christ himself.

Servant leadership training is a process that must be taught. Executive E believes it is a learned skill, because most people that grow up in the blue collar world think that leadership is being a boss. He said servant leadership is actually being an enabler to help others succeed and showing them how to be servant leaders. It has a multiplying effect. One must teach leaders and they, in turn, have to go out and teach other team members as well. It must be taught intentionally.

Theory of Psychology: Establish an environment that motivates. Some of the best leaders are people without titles. Natural leaders are those to whom people gravitate. Executive E watches that closely. He said when people see someone get a promotion and title here, he or she will notice that, every time, it is because he or she models a servant leader mentality and have gained respect from the team.

Occasionally anonymous surveys are used to find out what the team thinks about everyone at the company. The types of questions asked are, “What do you think best exemplifies servant leadership? Who is the first to volunteer to help? Whose opinion do you respect the most?” Executive E said, “When a person is consistently identified in the answers, I start pouring more and more time into that person to help him grow as a leader, service manager, or whatever.” Ultimately, people are going to remember how the organization makes them feel and what was done for them and their families.

For instance, they hired a twenty-one-year-old man. He never had insurance and had not been to a doctor in years. Immediately after he started working for the company, they got him to a doctor, and he had to have a heart valve replacement. He was not there long enough to have disability insurance, and he had not accrued paid-time-off. He was off work for a couple of months, but he was paid. They brought him meals and did everything as a team.

That touched his heart, and he has been one of the most loyal people. It came from caring about him and being there in a time of need. Executive E said,

Was it a financial hardship at the time for me? Yes. Is it what I would have done? No. Is it what I think Jesus would have done if he was the owner of the company? Absolutely. Scripture says if another brother or sister is in need and you are in a position to help, you are to do it.

Theory of Psychology: Personal transformation through meaning. Each Wednesday, this organization has a Bible study with biblical personal growth as the theme. Executive E makes it a priority and tries to ensure each man can get there. The focus is to talk about issues the men are facing. These men bring their faith to work, and Executive E stated, “My job ensures we are all working together for one mission. To ensure we are all lined up, all going the same direction.”

Relationship to the Research Question

To answer the research question, a case study was developed to gather information from each case study participant (see table.A2). The case study protocol

included questions derived from the broad themes found in the literature review through the theoretical lens of W. Edward Deming's System of Knowledge Profound, which is a system of logic that defines his philosophy of continual improvement. As the information was gathered, mainly in the form of interviews, it was transcribed and coded to identify patterns of thought from each participant. The codes developed into general themes that aided in answering the research question. The following section seeks to describe each theme that was developed with rich, thick description "as to allow the reader to gain valuable insights into understanding their professional practice, designing educational interventions, developing theories, or taking other action."²⁸

Findings Related to the Research Question

How do Christian leaders in the marketplace create an environment of continual, relentless, perpetual search of improvement for human flourishing? The research findings followed four main areas of research revealed in the literature review using W. Edwards Deming's System of Profound Knowledge as the theoretical lens to evaluate continual improvement. The four main areas of inquiry articulated in the case study protocol are Theory of Systems, Theory of Variation, Theory of Knowledge, and Theory of Psychology. The responses to the protocol questions from each Christian executive participant were coded according to these four themes.

Theory of System

The following section profiles the Theory of System and systems thinking that is essential knowledge for managing an organization in a world of change and uncertainty. The information contained in this section allows the reader to understand the contrasts of synthesis as a necessary logic for understanding why a system behaves the way it does, as compared to analysis from the participants' perspective.

²⁸Joyce P. Gall, M. D. Gall, and Walter R. Borg, *Applying Educational Research: A Practical Guide*, 4th ed. (New York: Allyn & Bacon, 1998), 311-12.

Principle 1. Servant: Christian leaders in the marketplace seek to influence the lives of employees, customers, and the community by serving. Service is an active form of love. All of the case study participants seek to be servant leaders. Professionalism, service, and leadership are the aims Executive D instills in the police officers. They train and communicate continually, taking satisfaction in service. He said,

We train to be prepared for whatever we encounter whether it is a deranged lunatic, homeless guy who you cannot reason with or someone who is on drugs or alcohol and emotionally bent out of shape, or someone is above their senses, being very impolite. We have to treat all those people the same.

Expressly foundational for Chick-fil-A and implied in Deming philosophy is that great leaders serve. Executive B illustrates,

What we figured out after lots and lots and lots of work is that great leaders serve. No great shock there. Jesus said in Matthew 20:26 when the disciples were talking about positions of leadership. People miss that it is a leadership conversation. That is what they [disciples] wanted. Putting it in the context of leadership, Jesus said, you do not understand leadership. Those that want to be great have got to be willing to become servants. Chick-fil-A believes that great leaders serve.

God calls human beings to serve others. Paul wrote, “Let the thief no longer steal, but rather let him labor, doing honest work with his own hands, so that he may have something to share with anyone in need” (Eph 4:28). Executive E is passionate about serving the customer. For example, they keep customers comfortable by being there when customers need them: “We are going to be fast. We are going to be professional.” He emphasized that most heating and air companies only operate 8:00 a.m. to 5:00 p.m., but they want to be available when the customers need them. He said,

Most homeowners get home after 5:00 p.m. and that is when they find out their air is broken. We want to be there when the customers need us most, not when it is convenient for us. That is how we keep them comfortable. We also keep them comfortable by doing one of the best preventative maintenance programs in the nation.

Much technical training goes into keeping the customer comfortable, whether that it is maintaining equipment so it runs correctly, improving indoor air quality, or correcting room balance.

Psalm 2:11-12 says, “Serve the LORD with fear, and rejoice with trembling. Kiss the Son, lest he be angry, and you perish in the way, for his wrath is quickly kindled. Blessed are all who take refuge in him.” Executive A said,

In the midst of inevitable conflict in business, in employment, as a father or as a husband my job is not to say things that I feel I have a right to say, not do things I feel I have a right to do, not behave in a way that I feel is justified or is representative of the way other people behave, but in all things to represent Christ. . . . There are plenty of male and female employees who are trying to make critical decisions in life. How as a Christian leader can I help them?

The lesson is that servant leaders value Christ’s kingdom above all things.

Maintaining healthy relationships also relates to a better life for everyone in the system. For example, as one of America’s most trusted and recognized brands, Chick-fil-A’s relationships with suppliers are also viewed as business partnerships. Executive C said, “The more successful we are, the more successful they are. If our sales are up, their sales are most likely going to be up as well.” These valued partnerships are intended to be long-term relationships.

According to Leviticus 19:18, through work, human beings were created to be motivated to serve others: “You shall not take vengeance or bear a grudge against the sons of your own people, but you shall love your neighbor as yourself: I am the Lord.” This is supported by Executive D, who teaches that the standard that “as a cop, civilian staff member, or dispatcher your job is to be a leader and leave the situation better than you found it. . . . A lot of this job is that we have to take satisfaction in doing a good job and doing the right thing especially when no one is looking.”

Executive D said, “I make no secret that to be a leader, teamwork is essential, [and] we must stay together.” In the system, the sergeant is the most important job in the department because it has the most direct impact on the officers; it is a seven-to-one ratio. As he explained,

We stress picking the right people for that job. They must love people. If they do not love people and just love doing tasks, this is not the right job for them. . . . Sergeants can make the officers’ lives miserable in many ways because they control schedules and workflow, or they help them succeed by being mentors by training and encouraging them.

Executive D trains his first-time supervisors to continually make clear what is expected, what the situation is, provide a pathway forward, and always have an attitude of “Let’s do this together”: “We make it very clear how to move up in this organization, and it starts with teamwork.”

At Chick-fil-A, service goes beyond the restaurant doors. Executive C discussed,

We serve our communities through volunteerism and giving. We also make a commitment to take care of the people who take care of our communities. For example, by giving sandwiches to first responders in times of crisis, we honor the commitment they make to serve all of us. This is what makes us who we are.

Principle 2. Common vision: The aim of the system is clear to everyone.

Executive A illustrates the importance of communication that continually reinforces the aim of the organization. Every forty-five days, all-employee meetings are held where they talk about the accomplishments they had as a company and new developments for customers. For example, they created a part for a company that makes LED systems for motorcycles. In the meeting, Executive A showed the employees a picture of the part they made and then showed a movie of a motorcycle with lights flashing, and he said, “Your hands made this possible.” That way they can tie their work back to something significant.

Executive A said, “Our objective is to please customers in a way that is a reflection of what God has called us to do.” He added that whether somebody is a Christian or not, they need to understand that what the company does is a calling. The intent is to give the client exactly what he or she wants. The company is organized to react fast to customer needs. Nobody there takes customers for granted; it is unacceptable. The first question in management review meetings is, “What customers are not happy?” then they discuss the reasons and do everything in their power to make them happy. Every customer wants to have parts that meet their requirements. A detailed design conversation must take place to learn the customer’s requirements. Executive A said, “If I asked what the requirements are? Some people do not know what they do not know. Most of us do not

know what we do not know.” He illustrated, as a company, they come to some understanding of what is vital to the customer and what is going to work in that application.

There is a difference in managing people and leading people. At its simplest form, management is about doing things well, and leadership is about doing the right things. Executive B explains that his challenge is less with management because of the people they have attracted; rather, his greatest fear is that they are not doing the right things. He said, “They will do things well, but the leader’s role is to make sure they are doing the right things.” Whatever part of the organization that leaders are in, it is their role to provide the clarity to team members. Executive C said, “You must cast the big picture vision that this is what we are trying to do, but you must provide that vision of the roles and here is your job and your assignment. This is what you are expected to do and here are the boundaries.”

Executive E was asked how they know that they are improving every day and responded that it is linked to leadership. He discussed the approach of monitoring processes, which starts with consistently reviewing Key Performance Indicators (KPIs) so that the team can ensure they are not going backward while also ensuring they can track the progress of improving in every area. He emphasized that leadership can be on display by trusting the team to be accountable for the KPIs, instead of him “being the bottleneck or the lid of the organization.” Executive E’s approach is to empower others: “Get out of their way and let them do what they do best and then giving them the power to improve the process themselves instead of everything coming back to me.”

As part of the Chick-fil-A aim to have a positive influence on all who come in contact with them, many Restaurant Operators offer programs that help to enrich their communities. For example, some Operators partner with neighborhood schools to distribute the Core Essentials character education program that encourage children to develop positive values, and many implement fund-raising efforts in which Chick-fil-A products and merchandise serve as student incentives.

Principle 3. Stewardship: The aim of the system is based on values, not short-term returns. To Executive C, stewardship is the realization that “it is not yours, that you are taking care of it.” The way he views it, they are to steward the restaurants, tables, equipment, employees, and the communities. They are to be stewards of all those things that God has given them in a way that has a positive influence on people in a caring way. Executive C views his business “as a place to serve others.” In fact, he added, “few people know this, but our service model is based on Matthew 5:41: ‘If anyone forces you to go one mile, go with him two miles.’” Chick-fil-A calls it “Second Mile Service.” The aim is to go above and beyond what customers expect.

Executive E makes it clear that everyone understands the aim and that it is based on a value proposition. For example, “Everyone here wears a wristband with Colossians 3:23 on it as a constant reminder of why we are working.” The verse supports the heart of the mission, which is to “keep customers comfortable, save them money, do it better than anyone else and honor God.” When there is the perspective of trying to glorify God in everything one does, it gives ultimate meaning to work. He said, “I can be vacuuming this floor, and it can be a form of worship if done to the best of my ability for God.” Vacuuming a floor can have just as much meaning as closing a multi-million dollar deal or going to church on Sunday, if it is done for the Lord and not for men.

The corporate purpose or aim of Chick-fil-A, Inc. is “to glorify God by being faithful stewards of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A.” Executive B states it is in the DNA of the organization. He adds that Dan Cathy, CEO, points out that the purpose statement does not say anything about selling chicken. The restaurants are the platform for influence. He says, “We do not have a standard pulpit. We have a pulpit that is twenty feet long, the length of the counters.”

The aim for Chick-fil-A is to value people over profits. Executive C makes it clear that this includes all people: customers, suppliers, and employees. With this values-

driven approach, complexity of the system is reduced because Operators are not driven by the need for power, influence, or recognition. In fact, it is not tolerated.

The aim is clear. Executive D said, “Our mission is to provide exceptional public service. How do we do that is by focusing on our mission. . . . In any police department, two-thirds of the calls have nothing to with crime, it is all about service.” The calls are about somebody in an accident, lost, or in distress about something unrelated to crime. “It is just helping people.” He said, “If you go to any police department in the country, a third of the volume is crime related, and two-thirds are service. We have to be good at both but especially service.”

Theory of Variation

The following section profiles the theory of variation. The information contained in this section focuses on the nature of variation and how an organizational system operates. It includes an understanding that life is variation, as well as knowledge of the difference between a stable and an unstable state, knowledge of the difference between common causes of variation, knowledge of the effects of the system on the performance of people, and the implications of all this for management.

Principle 4. Integrity: Learn to listen to the process and the system for consistency. When life is lived according to a single consistent set of ethics there is integrity: “When we follow the same ethical precepts at home, at work, at church, and in the community, we have integrity. When we follow different ethical precepts in different spheres of life, we lack integrity.”²⁹

Continual improvement includes caring, consistency, and communication as a team. For example, Executive A illustrates the effective strategies for reinforcing standards in a caring way. In the meetings that include all employees, they discuss what

²⁹William Messenger, ed., *Genesis through Revelation*, Theology of Work Bible Commentary, vol. 3 (Peabody, MA: Hendrickson, 2014-2016), 41.

they did, what is being accomplished, what must be done to keep satisfying customers, and why customers come to them. They also talk about inconsistencies. For example, in a previous meeting, Executive A showed a picture of a sink in the break room with a plastic bag and a cup in it. He illustrated that somewhere, someone thinks this is acceptable, and that is inconsistent with who the corporation is. He shared that this sink has nothing to do with delivering a good product, but it does have to do with being a satisfied employee who contributes. He used the illustration to teach that if this acceptable, what else is acceptable?

Executive A emphasizes that he tries to live life consistently with Christian values and not the way the world is. “The rule around here is; you can be incredibly talented, intelligent, and just a wonderful human being but if the job does not get done, it does not help us.” If an employee does not show up for work, it disrupts the flow, which is like the church. Executive A is compelled to develop an organization that promotes consistency and honors leadership and progress. According to Executive A, all he can do is offer opportunities to people in consistent ways and ensure the communication, management, training, leadership, and processes are in place so that people can succeed.

An individual’s relationship with God is reflected in the actions one takes every day, including at work. By finding out what is important to employees, Executive E can be strategic with his employees. Executive E said, “I want to know what my team cares about and what their goals are and what they are looking to do. They are requested to provide their bucket list of where they want to be in one, three, and five years. I want to hear some of the work goals.” He added it is the same for him. Connecting a work vision and a personal mission are essential for focused continuous improvement. The career mission has to work for the personal mission. Executive E has learned that this approach enables him to touch hearts:

When you touch a person’s heart, they are more likely to be loyal employees and more willing to change because they believe in your leadership. It comes down to asking and finding out what is important to them. . . . When you have a culture of

doing things differently and doing things that mean something, not just as a financial reward, but caring for people at a deeper level, it affects the whole family.

Then, the outcome is unity.

Executive D demonstrates the benefit of consistent team goals. The department has many metrics and reliable data. It was not always this way, but the department had an ongoing transformation when they crafted the metrics in a way that rewards teamwork and team performance. Executive D said when they “started out doing individual metrics, [there was] lots of resistance, much anxiety, and we said, ‘Wait a second.’ If we talk about team goals, the hypothesis was we would get people working together instead of competing.”

With the Operator model at Chick-fil-A, quality and consistency practices are required to be followed. Executive C said,

Obviously we all sell Chick-fil-A sandwiches, we don’t have anyone selling random products. However, the Operators do run the business by choosing who to hire, compensation packages, how to market, and growth strategies. . . . There is a lot of trust Chick-fil-A Corporate has put in each individual Operator. Chick-fil-A has been known to invest millions of dollars back into suppliers to help them be more consistent or build capacity to ensure success for all.

To summarize, in addressing the question about his delay in visiting Corinth, Paul wrote, “For our boast is this, the testimony of our conscience, that we behaved in the world with simplicity and godly sincerity, not by earthly wisdom but by the grace of God, and supremely so toward you” (2 Cor 1:12). Paul wanted people to trust what he was preaching and was not doing it just to make money like the “peddlers of God’s word” (2 Cor 2:17). The point of this principle is the question, “Can others around us recognize that our actions are consistent with Christian beliefs?”

Principle 5. Relationships: Working alongside others to help them flourish. To Paul, joy is a means of building relationships: “Not that we lord it over your faith, but we work with you for your joy, for you stand firm in your faith” (2 Cor 1:24). What would it be like if leaders tried to bring joy to people by the way they treat them? Jesus said, “The kings of the Gentiles exercise lordship over them, and those in authority over them are

called benefactors. But not so with you. Rather, let the greatest among you become as the youngest, and the leader as one who serves” (Luke 22:25–26).

The Chick-fil-A philosophy is that service is virtually free. Service is about how one treats people and how attentive, courteous, and engaged one is with people. Truett Cathy said, “Nearly every moment of every day we have the opportunity to give something to someone else—our time, our love, our resources. I have always found joy in giving when I did not expect anything in return.”³⁰

Executive D said, “Our job is to help people. Arresting people is service.” The department has a team metric to reduce service calls for homeless people by 3 percent. How do they do that when they are not generating the calls? Executive D answered, “By providing great service to the homeless people and getting them into the services that the need: shelter, food, and clothing.”

Executive E said staying focused on the customer first comes from the technician’s desire to consistently go above and beyond. With a servant mindset that is grounded in a mission, they show up ready to serve with the attitude that they are going to save the customer money, keep them comfortable, do it better than anyone else, and honor God. Second is ensuring that the processes are in place to support the technicians so they can serve the customers. That means having a system of the right steps in place for success every time. Everything done should be done the same way every time. When someone has that giving spirit, it is contagious. A business owner who can use his influence can spark a revolution.

Communication is key in supplier relationships. The supplier must know where the organization is going, and they must be able to keep up. Otherwise, there will be a misalignment. To minimize loss or variation from misalignment, Chick-fil-A frequently meets with all suppliers individually and collectively. In fact, twice a year

³⁰Cathy, “Truett Cathy Quotes.”

they bring all suppliers together for face-to-face meetings to communicate vision, build relationships, and solve problems.

In faithfulness to God, the work of Christians is intended for the good of everyone. Even in defeat, Israel was called to be a blessing not just for itself, but for all humanity. Jeremiah makes it clear that the blessing was for everyone: “But seek the welfare of the city where I have sent you into exile, and pray to the LORD on its behalf, for in its welfare you will find your welfare” (Jer 29:7).

Theory of Knowledge

The following section profiles the theory of knowledge. The information contained in this section focuses on why effective leadership requires increased knowledge and includes an understanding that management in any form is prediction. That prediction requires theory, and without theory, experience has no meaning.

Principle 6. Admonition: Knowledge of the effect of the system on the performance of people. As the United States has shifted from an industrial to a technological economy, continual training and education have become indispensable for employees and employers. The Bible has much to say about the importance and foundation for learning. For example, Joshua was described as a man of valor and learning, strong and courageous, and well informed and obedient (Josh 1:6-9). More importantly, he was a spiritual man whose foundation of leadership was not found in Moses’ mentoring or his own strength, but was based on God’s guidance and power. For God promised him, “The Lord your God is with you wherever you go” (Josh 1:9).

These modern day leaders embody the same never-ending learning and valor of Joshua. For example, Executive D said, “We place a high value on education, constant lifelong learning.” The operation is very complex, so as Executive D explains,

The training is over the top. . . . A successful leader pours into the individuals they are responsible for leading. Their job is to teach, mentor, and help people be successful. Leadership is a learning process. You do not have to be tough to have

strong expectations. To have high expectations, you can be caring and compassionate in how you carry out these things.

For operational learning to occur, one of the required disciplines is the art of the science of measurement. To create a leadership culture of change, it must be measured, meaningfully. Organizations measure leadership effectiveness in many ways. The right answer is the one that fits the culture. In many organizations, a key metric is how many people have been trained. Executive B said, “I do not believe there is one right way, it is multifaceted. I think you need to have a leadership scorecard and it changes overtime.” The scorecard in the beginning may have something to do with how many leaders have been trained. Executive B emphasized that, within an organization, if 95 percent of the leaders have not been trained on the aim, there is nearly a 100 percent chance that the business will not be making a lot of traction toward the objective becoming part of the culture.

Reflection is another advanced skill that Executive E uses for continual improvement and leadership development. He said they do much reflection, which is an individual skill that can be taught. He illustrated that they used time trackers so employees could analyze how their time was spent. He explains,

As a team we inventory what everyone did and then we rate the level of importance. For instance, we might ask, “What could have been done at least 80% as well by somebody else?” From there, we look to build a system around those tasks so that we can free up key resources to grow the business.

As a company each month, they actively reflect. They reflect on what they did, what they did well, and celebrate the successes. They also have an annual planning meeting and think about what was done well and what needs to change. From there, they set focused plans and targets for the next year, addressing any items that need attention or need to be improved. Executive E passionately stated,

I feel the monthly reflection is key because if people do not know how they are performing, how do they know if they are doing what is expected? We have key performance indicators in place that we need to maintain. . . . The employees need to know where they stand. Otherwise, they drift along, come to work and do their thing without knowing if they are improving.

To summarize, Executive E emphasizes that, for an individual, daily reflection is ideal. For the company, at a minimum, there should be a weekly scorecard type of reflection, and a monthly team reflection is essential. Group reflection is a communication tool used to create knowledge and unity.

Executive C explained that for a team to flourish, management must share with them and teach them what the business is about. Vision and aim must continually be reinforced: “A team must understand what we are trying to accomplish, the ‘why’ we are doing this.” Once they understand, they can embrace the vision and embrace the business, and they add value back to the organization with a sense of accomplishment. On the other hand, if a leader does not explain the “why,” train employees, or give them a context of what is important and how it fits the aim, then it is hard for anyone to add value and flourish.

Proverbs 1:5-6 says, “Let the wise hear and increase in learning, and the one who understands obtain guidance, to understand a proverb and a saying, the words of the wise and their riddles.” Executive A said the team is continually having discussions by asking, “Is this is where we want to go? What is the best way to get there?” For example, the Tool Maker was instructed a year and a half ago to double the volume without increasing labor. Everything they could need was recorded on a list. Through that process, a list of equipment, software, and tooling was identified, including a machine that reproduces tolerances to one millionth of an inch and turns 30,000 RPM. After analysis and process design, that machine was purchased and successfully installed. The advantage of installing that machine has had a cascade effect throughout the system. The team sees where the company wants to go and talks openly about how to get there.

Reported by Executive A, “Getting the right people on the bus is important. Then it is important to get the right people sitting in the right spots on the bus.” To find the right people for the bus, they are looking for people who must accomplish something during the day for them to feel satisfied. People are comfortable only going so far.

Executive A explained, “No matter how capable a human being is, there is a limit someplace. Some people’s limits are extraordinary, but there is always a limit.” That is how they find out where team members should be sitting on the bus. What are they willing to do? For example, in the inspection department, two employees want to do more. Executive A said that as a leader, it is his job to show them how they can do more.

Similar to knowing what is important to employees, when actions of the company touch a customer’s heart, it rallies the team. For example, the company of Executive E has a program called The Gift of Heat. It started because they learned about families without financial means having no heat because of broken equipment. They felt terrible about the hardships, so they began to take nominations of people in need. Executive E negotiated a deal with a supplier for equipment, and they now replace heaters in the winter for free.

Principle 7. Renewal: Evidence of the plan, do, study, act and analyze cycle (PDSA) so that everyone is involved in transformation. A central tenet of the Christian life is the belief in the power of the Spirit for renewal. Whether it is recognizing the equal ministry of the pastor who preaches, the mother and father who provide a loving home for their children, or the executive who justly and honestly guides an organization in the marketplace, this belief is that every manner of good work has the capacity by the power of the Spirit to be a means of God’s renewal of the world.³¹

To illustrate, Chick-fil-A has a long history of continually renewing itself. From the financial crisis in 1982, the organization continually improved on operations, food quality, and consistency. They focused on providing great service, cleanliness, and good food served quickly. In the 1990s, the organization responded to the market by successfully shifting from the mall model to predominantly free standing locations near big box retailers, such as Target, Home Depot, and Costco. That trend is starting to

³¹Messenger, *Genesis through Revelation*, 140.

change as big box retailers have slowed suburban expansion. They are now changing to inline stores, and Chick-fil-A is continually renewing itself.

Executive B emphasizes,

The first step of creating a leadership culture of change is to define it. Our first problem is that we do not have a common definition. . . .The second step is to teach it because if people do not understand it, the fact that it exists is somewhat irrelevant. In addition to teaching the point of view, the skills and competencies necessary to deliver it must also be taught.

The transformation cycle must include communication of plans, actions, and monitoring. For example, Executive A discussed that communication, management, training, and process are the responsibility of senior leadership. He said that if those are not in place, it is his concern. Instead of asking, “How things are going?,” he asks, “What blew up today?,” and “What did not work well today?” He said many people do not have peaceful lives. There is much trouble at home, and life is difficult. Executive A said, “I want this to be a place where people can come, do a good job, do good work, leave satisfied, and feel like they are making progress. If there is no peace in someone’s life, I would like this to be a place of peace.”

Bridging the principle of renewal and the next principle of leading, Executive B discussed the process of reinventing continuously. He explained that at the heart of the Chick-fil-A leadership model is the idea of reinventing continuously. According to Executive B, leaders that are not reinventing continuously are not leading to their full potential, and they are not fulfilling their job responsibilities. He provided three domains for consideration:

1. How are you continually learning and growing systems or work processes? “If you do what you have always done, you will get what you have always got.”
2. If a different outcome is desired, what needs to change in the process or work system to get the outcome? Hope is not a strategy. Leaders know that if they want a different outcome, they have got to change the process.
3. Create a structure that is appropriate for the task at hand. The structure is a choice.

Theory of Psychology

The following section profiles the theory of psychology. The information contained in this section focuses on management theory that extends beyond process improvement to include organizational transformation, and away from psychological theories behind traditional ideas that the manager must command, control, and reward people to get the desired response. Specifically, it examines how management has responsibility for the overall system and should set about fixing the system so that workers can do their jobs better and cease preoccupation with this month, this quarter, or even this year and start thinking about where the company will be in five years. This translates into a strong vision for the future, solid information, and an understanding of human psychology.

The Theory of Psychology includes the knowledge that people are different from one another and knowledge of how these differences optimize everybody's abilities and inclinations. This theory includes the concepts of intrinsic and extrinsic motivation. According to Deming, people are born with intrinsic motivation that is often destroyed by various practices in culture, but particular for this study, at work, too.

Principle 8. Equip: Lead, coach to provide methods and tools. Paul wrote the letter to the Philippians from prison for the purposes, among other things, of thanking them for their support, equipping them to confront threats to their faith, helping them get along better, and assisting them in living out their faith. He wrote, "And I am sure of this, that he who began a good work in you will bring it to completion at the day of Jesus Christ" (Phil 1:6). This study demonstrates that these Christian executives are committed to equipping their teams to be successful. For example, Executive E draws upon his philosophy that one must touch an employee's heart before asking for their hand. Here the training and modeling are about servanthood, not about the positional power of traditional management. Executive E said, "It is all about how to grow your organization; build your team, put them first, find their needs, and show them how to win instead of a

dictatorship mentality of telling them what to do.” This leadership training model is focused on the ultimate servant leader, Jesus Christ himself.

Executive C makes it clear that positional power is the least-preferred method of leading. Cathy passed down a practice of mutual respect. The relationships he built with employees were ones where they would do anything for him because they had that much respect for him. From a developed practice of mutual respect, it is more efficient to motivate by empowering, casting a compelling vision of the outcome, and getting the right people engaged who have a desire to make it happen. He states, “I have a tremendous amount of confidence in my leadership team and give them ownership of different parts of the business and hold them accountable. As the owner, my job is to set clear expectations or the aim.”

Some people lack knowledge, motivation, intent, and perspective. Executive A explained,

If I provide methods, training, or insights to add the skills they lack and if they have the ability within them to get to these objectives, then it is my job to give them the opportunity, give them the training to increase the knowledge and self-worth. If the individual can get the task done and adopt the intent, then we will share more for development along the way.

Executive D said, “I do not like to use the word ‘manage.’ We like to use lead.” Executive D prefers the concept of leadership. He motivates the police officers by constantly reinforcing the vision that “everybody in this department is a leader. It is not because you have stars, bars, or stripes on your uniform. It is the way you show up. If someone is having a problem, the victim expects the police officer to solve it. At that moment, the police officer is a leader, and is vested with great authority and responsibility.” He added, “We want to give them the opportunity to succeed as a leader.” He said that as a Christian leader,

I try to be patient, demonstrate love, live, and lead in a way that honors each individual with dignity and respect. . . . If you are missing love, dignity, and respect in the work place, you are missing out. If you just love people, and love is an action and not a feeling, you will be successful in relationships.

Principle 9. Empathize: Understand the most important thing to an individual.

For seventy years, Chick-fil-A has built a foundational commitment to service to customers, Operators, team members, suppliers, and their communities. They say this begins in the restaurant, one customer at a time. Executive B emphasized,

We firmly believe in treating every person who comes through our doors with, honor, dignity, and respect. We teach it to everyone who comes to work for us, and it is something that they take with them throughout their careers, whether they choose to stay with Chick-fil-A or go on to other careers.

Executive D tries to keep a sincere posture of gratitude for the great work of the officers that, as he acknowledges, he does not always see directly. He said, “God created leadership and gave us a definitive model to follow,” and explained they have different people from many different beliefs and lifestyles. He continued, “I do not try to get esoteric or scientific, I just like to love people the way God loves them. It is simple. I just have to love the people; that is my job.”

Executive D said that as a leader, it is important to watch what one says: “As you go up the ladder, you must watch what you say and how you say it. You might mean well, but if it is not articulated just right, people will be offended.” He referenced that James wrote, “From the same mouth comes blessing and cursing” (Jas 3:10).

Each Wednesday, Executive E’s organization has a Bible study with biblical personal growth as the theme. Executive E makes it a priority and tries to ensure each man can get there. The focus is to talk about issues the men are facing. These men bring their faith to work, and Executive E states, “My job ensures we are all working together for one mission. To ensure we are all lined up, all going the same direction.” He added that servant leadership training is a process that must be taught. He believes that it is a learned skill because most people that grow up in the blue collar world think that leadership is being a boss. He said servant leadership is actually being an enabler to help others succeed and showing them how to be servant leaders. It has a multiplying effect. One must teach leaders and they, in turn, have to go out and teach other team members as well. It must be taught intentionally.

Principle 10. Fully engaged: Personal transformation through meaning. In Acts 17, Paul demonstrated a model for engaging a secular culture respectfully. In this study, the executives provided an example of a commitment to radical transformation, which does not mean that good practices need to be rejected, even by those unaware or contemptuous of Christ. They view their roles as a position, not to condemn, but to show that it proves “that they should seek God, and perhaps feel their way toward him and find him because he is not far from each one of us” (Acts 17:27).

For Executive C, John 1:14 is foundational for how he operates his business: “Full of grace and truth.” He said, “There are many examples in the Bible of Jesus showing both grace and truth to people. In business, for different people, you show more grace or truth. Knowing the difference is what makes a great leader.” Executive C cares about all employees, and he cares about what is going on in their personal lives. Executive C is inspired to add value to anyone who works for him: “I want to increase the value to them professionally, that they come away with skills that will be helpful for them in a future job whether at Chick-fil-A or not. For me it is about pouring into my staff and seeing to it that there are opportunities for them to grow.”

Based on the experience of Executive B, he feels organizations often become victims of the structure. It is just assumed the structure is the structure. What is often not realized is that leaders create structure. Structure does not make it easy to do work, but the appropriate structure makes it easier to do the job. The question becomes, “Is it going to require extra communication and lots of energy with tendencies to just go in circles, or can you create a structure that will make it easier to enable the organization to move forward?” Executive B said, “The best leaders are willing to hold structure loosely and create a structure that is appropriate for the task at hand.”

Executive A is committed to building up Christ-centered leaders. He said the church is not making the progress that it should. If competent leadership and competency

in business are integrated with the church, it is only going to benefit what Jesus Christ wants in people's lives.

Evaluation of the Research Design

A significant strength of this research design was the quality of the case study participants from the perspective of a high standard of leadership experience as well as a wide industry and geographic mix. Another strength was the case study methodology. An advantage of multiple cases studies is that the evidence is often considered more compelling, and the overall study is more robust than a single case.³² The interviews provided multiple views of multiple realities.³³ The five executive leaders seemed eager for their experiences to be used for the benefit of other Christian leaders and appeared to be more than willing to share their experience of change management for the study.

While there were several strengths of this study, there were also several challenges, as multiple case studies are one of the most challenging research methods.³⁴ The purpose was not to get simple “yes” and “no” answers, but to record description of episodes of change management through open-ended questions without providing unnecessary ambiguity between the theoretical lens and the responses. Another deficiency of the case study methodology was the lack of quantifiable analysis. For a business model of change, a mixed methods research approach might have strengthened the synthesis with the theoretical lens. A significant deficiency was that only a few texts are available for developing effective case study methodology. Lastly, the methodology provides little basis for scientific generalizations and, except for specific cases, may not be generalized to all instances.³⁵

³²Yin, *Case Study Research*, 53.

³³Robert E. Stake, *The Art of Case Study Research* (Thousand Oaks, CA: SAGE, 1995), 63.

³⁴Yin, *Case Study Research*, 3.

³⁵*Ibid.*, 15.

CHAPTER 5

CONCLUSIONS

This study was designed to discover best-case principles of change management used by Christian leaders in the marketplace. From data analysis and evaluation, the following chapter presents the conclusions.

Research Purpose

From a sample of overtly Christian leaders, this study identified the role of management in guiding the change process from a biblical worldview. The purpose of this research was to discover and articulate effective principles of how overtly Christian leaders stimulate transformative change in the marketplace. A qualitative, multiple case study method was used to build a foundation for future research. Through the examination of several best-case examples of managing change, principles emerged that can assist in identifying effective practices that may benefit Christian leaders.

Research Question

How do Christian leaders in the marketplace create an environment of continual, relentless, perpetual search of improvement for human flourishing?

Research Hypothesis

Executive leaders whose faith and hope are in God (1 Pet 1:20-21) are compelled by the love of Christ to intentionally strive to be stewards of God's grace by creating an environment that promotes real continuous improvement for human flourishing. I tested the hypothesis that successful organizational transformation in the marketplace by Christian leaders is applied from a biblical foundation and includes the principles of Deming's System of Profound Knowledge either directly or indirectly.

Research Conclusions

The following is a summary of the principles derived from careful evaluation of the analyzed results along with insights from the theoretical lens of W. Edwards Deming's System of Profound Knowledge. The data analysis suggests the following:

1. Servanthood: Christian leaders in the marketplace seek to influence the lives of employees, customers, and the community by serving.
2. Common vision: The aim of the system is clear to everyone.
3. Stewardship: The aim of the system is based on values, not short-term returns.
4. Integrity: Learn to listen to the process and the system for consistency.
5. Relationships: Working alongside others to help them flourish.
6. Admonition: Knowledge of the effect of the system on the performance of people.
7. Renewal: Evidence of the PDSA cycle so that everyone is involved in transformation.
8. Equip: Lead, coach to provide methods and tools.
9. Empathize: Understand what is most important to an individual.
10. Engagement: Personal transformation through meaning.

Theoretical Lens

W. Edwards Deming explained his management theory as four interrelated fields he called the System of Profound Knowledge. It is an action-based framework for leaders who wish to transform or create a flourishing organization. The first step is the transformation of the individual. He describes this change as a reorientation of one's way of life to apply the principles of profound knowledge in every kind of relationship.

Deming explained,

A transformed individual will perceive new meaning to life and interactions between people. That once the individual understands the system of profound knowledge, they will apply its principles in every kind of relationship with other people. . . . Once transformed the individual will: set an example, be a good listener, but will not compromise, continually teach others and help people pull

away from current practice and beliefs and move into the new philosophy without guilt of the past.¹

He believed the four fields were a prerequisite for running a company well and was convinced that if management applies the principles and practices appropriately, then quality, customer satisfaction, and profitability can increase while simultaneously lowering costs by reducing waste associated with staff turnover, rework, and litigation. To Deming, there was an emphasis on fact-based or data-driven decision-making and the elimination of personal blame without negating personal responsibility. A key element of empowerment is the forgiveness of honest mistakes coupled with the duality of distributed decision-making authority and accountability for decisions made and subsequent results. In Deming's mind, a profoundly knowledgeable or conscious individual will inspire others in the organization.

Theory of Systems

Deming teaches that a system must have an aim; without it, there is no system, and it must be clear to everybody. System management is action-oriented, requiring systematic learning based on awareness and understanding of interrelationships, as well as predictions and comparison of both short-term and long-term results from alternative courses of action.² A system cannot produce greater quality than it is capable or organized to produce. Deming said, "Where there is a quality problem, there is an 85-90 percent probability that management actively caused it."³

This theme sought to understand how interdependence between components such as strategies of competitive cooperation of the system create a need for

¹W. Edwards Deming, *The New Economics for Industry, Government, Education*, 2nd ed. (Cambridge, MA: The MIT Press, 2000), loc. 745, Kindle.

²Rick L. Edgeman and Lynn A. Fraley, "A System of Profound Consciousness: Building beyond Deming," *Total Quality Management & Business Excellence* 19, nos. 7-8 (August 2008): 688.

³Lloyd Dobyns, *Thinking about Quality: Progress, Wisdom, and the Deming Philosophy* (New York: Times Books/Random House, 1994), 56.

communication and cooperation to achieve success, that cooperation produces better results than competition, and questions the traditional American notion that competitiveness is human nature.

Principle 1. Principle 1 is Servant: Christian leaders in the marketplace seek to influence the lives of employees, customers, and the community by serving. The management principle that dominates this study is that great leaders serve. Each participant seeks to be increasingly transformed as a servant-leader. Executive B said, in business, everything rises and falls on leadership.

Unlike the concept of the servant leader widely circulating in the secular marketplace today, Jesus is the source of the servant-leadership inspiration for these executives. By his actions, Jesus is the essence of servant-leadership “who came not to be served but to serve, and to give his life as a ransom for many” (Matt 20:28). Peter provided instructions for the leadership style that he knew well. It focused on serving others by eagerly and willfully shepherding the flock, being examples, and not domineering over others (1 Pet 5:2, 3). Peter advises humility: “God opposes the proud but gives grace to the humble” (1 Pet 5:5).

For these marketplace leaders, service goes beyond the customer. Service is an active form of love. Maintaining healthy relationships also relates to a better life for everyone in the system. They are all committed to serving individuals equally. For example, Executive D highlights the importance of treating all people the same, and Executive E structures the operation to be available when customers need them the most, even though it may not always be convenient.

Professionalism, service, and leadership are a consistent aim of the participants. There is a consistent commitment to training and communicating continually, which promotes satisfaction in service.

Principle 2. Principle 2 is Common Vision: the aim of the system is clear to everyone. According to Deming, the aim of the system should be that everyone gains based on values. Paul wrote, “I appeal to you, brothers and sisters . . . that all of you agree, and that there be no division among you that you be united in the same mind and the same judgment” (1 Cor 1:10).

In a culture that highly values diversity, these executives understand quite clearly that a common sense of vision, aim, or purpose is essential, and continual communication is vital to reinforce that aim. Precedent literature showed that “the greater the interdependence, the greater the need for the parts to work together.”⁴ Executive A illustrates a common theme that every forty-five days, all-employee meetings are held where they talk about the accomplishments they had as a company and new developments for customers.

The executives believe believers should seek common purpose both in the church and in the workplace. Executive C explained, “You must cast the big picture vision that this is what we are trying to do,” providing the vision of each role and how it relates to what is expected for the achievement of the vision.

Organizations with disagreement about basic values and convictions and no cohesion are doomed to failure. The approach of monitoring processes starts with consistently reviewing Key Performance Indicators (KPIs) so that the team can ensure they are not going backward while also tracking the progress of improvement in every area.

Leadership can be on display by trusting the team to be accountable for the KPIs. There is a difference in managing people and leading people. At its simplest form, management is about doing things well, and leadership is about doing the right things.

⁴Deming, *The New Economics*, loc. 774.

Principle 3. Principle 3 is Stewardship: the aim of the system is based on values, not short-term returns. To Executive C, stewardship is the realization that “it is not yours; that you are taking care of it.” It is more than financial stewardship, which is only one component. They are to be stewards of all those things that God has given them in a way that has a positive influence on people in a caring way. The aim is to go above and beyond customer expectations. The corporate purpose or aim of Chick-fil-A, Inc. is “to glorify God by being faithful stewards of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A.”

Executive E makes it clear that everyone understands the aim and that it is based on a value proposition. For example, he explained that everyone at the workplace wears a wristband with Colossians 3:23: “Whatever you do, work heartily as for the Lord and not for men.” The verse supports the heart of the mission, which is to “keep customers comfortable, save them money, do it better than anyone else and honor God.”

William Messenger clearly summarizes the perspectives of these marketplace leaders:

Our ultimate goal is God’s kingdom and his glory. This gives us freedom to use the resources of the world, but we must steward them for the benefit of all people, including future generations. In fact, we should not even think in terms of balancing the needs of one individual versus another, but in terms of building up communities of mutual support and service. Love is the mainspring of God’s kingdom, and when we work out of love for the people for whom Christ worked and died, our work is not in vain. It has eternal significance and survives along with us into the new world of God’s kingdom fulfilled. In the meantime, we take extra care to use the resources at our disposal to care for those in need.⁵

He explains that when the perspective is to glorify God in everything ones does, it gives ultimate meaning to work.

Theory of Variation

To Deming, life is variation. There are always variations among people, in service, in output, and in the product. He states that various segments of the system of

⁵William Messenger, ed., *Genesis through Revelation*, Theology of Work Bible Commentary, vol. 5 (Peabody, MA: Hendrickson, 2015), 66.

profound knowledge cannot be separated.⁶ They interact with each other. Thus, knowledge of psychology is incomplete without knowledge of variation. Deming's starting point was that variation could be measured, and one could improve the system by reducing the variation in each process. If process variation is not measured effectively, it is impossible to know for certain if a system is stable—that it is predictable—or out of control. The use of data requires knowledge about the different sources of uncertainty. For most managers, the fact that variation exists and can be accurately measured are foreign concepts. Most American managers blame workers for not following procedures or for not working hard enough and do not know how to find the causes of variation with any certainty.⁷

Principle 4. Principle 4 is Integrity: learn to listen to the process and the system for consistency. Continual improvement includes caring, consistency, and communication as a team. For example, Executive A illustrates the effective strategies for reinforcing standards in a caring way. In the meetings that include all employees, they discuss what they did, what is being accomplished, what must be done to keep satisfying customers, and why customers come to them. They also talk about inconsistencies. As a whole, a system cannot be run at its most effective until the capability of each process is known. To do so, predictable variation, inherent in each task, must be measured.

Psalm 1 describes how every person should live with personal integrity (Ps 1:1-2).⁸ An individual's actions is a reflection of their theology and their relationship with God, including at work. By finding out what is important to employees, Executive E can

⁶Deming, *The New Economics*, loc. 754.

⁷W. Edwards Deming, *The Essential Deming: Leadership Principles from the Father of Quality* (New York: McGraw-Hill, 2012), 6.

⁸Psalm 1 says, "Blessed is the man who walks not in the counsel of the wicked, nor stands in the way of sinners, nor sits in the seat of scoffers; but his delight is in the law of the LORD, and on his law he meditates day and night. He is like a tree planted by streams of water that yields its fruit in its season, and its leaf does not wither. In all that he does, he prospers. The wicked are not so, but are like chaff that the wind drives away. Therefore, the wicked will not stand in the judgment, nor sinners in the congregation of the righteous; for the LORD knows the way of the righteous, but the way of the wicked will perish."

be strategic with his employees. Connecting a work vision and a personal mission are essential for consistency for focused continuous improvement.

Paul provides instruction for a life of integrity: “Be not arrogant or quick tempered or greedy but hospitable, a lover of good, self-controlled, upright and disciplined” (Titus 1:7-8). Executive E exemplifies these attributes: “When you touch a person’s heart, they are more likely to be loyal employees and more willing to change because they believe in your leadership. It comes down to asking and finding out what is important to them” and acting consistently with the stated values. He continued, “When you have a culture of doing things differently and doing things that mean something, not just as a financial reward, but caring for people at a deeper level, it affects the whole family [organization].” Then the outcome is unity.

Principle 5. Principle 5 is Unity: working alongside others to help them flourish. The death of Christ on the cross not only made a way for personal salvation (Eph 2:4-7), but also broke down the dividing wall of hostility between Jew and Gentile, for He himself is their peace (Eph 2:8-9). Thus, God’s restoring work in Christ involves human beings as both recipients of God’s grace and as instruments of His grace in the ongoing work of restoration, or in this context of continual improvement, for human flourishing.

Executive E provides an example of creating an environment for human flourishing by illustrating that staying focused on the customer comes from the desire for common good. That is the heart of it. It goes back to character. With a servant mindset that is grounded in a mission, then employees [technicians] show up ready to serve with the attitude that they are going to save the customer money, keep them comfortable, do it better than anyone else, and honor God. Second is ensuring that the processes are in place to support the technicians so they can serve the customers. That means having a system of the right steps in place for success every time. Everything done should be done

the same way every time. When one has that giving spirit, it is contagious. A business owner who can use his influence can spark a revolution.

Communication is key in supplier relationships. No matter if it is a new product launch or not, the supplier must know where the organization is going, and they must be able to keep up. Otherwise, there will be a misalignment. To minimize loss or variation from misalignment, Chick-fil-A frequently meets with all suppliers individually and collectively for a unified system that will reduce variation.

Theory of Knowledge

Deming believed that everyone doing his or her best is not the answer, since everyone is already doing so. It is necessary that people understand that transformation is necessary for survival. There must be constancy of understanding and effort, for there is no substitute for knowledge.⁹ This theme sought to understand how staff and management know what their jobs are and that they are trained properly. This action-oriented approach is designed to involve everyone in transformation that is coupled with a never-ending focus on customer satisfaction—both internal and external.

Deming also suggested a systematic approach or learning, the “Plan-Do-Study-Act” (PDSA) cycle, which has its roots in epistemology. It is a systematic, dynamic approach of testing theories and applications in a methodical way that produces knowledge, not just data or information. To improve the situation, he challenged management to truly test their opinions, theories, hypotheses, and beliefs against data to learn what is occurring.

Principle 6. Principle 6 is Admonition: knowledge of the effect of the system on the performance of people. For operational learning to occur, one of the things one has to do is measure. If one wants to create a leadership culture of change, one has to measure it. Organizations measure effectiveness in many ways. The right answer is the one that fits the culture. Executive B emphasized that if 95 percent of the leaders have not been

⁹W. Edwards Deming, *Out of the Crisis* (Cambridge, MA: Massachusetts Institute of Technology, 1986), ix.

trained on the aim, then they are not making a lot of traction toward making that part of the culture. Leviticus 19:35-36 says, “You shall do no wrong in judgment, in measures of length or weight or quantity. You shall have just balances, just weights.”

Executive C explains that for a team to flourish, one must share with them and teach them what the business is about. Vision and aim must continually be reinforced. A team must understand what they are trying to accomplish; the “why” they are doing something. Once they understand they can embrace the vision and embrace the business, they add value to the organization with a sense of accomplishment. On the other hand, if a leader does not explain the “why,” train employees, or give them a context of what is important and how it fits the aim, then it is hard for anyone to add value and flourish.

Principle 7. Principle 7 is Renewal: evidence of the PDSA cycle so that everyone is involved in transformation.

While this study does not address the biblical theology of redemption, I cannot define a change management theme of renewal from a biblical worldview without acknowledging the greatest redemptive sacrifice in which each of these Christian executives place their hope. Above all, each of these executives believe in the great exchange that God acted in Christ to redeem the human predicament, which Paul asserts:

Christ redeemed us from the curse of the law by becoming a curse for us—for it is written, “Cursed is everyone who is hanged on a tree”—so that in Christ Jesus the blessing of Abraham might come to the Gentiles, so that we might receive the promised Spirit through faith. (Gal 3:13-14)

The work of Christ on the cross was a complete atonement for sin for those who believe (Heb 10:12, 14). It might appear that forgiveness of sins is a spiritual matter without any implication for the workplace, but for these Christian leaders, that would be a conflicting perspective. The perfect sacrifice of Jesus gives these leaders confidence that their labor for Him in every area of life will not be in vain because they walk with the knowledge that Jesus has gone before them.

In the marketplace, Chick-fil-A has a long history of continually renewing itself. From the financial crisis in 1982, the organization continually improved on operations, food quality, and consistency. They focused on providing great service, cleanliness, and good food served quickly. In the 1990s, the organization responded to the market by successfully shifting from the mall model to predominantly free-standing locations near big box retailers such as Target, Home Depot, and Costco. That trend is starting to change as big box retailers have slowed suburban expansion. They are now changing to inline stores. The point is that Chick-fil-A is continually renewing itself.

In addition to teaching the point of view, skills, and competencies necessary to deliver, the transformation cycle must include communication of plans, actions, and monitoring with a future focus on renewal.

Theory of Psychology

Psychology helps managers understand people and interactions in any system of management. The managers of individuals must be aware of the differences in each person and optimize those abilities and inclinations. According to Deming, the most important action a manager can take is to understand what is important to an individual by understanding what motivates him or her to want to do a good job.¹⁰

Research suggests that the typical organizational environment is midway on the high-threat to high-opportunity spectrum, and differences between people can deeply divide or richly benefit organizations; in many ways, the ability or inability of people to mutually enrich one another through cooperation and collaboration drives the outcome.

Principle 8. Principle 8 is Equip: lead, coach to provide methods and tools. Highlighting the connection between organizational change, never-ending learning, and the role of a leader as a teacher and coach, Executive D constantly reinforces the vision to his officers that “everybody in this department is a leader. It is not because you have

¹⁰Deming, *The New Economics*, loc. 886.

stars, bars, or stripes on your uniform. It is the way you show up. If someone is having a problem, they expect you to solve it. . . . We want to give them the opportunity to succeed as a leader.” He said, as a Christian leader,

I try to be patient, demonstrate love, live, and lead in a way that honors each individual with dignity and respect. . . . If you are missing love, dignity, and respect in the work place, you are missing out. If you just love people, and love is an action and not a feeling, you will be successful in relationships.

Executive A is compelled to develop an organization that promotes consistency and honors leadership and progress. Executive A says all he can do is offer opportunities to people in consistent ways and ensure the communication, management, training, leadership, and processes are in place so that people can flourish.

Principle 9. Principle 9 is Empathize: understand what is most important to an individual. Executive D states that “my job is to ensure we are all working together for one mission. To ensure that we are all lined up, all going in the same direction.” He added that servant leadership training is a process that must be taught. He believes it is a learned skill. He said servant leadership is actually being an enabler to help others succeed and showing them how to be servant leaders. It has a multiplying effect. One must teach leaders and they, in turn, have to go out and teach other team members as well. It must be taught intentionally.

The research demonstrated how continual improvement depends on management’s willingness to value people as the organization’s most important asset, as well as the connection that employees doing their best are powerless to turn out better work unless they know why they are doing their tasks and how to improve. Executive D said that “God created leadership and gave us a definitive model to follow,” and explained they have different people from many different beliefs and lifestyles. He continued, “I do not try to get esoteric or scientific, I just like to love people the way God loves them. It is simple; that is my job.”

Principle 10. Principle 10 is Engagement: personal transformation through meaning. Jesus used salt and light as metaphors to convey the impact people transformed by the gospel produce in the marketplace. He said to his followers:

You are the light of the world. A city set on a hill cannot be hidden. Nor do people light a lamp and put it under a basket, but on a stand, and it gives light to all in the house. In the same way, let your light shine before others, so that they may see your good works and give glory to your Father who is in heaven. (Matt 5:14-16)

Executive A is committed to building up Christ-centered leaders. He said the church is not making the progress that it should. If competent leadership and competency in business are integrated with the church, it is only going to benefit what Jesus Christ wants in people's lives. These leaders demonstrate that one of the ways they are salt and light in this broken world is by living out a faithful presence in the marketplace.

Executive C explained that John 1:14 is foundational for how he operates his business. John 1:14 says, "And the Word became flesh and dwelt among us and we have seen his glory, glory as of the only Son from the Father, full of grace and truth."

Executive C elaborated, "There are many examples in the Bible of Jesus showing both grace and truth to people. In business, for different people, you show more grace or more truth. Knowing the difference is what makes a great leader." These leaders demonstrate that by doing good work and extending common grace to customers, employees, and suppliers with a faithful presence, it is an expression that work has intrinsic value and is to be carried out as an act of worship.

Hypothesis Conclusion

The research findings support the research hypothesis that executive leaders whose faith and hope are in God (1 Pet 1:20-21) are compelled by the love of Christ to intentionally strive to be stewards of God's grace by creating an environment that promotes real continuous improvement for human flourishing.

In Peter's first letter, he was writing to a group of Christians who were confused, discouraged, and perhaps physically abused because of their faith in a culture that was

rejecting them as exiles. He explained how Christians are called to transform their suffering into service to the world by repeatedly reminding them of Christ's example in a world that did not recognize him.¹¹ Peter wrote, "He [Jesus] was foreknown before the foundation of the world but was made manifest in the last times for the sake of you who through him are believers in God, who raised him from the dead and gave him glory, so that your faith and hope are in God" (1 Pet 1:20-21).

Paul Achtemeier unpacks these verses: "The primary intent of the verse is to link the death of Christ as part of God's eternal plan. That the redemption brought about by the death of Jesus was God's doing by divine initiative for the sake of the people of God."¹² According to Achtemeier, Peter's exhortation is that one can trust God because he has shown himself trustworthy in his redemptive action through Christ.¹³

This research demonstrates that these executives are compelled by the sacrificial love of Jesus to follow Christ in the midst of the marketplace that is becoming more hostile to the Christian way of life. They do not operate as victims of the world, but act as servants to the world—"A holy priesthood, offering spiritual sacrifices acceptable to God" for human flourishing (1 Pet 2:5).

Recommendations for Practice

Christian leaders at all levels should be able to make application from this research. The principles that emerged are effective examples of how overtly Christian leaders stimulate transformative change in the marketplace for human flourishing.

¹¹Messenger, *Genesis through Revelation*, 210.

¹²Paul J. Achtemeier, *Peter I*, Hermeneia (Minneapolis: Fortress, 1996), 131.

¹³*Ibid.*, 132.

The literature review established that the major problem reported by managers is the tendency toward inertia and resistance to change.¹⁴ Robin Buchanan and Andrew Campbell write,

We have concluded that there is no one system that is all things to all organizations. However, we also have determined that it is useful to have a generalized analytical framework that provides a starting point for each company to develop an individual operating style that suits it best.¹⁵

From mainly a secular perspective, the literature overwhelmingly recognizes that human capital is the key to competitive advantage.¹⁶ From a biblical worldview, what seems to be missing in the literature is not that human capital is a competitive advantage to drive performance, but that all earthly performance should be “shaped and motivated by the gospel and by the consummation of the gospel.”¹⁷ Graeme Goldsworthy warns that in the fallen nature of human existence, there is “the great danger [of Christians] separating the intimate connection between the gospel event of the past and our continuing struggle in the present.”¹⁸ He explains that, for all of Christian living, the challenge is to

keep firmly in our minds that the whole of Christian existence is the application of the gospel to every part of our lives. We start with Christ as the new creation for us, and we move towards the goal, which is to be made like him in the universal new creation. As in biblical theology, so in Christian living, Christ is Alpha and Omega, the first and the last, the beginning and the end.¹⁹

The study might do well to end with the Alpha and Omega because nothing more can be added to the eternal truth. However, because the human race lives in what theologians

¹⁴Gerry Johnson, Kevan Scholes, and Richard Whittington, *Exploring Corporate Strategy*, 8th ed. (Essex, England: Pearson Education, 2008), 518.

¹⁵Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: A Road Map to Corporate Transformation* (Burr Ridge, IL: Irwin Professional, 1994), 122.

¹⁶Jim Griesves, *Organizational Change: Themes and Issues* (New York: Oxford University Press, 2010), 282.

¹⁷Graeme Goldsworthy, *According to Plan: The Unfolding Revelation of God in the Bible* (Downers Grove, IL: InterVarsity, 2002), 233.

¹⁸Ibid., 231

¹⁹Ibid., 233.

call “the already but not yet,” which is a world still subjected to the corrupt ways of the fall (Gen 3), but not yet perfected until Christ returns in person as King, here is a general framework based on the research for the application of how Christian leaders can create an environment of continual, relentless, perpetual search of improvement for human flourishing. The general application for a practical framework is as follows:

Organization Transformation Change Model:

1. Servant-leadership
2. Shepherding
3. Stewardship
4. Systems

Organization Transformation Change Model

The literature review established that from a Christian perspective, the question of “What does God say about managing change?” seems to be overlooked. There is a shortage of teaching in the church about this process, and the available scholarly books, though beneficial, do not show the connection to God. As sojourners, business leaders miss something vital and amazing if they do not think about managing change from a biblical perspective. A review and application of the research findings should prove helpful to Christian leaders who initiate and manage change.

Biblical Foundation

Arguably, the church has been slow to equip its people for Christian witness in their working lives. One of the primary opportunities for equipping Christian marketplace leaders to be the hands and feet of Christ is to come alongside them and develop effective practices of change management that are rooted and grounded in a biblical foundation. Christian marketplace leaders are generally starving for biblical edification that would equip them for their vocational calling. Furthermore, a biblical worldview is important because humankind was created for community. Innately, all people were formed to need

caring, encouraging, and honest relationships. The gospel transforms Christians with a sense of purpose and a mission to become a blessing to others. While this research took the position that Christian leaders in the marketplace must seek a biblical perspective to carry out the Great Commission as exiles, the church must also do a better job of developing programs to equip the saints for the work of the ministry (Eph 4:12).

To assist the church in equipping the saints, the following framework is suggested for creating an environment of continual, relentless, perpetual search for improvement that will result in human flourishing.

Servant Leadership

Christian leaders in the marketplace seek to influence the lives of employees, customers, and the community by serving from a biblical perspective. Servant-leadership or service is the dominant theme that motivates each of the Christian executive leaders of this study. This is not the secular servant-leadership model that Robert Greenleaf conceived from ideas gathered from Herman Hesse's *Journey to the East*.²⁰ The servant-leader model that motivates these leaders is found in Scripture, embodied by the sacrificial love of Jesus, who said,

You know that the rulers of the Gentiles lord it over them, and their great ones exercise authority over them. It shall not be so among you. But whoever would be great among you must be your servant, and whoever would be first among you must be your slave, even as the Son of Man came not to be served but to serve, and to give his life as a ransom for many. (Matt 20:25-28)

Service is an active form of love. All of the case study participants seek to be servant leaders. For example, Executive B emphasized that Chick-fil-A's Dan Cathy maintains the standard that "we are not just going to talk, we are going to tell them [customers] the biblical story of the second-mile service and cite the verse Matthew 5:41: 'if anyone forces you to go one mile, go with him two miles.'" Chick-fil-A calls it "Second Mile Service." The aim is to go above and beyond what the customers expect.

²⁰Bernard M. Bass and Ruth Bass, *The Bass Handbook of Leadership: Theory, Research, and Application* (New York: Free Press, 2008), 553.

For seventy years, Chick-fil-A has been committed to serving customers, Operators, team members, suppliers, and their communities. At Chick-fil-A, service goes beyond the restaurant doors: “We serve our communities through volunteerism and giving. We also make a commitment to take care of the people who take of our communities.”²¹ Service is an active form of love. All of the case study participants seek to be servant leaders.

As Chief of police, professionalism, service, and leadership are the goals that Executive D instills in his officers. They train and communicate continually, taking satisfaction in service. Executive D said,

Our mission is to provide exceptional public service. We have twenty million passengers come through the airport from all over the world. Their first impression might be the cop at the airport. That needs to be a good experience. How we do that is by focusing on our mission. . . . In any police department, two-thirds of the calls have nothing to with crime, it is all about service.

Don Howell provides a helpful, biblical servant-leader profile that is based on three trajectories of (1) character, (2) motive, and (3) agenda, or, as he states, “Who, the leader is and is becoming (character); why, the leader takes action (motive); what, the leader pursues as a defined aim (agenda).”²²

He defines character as a person’s moral constitution in which stable values are embedded. For a biblical leader, these values are revealed in the truth of Scripture. He

²¹Chick-fil-A, “How We Give: Our Giving Tradition,” accessed September 17, 2016, <http://www.chick-fil-a.com/Company/Responsibility-Giving-Tradition>.

²²Don N. Howell, Jr, *Servants of the Servant: A Biblical Theology of Leadership* (Eugene, OR: Wipf & Stock, 2003), 296. Howell suggests a set of questions that can be used to determine whether one’s practice of leadership is biblical or secular: “(1) Do I take the initiative and actively seek opportunities to impact others for the sake of the kingdom of God? (2) Does my character evidence an increasing measure of the virtues of godliness so that I impact others toward a life of holiness? (3) Has there been a posture of faith in God’s sufficiency when facing hardship and adversity so that my character exhibits a refined solidarity and resiliency? (4) In the innermost core of my being do I sense a passion of God’s glory and welfare of others? Or do I detect self-aggrandizing motives that have not yet been honestly faced and staked to the cross? Am I conscious of exercising leadership of others before the Audience of one or the audience of many? (5) Do my activities point toward a singular focus on God’s mandate—the discipling of the nations—or are other competing agendas displacing a kingdom perspective with an organizational or programmatic one?”

explains that Paul’s philosophy is grounded in a person’s character rather than in the gifting, temperament, or personality.²³ In a godly leader, there is intersection of faith, love, and integrity. Howell describes this intersection:

Faith is the steadfast confidence in the goodness and sovereignty of God, especially in difficult circumstances. Love is the daily choice to sacrifice one’s personal preferences for the welfare of others. Integrity is congruity of calm character and conduct that wins respect and provides moral authority to lead others.²⁴

As for motive, Howell explains that Peter commanded the elders to test the driving forces behind their leadership, rooting out all manner of obligatory, self-aggrandizing, and authoritarian inclinations (1 Pet 5:2-3), and to act boldly and not be paralyzed by introspection and second guessing motives. Biblical servant leaders must “undergo daily spiritual surgery under God’s Word, undergirded by earnest prayer for God’s meditations.”²⁵

As for the agenda of a biblical servant leader, Howell suggests that they are not visionaries who devise a brilliant plan and then by personal charisma draw others in to fulfilling those ambitions. Rather, he explains, “They are faithful stewards of the divine mandate—to fish and to feed, to evangelize and to teach, to pioneer and to pastor.”²⁶

Shepherding

One of the primary metaphors used in the Bible to conceptualize leadership is shepherding. Timothy Laniak writes, “The Bible promotes robust, comprehensive shepherd leadership, characterized as much by the judicious use of authority as by sympathetic expressions of compassion.”²⁷ The history of God’s people can be traced using the

²³Howell, *Servants of the Servant*, 296.

²⁴Ibid.

²⁵Ibid., 299.

²⁶Ibid., 301.

²⁷Timothy Laniak, *Shepherds After My Own Heart: Pastoral Traditions and Leadership in the Bible* (Leicester, England: IVP, 2006), 21.

metaphor of God as the shepherd of His people, and shepherd leaders are anchored theologically in their redemptive journey.

In Psalm 23, the shepherd is theocentric, not egocentric, and cares for the flock by providing his presence, provision, gathering, and guiding. In Ezekiel 34:15-16, Yahweh promised to gather, guide, and care for His sheep: “I myself will be the shepherd of my sheep and I myself will make them lie down, I will seek the lost and I will bring back the strayed and I will bind up the injured and I will strengthen the weak and the fat and the strong I will destroy. I will feed them in justice”

In Acts 20:28-29, shepherds are called to “pay careful attention to yourselves and to all the flock in which the Holy Spirit has made you overseers to care for the church of God which He [Jesus] obtained with his own blood.” First Peter 5:1-2 exhorts leaders to “shepherd the flock that is among you, exercising oversight, not compulsion, but willingly, as God would have you; not for shameful gain, but eagerly.” Moreover Jeremiah 3:15 says, “The LORD promises that he will give [provide] shepherds after His own heart, who will feed you with knowledge and understanding.” Then, in John 10:11, Jesus reveals, “I am the good shepherd. The good shepherd lays down his life for the sheep.”

Repeatedly, the Christian executive leaders in this study model these qualities by providing their presence, provision, protection, and guidance for their customers, employees, suppliers, and communities in a way that promotes transformation for human flourishing. For example, Executive E draws upon his philosophy that one must touch an employee’s heart before asking for his or her hand. Here, the training and modeling are about servanthood, not about the positional power of traditional management. Executive E said, “It is all about how to grow your organization; build your team, put them first, find their needs, and show them how to win instead of a dictatorship mentality of telling them what to do.” This leadership training model is focused on the ultimate servant leader, Jesus Christ himself.

In meetings or role calls, Executive D tries to keep a sincere posture of gratitude for the great work by the officers that, as he acknowledges, he does not always see directly. He said, “God created leadership and gave us a definitive model to follow” and explained they have different people from many different beliefs and lifestyles. He said, “I do not try to get esoteric or scientific, I just like to love people the way God loves them. It is simple.”

Truett Cathy said, “It is when we stop doing our best work that our enthusiasm for the job wanes. We must motivate ourselves to do our very best, and by our example lead others to do their best as well.”²⁸ According to Executive C, looking at the heart of a person is the most important aspect of selecting staff. To discover someone’s heart is a process; it does not come from one interview question. Executive C passionately believes that “innately we were created to care for people, and we were created to want people to care about us, to generally want to serve and to encourage and be a part of life.”

Stewardship

The Bible is emphatic about stewardship. Prior to the fall, God put Adam and Eve in the garden to work it and take care of it (Gen 2:15). The first two chapters of Genesis provide humankind with a cultural mandate to be stewards of God’s creation through work. Moreover, humanity was created to be stewards of God’s garden called planet earth, with the responsibility to use their bestowed gifts to care for the created order.²⁹ As such, work is a good gift from God, and it is to be carried out as a form of worship.

In the Parable of the Dishonest Manager, Jesus describes to his disciples if they use resources wisely to help those in need, their earthly investment will bring everlasting

²⁸S. Truett Cathy, “Truett Cathy Quotes,” accessed September 24, 2016, http://www.truettcathy.com/about_quotes.asp.

²⁹Hugh Whelchel, *How Then Should We Work? Rediscovering the Biblical Doctrine of Work* (Bloomington, IN: WestBow Press, 2012), 13.

benefit (Luke 16:1-13). The lesson is that obedience to God's will leads to an unselfish use of resources. Likewise, in his last days before the crucifixion, in the Parable of Talents, Jesus instructs that what is entrusted by grace is not only to be returned in good condition, but returned in even better shape (Matt 25:14-30). The stewardship job description is a call for man to work with and for God.³⁰

In the continual, relentless, perpetual search of improvement for human flourishing, this research repeatedly demonstrates that these Christian leaders work for God's glory by stewarding what has been entrusted to them. For example, to Executive C, stewardship is the realization that "it is not yours, that you are taking care of it." The way he views it, leaders at Chick-fil-A are to steward the restaurants, tables, equipment, employees, and communities. They are to be stewards of all those things God has given them in a way that has a positive influence on people in a caring way. Executive C views his business "as a place to serve others."

The corporate purpose or aim of Chick-fil-A, Inc. is "to glorify God by being faithful stewards of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A." Executive B states it is in the DNA of the organization. He adds that Dan Cathy, CEO, points out that the purpose statement does not say anything about selling chicken. The restaurants are the platform for influence. He says, "We do not have a standard pulpit. We have a pulpit that is twenty feet long, the length of the counters."

The aim for Chick-fil-A is to value people over profits. Executive B provides an illustration of how great leaders value relationship and results for improvement. When the service model was still taking shape, the then-president asked Executive B to be a Director of Field Operations. He was concerned that the organization was not being a good steward because they had become so relationally-focused that they were not focusing enough on results. The president was clear he wanted to keep the emphasis and

³⁰Whelchel, *How Then Should We Work?*, 19.

the priority of relationships high, and at the same time, raise the value of results. Chick-fil-A not only discusses these things, but they also continually reinforce learning and improvement.

Executive E teaches that when there is the perspective of trying to glorify God in everything one does, it gives ultimate meaning to work: “I can be vacuuming this floor, and it can be a form of worship if done to the best of my ability for God.”

Vacuuming a floor can have just as much meaning as closing a multi-million dollar deal or going to church on Sunday, if it is done for the Lord and not for men.

Systems

Deming saw the organization as a team in which everyone has the opportunity to take part:

The aim of the team is to improve the input and output of any stage. A team may well be composed of people from different staff areas. A team has a customer. Everyone on a team has a chance to contribute ideas, plans, and figures; but anyone may expect to find some his best ideas submerged by consensus of the team. He may have a chance on the later time around the cycle for a good team has a social memory. At successive sessions, people may later tear up what they did in the previous session and make a fresh start with clearer ideas. This is a sign of advancement.³¹

It was validated in this research that reinventing the business is an important component of continual, relentless, perpetual search of improvement for human flourishing, just like constancy of aim—without a common aim or mission, team unity is not achievable because it is not undergirded by unified individual expression. Frank Voehl writes, “Dr. Deming believed in the universal fallibility of systems, but he balanced it with a love for the people who created them. Even when the situation called for harsh measures, he always tried to act with a higher purpose in mind.”³²

³¹Deming, *Out of the Crisis*, 90.

³²Frank Voehl and W. Edwards Deming, eds., *Deming: The Way We Knew Him* (Delray Beach, FL: St. Lucie Press, 1995), 157.

According to Deming, “good management helps us to nurture and preserve positive innate attributes of people.”³³ Profoundly he said, “good management will solicit recommendations from employees, act on the good ones and describe in detail the reasons for not acting on the others, thereby earning the respect of the others.”³⁴

From a biblical perspective, in the greatest letter ever written, Paul beautifully illuminates the importance of individual worth and the interdependence of relationship in a community [the church] that is joined together by one common purpose or aim:

For by the grace given to me I say to everyone among you not to think of himself more highly than he ought to think, but to think with sober judgment, each according to the measure of faith that God has assigned. For as in one body we have many members, and the members do not all have the same function, so we, though many, are one body in Christ, and individually members one of another. Having gifts that differ according to the grace given to us, let us use them: if prophecy, in proportion to our faith; if service, in our serving; the one who teaches, in his teaching; the one who exhorts, in his exhortation; the one who contributes, in generosity; the one who leads, with zeal; the one who does acts of mercy, with cheerfulness. (Rom 12:3-8)

In this research, Christian executives displayed these truths in the secular marketplace for the joy of the Lord and continual improvement. For example, Executive A said, “Our objective is to please customers in a way that is a reflection of what God has called us to do.” He added that whether somebody is a Christian or not, they need to understand that what the company does is a calling. It is a reflection of who they are, and they are going to take the customer’s interests and represent them as if they were their own. The intent is to give clients exactly what they want. The company is organized to react fast to customer needs. Nobody takes customers for granted; it is unacceptable. He explained that employee meetings are used to engage the employees so that the team can improve a few percentage points, and for the employees that have no hope or foresight, it gives them an opportunity to see that there is something different.

³³Deming, *The New Economics*, loc. 868.

³⁴Voehl and Deming, *Deming*, 118.

According to Executive B,

Everything rises and falls on leadership. When we get the right leader, a lot of good things happen; if it is a leader with the wrong skill set, a lot of bad things happen. We create the mechanisms and the system and the support and the encouragement, but we are fanatical about selecting Operators.

Based on the experience of Executive B, he feels organizations often become victims of the structure. It is just assumed the structure is the structure. What is often not realized is that leaders create structure. Structure does not make it easy to do work, but the appropriate structure makes it easier to do the job. The question becomes, “Is it going to require extra communication and lots of energy with tendencies to just go in circles, or can you create a structure that will make it easier to enable the organization to move forward?” Executive B says, “The best leaders are willing to hold structure loosely and create a structure that is appropriate for the task at hand.”

Developing leaders is a key theme that motivates Executive E. When asked how they know that they are improving every day, he responded that it is linked to leadership. He discussed the approach of monitoring processes, which starts with consistently reviewing Key Performance Indicators (KPIs) so that the team can ensure they are not going backward while also ensuring they can track the progress of improving in every area. He emphasized that leadership can be on display by trusting the team to be accountable for the KPIs, instead of him “being the bottleneck or the lid of the organization.” Executive E’s approach is to empower others to “get out of their way and let them do what they do best and then giving them the power to improve the process themselves instead of everything coming back to me.”

Further Research

A number of studies could be suggested for further research. First, the current study could be expanded to include minorities or female Christian executives. This expansion would help improve the research with a more inclusive demographic

application. In addition, expanding the current study would provide the opportunity to include Christian leaders in other markets or outside of the SBC.

A second suggestion for future research is a research project to determine how leaders can practically implement these principles. The current study focused on discovering effective principles of how leaders stimulate transformative change in the marketplace, whereas another study could focus on applications of those principles or specific applications utilizing a mixed-methods approach.

A third suggestion for future research might be the application of these principles in a more expansive and less constrained way. For example, it could reinterpret or broaden the horizons of future change management application from a marketplace or organizational perspective to encompass processes of social change in a variety of social settings, such as transforming communities rather than just changing organizations.

Concluding Thoughts

God loves the peoples of the world. Consider Abraham Kuyper's words:

While humanity may withdraw from God's authority, the Lord in his sovereign design places his hand on one part of the human race time and again, incorporates it into his covenant, subjects one generation after another to his majesty within that covenant, and thereby brings nearer and nearer the rise of the kingdom of heaven over against the kingdom of the world.³⁵

The role of the marketplace is a crucial part of God's plan for the world. There is a shortage of teaching in the church about how to manage change in the marketplace. Because so much is at stake, Christian leaders must be concerned with successfully managing change in the marketplace to increase quality and productivity for society. It is vital that Christian leaders learn how to intentionally apply biblical principles in day-to-day management through a continual, relentless, perpetual search for quality in the marketplace. This research project identified effective principles to carry out this task. The existence of these principles enables Christian leaders to benefit from careful

³⁵Abraham Kuyper, *Pro Rege: Living Under Christ's Kingship* (Bellingham, WA: Lexham, 2016), 1:7444.

consideration of them as they seek to build relationships that glorify God and accomplish His purposes.

These leaders demonstrate that bringing Christian faith to the marketplace is more than an ethical behavior. They are fully engaged to allow the far-reaching implications of God's redemptive plan to shape their organizational cultures. These are not Christian organizations; they are Christian leaders doing business in an increasingly secularized culture. However, these leaders do believe they are called by God to be business leaders and are committed to modeling a faithful presence in the workplace. Each of these Christian leaders is committed to upholding a high value for each person in the *imago Dei* and for nurturing a culture by creating an environment of continual, relentless, perpetual search of improvement for human flourishing.

Why is this important? First, consider what Wayne Grudem said: "One of the ways of fulfilling the Golden Rule of loving one's neighbor as oneself is by creating value in relationships as buyers and sellers or employers and employees."³⁶ Moreover, Jesus' last command on earth was for his followers to create a movement (Matt 28:18-20).³⁷ Tim Keller explains a movement is the result of two sets of factors. The first set of factors is the way humans contribute to a movement. He calls it gardening and defines it as self-sustaining patterns of behavior. He said the second set of factors in a movement are the conditions that belong completely to the sovereignty of God. Providentially, He can open an individual's heart any way He chooses.³⁸ While humans cannot produce the

³⁶Barry Asmus and Wayne A. Grudem, *The Poverty of Nations: A Sustainable Solution* (Wheaton, IL: Crossway, 2013), 352.

³⁷Matthew 28:18-20 says, "And Jesus came and said to them, 'All authority in heaven and on earth has been given to me. Go therefore and make disciples of all nations, baptizing them in the name of the Father and the Son and the Holy Spirit, teaching them to observe all that I have commanded you. And behold, I am with you always, to the end of the age.'"

³⁸Timothy Keller, *Center Church: Doing Balanced, Gospel-Centered Ministry in Your City* (Grand Rapids: Zondervan, 2012), 338.

gospel movement that Jesus commanded his followers to fulfill, the marketplace has always been a vital part of God's design for building His kingdom here on earth through work of the Holy Spirit. Finally, for the sake of obedience to Jesus' command for His followers to engage in the movement, consider the words of Russell Moore:

It's our turn. . . . Our strangeness is only hopeful if it is freakishly clinging to the strange, strange mission of Christ crucified and risen. The pursuit of righteousness and justice is of no purpose if it doesn't flow from seeking the kingdom first. Beside us, there may be flags, and we'll pledge allegiance where we ought and when we can. But over, always over us, there is a cross. We may not always see where we are going, but we know the Way.³⁹

Work is not only a human calling, it is also a divine one. Many of God's purposes for individual's can be accomplished through work. For example, work in the marketplace can create ways to help people flourish, discover the depths of God's sovereignty, and be a platform for cultivating wonderful relationships. The Bible has much to say about work. It shows how to live all of life, including work, in Christ. Only in Christ can work be transformed to be the blessing it is meant to be. For loving God and loving people are not the same. God joined worship and witness; hallowing God's name and helping God's people; savoring God's glory and serving the saints.⁴⁰ Striving to create an environment of continual, relentless, perpetual search of improvement for human flourishing for God's glory creates a willingness in the hearts of believers to love the Lord with all their hearts, soul, mind and strength and for the sake of His name to serve one another.

³⁹Russell D. Moore, *Onward: Engaging the Culture without Losing the Gospel* (Nashville: B & H, 2015), 3807.

⁴⁰John Piper, "Savoring God by Serving the Saints," February 2, 1992, accessed November 18, 2016, <http://www.desiringgod.org/messages/savoring-god-by-serving-the-saints>.

APPENDIX 1
INTERVIEW QUESTIONS

The following questions were designed to interview the participating executive Christian leaders. Each question was asked at every interview, and the researcher explored issues of importance as they were addressed in the interview process.

Embedded Interview

Section 1: Personal Background

1. Briefly describe your vocational call and the major events that led to your decision to integrate faith with business.
2. Describe your pattern of Christian formation as it influences your relationships in the marketplace.

Section 2: Theory of Systems

3. How do you ensure the company is focused on satisfying the customers or delighting them?
4. How is internal competition eliminated?

Section 3: Theory of Variation

5. How do you minimize total cost, not merely initial costs?
6. How is constant, consistent progress in the right direction ensured, so that every day there is movement closer to total involvement in ever-improving systems, processes, and activities?

Section 4: Theory of Knowledge

7. How do you ensure staff and management are trained properly and know what their jobs are?
8. How do you promote an atmosphere for individuals to learn, produce new knowledge, and apply the knowledge?
9. How do people become willing and able to enthusiastically contribute to innovation and improvement in products and services or processes?

Section 5: Theory of Psychology

10. What do you feel makes the role of a leader or manager a servant or a guide, rather than a master or hero?
11. Describe how you enable or encourage workers, whatever the rank, to take joy in their work, rather than merely savings. How do you know or monitor?

APPENDIX 2

CASE STUDY PROTOCOL

The following protocol was used to conduct the participant interviews. It served as a guide of the events that needed to take place during each interview. This process provided the consistency in the data-gathering phase to triangulate the data during the final phase of the research.

Interview Protocol

In order to assist in the note-taking process, the researcher would like to audiotape the interview session. If you agree to allow this, please give your verbal consent at the beginning of the session. The researcher alone will have access to these records, which will be destroyed after they are transcribed. Also, please understand that your participation in this research is voluntary, and you may stop the interview at any time.

Introduction

This interview is planned to last no longer than one hour. Both your experience in and contribution to leading transformative change in marketplace businesses were factors in your selection for this study. The research effort is particularly focused on understanding how executive Christian leaders manage transformative change in the secular marketplace. It is not the intention of the researcher to evaluate the process and execution of change management. Instead, the study is an attempt to understand the current approaches of a sampling of Christian executive leaders who have managed transformative change in the marketplace.

A Biblical Foundation

The journey of the contemporary Western church has been led into the valley of exile, and as it traverses through, it is guided by the belief that this is not the final destination.¹ As such, there is an urgent need to recapture a biblical vision of work and vocation. The Bible makes it clear that God's will for the world is that His people are to be scattered as salt and light among the whole range of secular vocations. Christians working only among Christians will not accomplish God's redemptive purpose for the world.

¹Lee Beach and Walter Brueggemann, *The Church in Exile: Living in Hope After Christendom* (Downers Grove, IL: IVP, 2015), 3088.

God intends for His Kingdom on earth to be built by Disciples of Christ in their secular jobs. In 1 Corinthians 7:17-24, Paul makes it clear that the call to be a Christian was not a call to leave your secular vocation. Paul wrote: “So brothers, in whatever condition each was called, there let him remain with God” (verse 24). Jesus prayed that His disciples would remain in the world, but that they would not be “of the world” (John 17:15-17).

The biblical truth is that Christians ought to intentionally and joyfully glorify God in secular employment. In 1 Corinthians 10:31, Paul said, “whether you eat or drink, or whatever you do, do all to the glory of God.” Moreover, in Colossians 3:17, he wrote, “whatever you do, in word or deed, do everything in the name of the Lord Jesus, giving thanks to God the Father through him.” Therefore, Christians should view all of life as worship, and, even though impacted by the fall, work is a good gift from God.

The question for most Christians in the marketplace should be, “How can my life count for the glory of God in my secular vocations?”² Paul tells the church at Ephesus what godly charter is: “I urge you to walk in a manner worthy of the calling to which you have been called, with all humility and gentleness, with patience, bearing with one another in love, eager to maintain the unity of the Spirit in the bond of peace” (Eph. 4:1-3).

The aim of this study is to understand effective practices used by Christian leaders in the secular workplace to manage transformative change as they operate from a biblical worldview. For,

God is interested in all our nonreligious life. All our business transactions are his concern. He is not so distant that he only cares about what happens at church and during devotions. Every square inch of the earth is his and every minute of our lives is a loan from his breath. He is much more secular than we often think.³

²John Piper, *Don't Waste Your Life* (Wheaton, IL: Crossway, 2003), 135.

³John Piper, *The Pleasures of God: Meditations on God's Delight in Being God* (Colorado Springs: Multnomah, 2000), 254.

Section 1: Purpose

The purpose of this research is to discover and articulate effective principles for how overtly Christian leaders stimulate transformative change in the marketplace. A qualitative, multiple case study method was used to build a foundation for future research. Through the examination of several best-case examples of managing change, principles emerged that can assist in identifying effective practices that may benefit Christian marketplace leaders to stimulate an environment of continual, relentless, perpetual search for improvement.

Research Question

As sojourners in the midst of the moral revolution, the purpose of this case study will be to understand how Christian leaders in the marketplace create an environment of continual, relentless, perpetual search for improvement which simultaneously brings joy of workmanship to people.

Section 2: Field Procedure

Authorization for the case study has been granted through a telephone conversation with the participants of the study. A follow-up letter has been mailed detailing the purpose of the research and the process that will be followed for the in-person interviews. The following methods of data collection will be used:

1. Recorded interviews
2. Acquisition of pertinent documents

Procedural Reminders

3. Send interview questions by electronic mail to participants
4. Day of visit:
 - a. Request private room for interview
 - b. Request permission to record interviews
 - c. Have a digital recorder at approximate equidistance between interviewer and participant

- d. Ask questions as written on survey instrument (Appendix 2), probe incomplete answers
 - e. Thank participant for time
5. Post-Interview Follow-up
- a. Transcribe interviews for participant to review make changes as necessary
 - b. Send thank you note and small token of appreciation

Section 3 Interview Questions

The following interview questions will help gather your insights about how to stimulate an environment of continual, relentless, perpetual search for improvement in the marketplace.

Personal Background

- 6. Briefly describe your vocational call and the major events that led to your decision to integrate faith with business.
- 7. Describe your pattern of Christian formation as it influences your relationships in the marketplace.

Theory of System

- 8. How do you ensure _____ is focused on satisfying the customers or delighting them?
- 9. How is internal competition eliminated?

Theory of Variation

- 10. How do you minimize total cost, not merely initial costs?
- 11. How is constant, consistent progress in the right direction ensured, so that every day there is movement closer to total involvement in ever-improving systems, processes, and activities?

Theory of Knowledge

- 12. How do you ensure staff and management at _____ are trained properly and know what their jobs are?
- 13. How do you promote an atmosphere at _____ for individuals to learn, produce new knowledge, and apply the knowledge?
- 14. How do people at _____ become willing and able to enthusiastically contribute to innovation and improvement in products and services or processes?

Theory of Psychology

15. What do you feel makes the role of a leader or manager a servant or a guide, rather than a master or hero?
16. Describe how you enable or encourage workers, whatever the rank, to take joy in their work, rather than merely savings. How do you know or monitor?

Case-Study Report

The case study report will compile the data into the following categories:
background information, Theory of Systems, Theory of Variation, Theory of Knowledge,
and Theory of Psychology.

APPENDIX 3
RESEARCH PROCESS

The research process provided in the following tables is to provide a visual representation of the phases that were completed for this study.

Table A1. Research process

| Phase | Element | Date |
|--|-------------------------------------|--------------------------------|
| Phase 1: Define and Design | Literature Review | November 2014 – September 2015 |
| | Study Participant Selection | September 2015 - January 2016 |
| | Protocol Development and Evaluation | September 2015 - April 2016 |
| Phase 2: Prepare, Collect and Analyze the Data | Participant Interviews | June 2016 - July 2016 |
| | Transcribe Interviews | August 2016 |
| | Study Participant Reports | August 2016 - September 2016 |
| Phase 3: Present Findings | Cross-Case Analysis | September 2016 – October 2016 |

Table A2. Study interviews

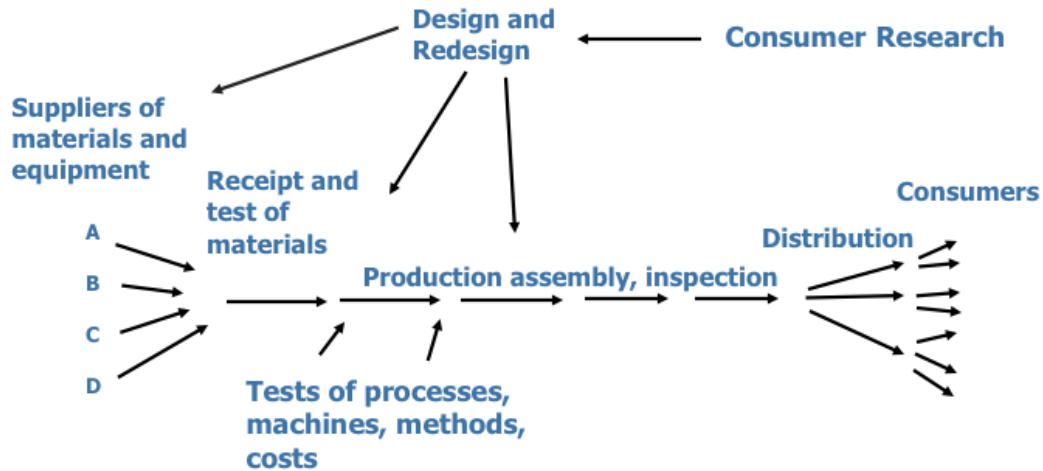
| Participant | Location | Date |
|-------------|----------------|---------------|
| Executive-A | Louisiana | July 15, 2016 |
| Executive-B | Georgia | June 24, 2016 |
| Executive-C | North Carolina | June 23, 2016 |
| Executive-D | California | June 30, 2016 |
| Executive-E | Oklahoma | July 14, 2016 |

Table A3. Codes group cumulative

| Category | Code Group | Cum |
|----------------------------|--|-----|
| Theory of Systems | Relate to a better life for everyone | 98 |
| | Aim must be clear to everyone | 77 |
| | Aim is a value judgment | 75 |
| | Aim must include plans for the future | 67 |
| | Unity | 67 |
| | Cooperation win-win versus win-lose | 51 |
| | Appreciation for a system | 45 |
| | Look at how well we are providing the product or service rather than selecting products to offer by profit of those products. | 43 |
| | Knowledge of Interrelationships | 39 |
| | Everyone must understand the danger and economic lose | 31 |
| | Lifelong learning for employees | 31 |
| | Everyone Gains | 28 |
| | Scan environment to perceive need for innovation, new product, new service, or innovation of method | 28 |
| | Balanced flow rather than balanced capacity | 27 |
| | Understands a stable system | 23 |
| | Work on the causes of results | 20 |
| | Direct efforts of all components toward the aim | 18 |
| | Reducing complexity | 12 |
| | Seek out surprises, relishing the unpredictable. | 11 |
| | Management ready to change the boundary of the system | 10 |
| Comparison of predictions | 7 | |
| Preparation for the future | 6 | |
| Learn to manage losses | 4 | |
| Theory of Variation | Learn to listen to process and the system | 42 |
| | Service reliability and dependability | 31 |
| | Do what we can do—keep learning and improving our systems with new knowledge. | 23 |
| | Understand causes of variation which provides the basis for establishing processes for standardizing decision making so that people can understand how decisions were made | 23 |
| | Avoid tampering with stable process | 13 |
| | Improve variation of output | 11 |
| | Evidence Process control | 11 |
| | Predictable future | 10 |
| | Procedures aimed at minimize economic loss | 9 |
| | Variation from common causes | 7 |
| | Variation from special causes lie beyond the capability of the system | 5 |
| | Missed opportunities for an unstable process | 4 |
| | Statistical Process Control | 4 |

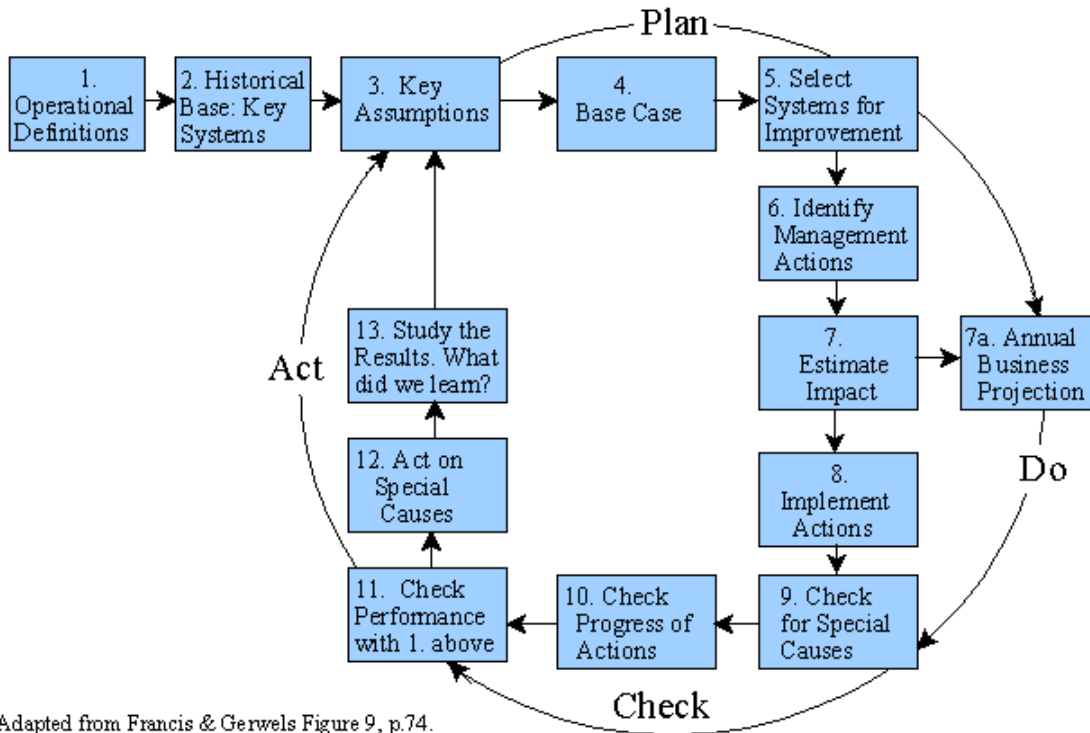
Table A3 continued

| | | |
|----------------------|---|----|
| Theory of Knowledge | Knowledge of the effect of the system on the performance of people | 50 |
| | Evidence of Plan, Do, Study, Act cycle | 42 |
| | Never-ending learning in order to understand and reduce variation | 36 |
| | Learning from experience with theory | 34 |
| | Processes in which learning can occur | 30 |
| | Organizational learning | 29 |
| | Continual learning and improvement | 28 |
| | Learn from the system for predictability | 26 |
| | Knowledge of dependence and interdependence between people, groups, divisions, companies, countries is helpful. | 25 |
| | Knowledge of interrelationships between all components and the people | 22 |
| | Knowing the unknowability of the most important optimization data | 15 |
| | Knowledge about the different sources of uncertainty | 14 |
| | Reducing complexity in operations – first | 12 |
| | Analyze Data to plan for change as it develops instead of reacting to change | 11 |
| Theory of Psychology | Lead, to coach to provide methods and tools | 94 |
| | Understand what it is that is most important to an individual | 80 |
| | Personal transformation through meaning | 78 |
| | Establish an environment that motivates | 73 |
| | Intrinsic and extrinsic motivation | 68 |
| | Provide security and remove barriers to their taking joy in their work | 52 |
| | Drive out fear and eliminate barriers to pride of workmanship | 40 |
| | Psychology of individuals | 26 |
| | Advantages brought forth by individual differences in approach and opinion | 19 |
| | Emotional Intelligence | 18 |
| | Psychology of change | 18 |
| | Psychology of a group | 12 |
| | Psychology of society | 7 |



Out of Crisis, page 4

Figure A1. Production viewed as a system¹



* Adapted from Francis & Gerwels Figure 9, p.74.

Figure A2. Flowchart for improved business management processes²

¹W. Edwards Deming, *Out of the Crisis* (Cambridge, MA: Massachusetts Institute of Technology, 1986), 4.

²J. R. Martin, "Continuous Improvement Plan Do Study Act Graphics," accessed September 24, 2016, <http://maaw.info/PDSAGraphic.htm>.

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ABSTRACT

CHANGE MANAGEMENT FOR CHRISTIAN LEADERS IN THE MARKETPLACE: A MULTIPLE CASE STUDY

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As the result of technological advances, changes in production techniques, consumer behavior, economics, globalization, societal pressure, regulations, increased complexity of markets, and a cultural moral revolution, many organizations are now experiencing vast change. Organizations are compelled to change what they do and how they do it. Overwhelmingly, research demonstrates that change initiatives often fail because of poor management. This study identifies effective practices of transformative change used by a sample of overtly Christian marketplace leaders.

The field of change management uses a broad range of methods and approaches. W. Edwards Deming, “the father of the third wave of the Industrial Revolution,” developed a change management theory he called the System of Profound Knowledge, which includes four interrelated fields (theories of systems, variation, knowledge and psychology). This study, demonstrates that successful organizational transformation in the marketplace by Christian leaders is applied from a biblical foundation and includes the principles of Deming’s System of Profound Knowledge, either directly or indirectly. The purpose of this study was to understand how Christian leaders in the marketplace could create an environment fostering a continual, relentless, perpetual search of improvement for human flourishing.

Finally, the presentation demonstrates that executive leaders whose faith and hope are in God are compelled by the love of Christ to intentionally strive to be stewards of God's grace by creating an environment that promotes real continuous improvement for human flourishing.

KEYWORDS: Transformative Change, Change Management, Continual Improvement
Organizational Change, System of Profound Knowledge, Systems
Thinking, Deming, Case Study, Marketplace, Servant-leader,
Servanthood, Stewardship, Leadership, Human Flourishing, Planned
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