

What Can the Corporate World Learn from the Cellarer? Examining the Role of a Benedictine Abbey's CFO

Structured Abstract

Purpose: Benedictine abbeys are highly stable organisations that have existed for almost 1,500 years. The extant literature ascribes this stability in part to the notion of Benedictine governance, which centres on the Rule of St. Benedict. An integral part of Benedictine governance is the cellarer, who plays a role comparable to that of a chief financial officer (CFO) in a traditional corporation. Unlike corporations, however, in which the CFO has emerged into a more important role over the past few decades, the cellarer has been an official position in Benedictine abbeys since the introduction of the Rule of St. Benedict in the sixth century. The present paper explores the cellarer's role and assesses which parts of it could be reasonably transferred to the corporate world.

Design/methodology/approach: Informed by organisational role theory, we conducted a single case study in an Austrian Benedictine abbey. We used group discussions and semi-structured interviews as the main research instruments.

Findings: We find that the cellarer's behaviour shows strong signs of stewardship, which could serve as a role model for corporate CFOs. However, because of the studied abbey's situation of financial distress, the cellarer also experienced severe role conflicts rooted in his obedience to the abbot, the high involvement of the abbey in the local economy, and the cellarer's conscience as a Christian monk. From these findings, we describe those aspects of the cellarer's role that should thus be avoided for corporate CFOs.

Research limitations/implications: The presented findings are based on a single case study. Therefore, because of the contextual factors idiosyncratic to the abbey under investigation, the results must be interpreted with care. Nevertheless, the findings explain the cellarer's role and depict its potential benefits for the corporate world, which should induce further research.

Originality/value: This is the first paper to explore in-depth the cellarer's role as well as one of the first to transfer the potential benefits of single roles rooted in Benedictine governance to the corporate world.

Keywords

Cellarer, Chief Financial Officer (CFO), Rule of St. Benedict, Benedictines, Abbey, Monastery

Introduction

In recent years, the role of the chief financial officer (CFO) has gained popularity both in practice and in academia (e.g., Baxter and Chua, 2008; Bremer, 2010; Menz, 2012). In particular, recent practice-oriented studies have ascribed the CFO a more important and extended role, moving strongly towards strategic management and a second-in-command position in the corporate hierarchy, subordinate only to the chief executive officer (CEO) (Zorn, 2004; Bremer, 2010). Zorn (2004) documented the rise of the CFO in large US corporations: in the 1970s, fewer than 10% of US corporations had installed a CFO position on their management boards, whereas by 2000, more than 80% had done so.

In contrast to the corporate world, Benedictine abbeys have operated with a CFO-like position for almost 1,500 years. The so-called cellarer is responsible for the day-to-day running of the abbey's finances and can be compared to a CFO in modern companies (Tredget, 2002; Prieto *et al.*, 2006). The Rule of St. Benedict (RB) – the overall guideline for a Benedictine monk's life – defines the role of the cellarer as an inherent part of an abbey's governance structure; indeed, it devotes an entire chapter to the required qualifications of a cellarer. Among other attributes, a cellarer should be wise, temperate, and frugal, and do everything with moderation and according to the abbot's orders (who holds a CEO-like position) (Fry, 1981; Norsworthy, 2001).

From a managerial point of view, Benedictine abbeys are interesting organisations because a large number of them have managed to survive for centuries, withstanding wars, revolutions, and other periods of radical change (Rost *et al.*, 2010; Inauen *et al.*, 2010a; Feldbauer-Durstmüller *et al.*, 2012). In addition, Benedictine abbeys have also traditionally been strongly integrated into local economies by serving as landowners or as employers (Tredget, 2002; Fernández Roca, 2010). Similar to the reasons why profit-oriented firms install professional CFOs in order to safeguard the financial well-being of firms (Lutz and Schraml, 2012), the question arises of whether the cellarer also plays an equally important role in the long-term development of Benedictine abbeys.

However, there has been a general lack of research on the role of financial managers in religious organisations (Carmona and Ezzamel, 2006), while existing studies have focused on

the role of secular financial managers in religious organisations (e.g., Laughlin, 1988; Lightbody, 2000; Lightbody, 2003; Jacobs, 2005). A heavily discussed issue in such studies concerns the tensions between sacred and secular issues. For example, accountants and financial managers are broadly seen as part of the secular system, which only exists to support the sacred system (that meets spiritual needs) and which is clearly dominated by this system (Laughlin, 1988; Booth, 1993). By contrast, in Benedictine governance, the cellarer is usually both strongly intertwined with the secular system (as the financial manager of the abbey) as well as the sacred system (often by being a monk of the abbey). Despite this interesting overlap of secular and sacred systems in the role of the cellarer, however, the extant literature has not examined in depth the cellarer's role in Benedictine abbeys.

Recent studies of Benedictine governance have suggested that (stock) corporations may also find helpful advice on their governance from the RB (Inauen *et al.*, 2010a; Inauen *et al.*, 2010b; Rost *et al.*, 2010). In consideration of the stability enjoyed by Benedictine abbeys over the past 1,500 years (Feldbauer-Durstmüller *et al.*, 2012), the design of the cellarer's role may also incorporate valuable references for the organisation of the CFO's role in corporations. Therefore, the present paper seeks to answer two main research questions:

1. Which role does the cellarer play in a Benedictine abbey?
2. Which aspects of the cellarer's role could reasonably be transferred to the corporate world?

We use organisational role theory (ORT) to investigate the cellarer's role as well as his collaboration with various role senders, such as the abbot, council of elders, chapter of monks, and non-monk employees (Katz and Kahn, 1978; Wickham and Parker, 2007). By adopting a single-case research design, we focus on the cellarer's role in one Benedictine abbey in Austria. Our research relies mainly on individual semi-structured interviews and group discussions as well as an analysis of documentary material (mainly the RB and the abbey's internal documents).

Our results indicate that a Benedictine cellarer needs adequate knowledge of finance and accounting, but formalised education in these fields seems to be less common and may also be insufficient compared with that held by corporate CFOs. The cellarer's role also demonstrates strong signs of stewardship, because his main goal is to ensure that the abbey can look forward to a future lifetime that equals the abbey's past lifetime. This aim was even

enforced by the finding that successful financial management makes the abbey's way of living continue to be viable in the future. We conclude that corporate CFOs could adapt selected factors of this formula for success, such as signalling to the firm's owners that the CFO's main goal is its long-term financial health or establishing a stewardship-like culture in order to foster a long-lasting relationship with the ownership group based on reciprocal trust.

However, we also encountered severe downsides of Benedictine governance and the limits of the cellarer's influence. The studied abbey appeared to be in a difficult financial situation, and its strong involvement in the local economy and community limited the cellarer's options to improve its financial status. We also observed critical role conflicts for the cellarer: although he aimed to foster the sustainable development of the abbey in the long-term (i.e., survivability), this was threatened by the abbey's situation of financial distress and subsequent austerity measures. His role as a Benedictine monk further complicated taking such drastic cost-cutting measures, because according to his beliefs, he aimed to avoid harming other people. In particular, some of the abbey's non-monk employees counteracted these austerity measures.

Moreover, the strict obedience of the cellarer to the abbot could be avoided in the corporate relationship between CEO and CFO in order to prevent these two positions teaming up in fraudulent actions (as was the case at Enron, see Benston and Hartgraves, 2002). Therefore, it can be concluded from our case study that – in contrast to that suggested by Benedictine governance – an independent CFO position that is able to act as a critical counterpart to the CEO may be preferable for corporations.

By studying the cellarer's role, we contribute both to the CFO literature as well as to the literature on accounting in religious organisations. Following the call by Menz (2012) to analyse in greater depth the CFO's role in different organisational contexts, we show that parts of the cellarer's role in a Benedictine abbey (mainly stewardship behaviour) may serve as a role model for corporate CFOs. In this regard, our study demonstrates that for the corporate world, it might be of interest to carry over not only issues of spirituality or religiosity to management and leadership (e.g., McCormick, 1994; Krishnakumar and Neck, 2002; Kehat, 2012), but also aspects of specific roles in spiritual or religious settings, such as a Benedictine abbey.

However, other parts of the cellarer's role (e.g., clear obedience to the abbot, pangs of conscience, and limitations to take actions) rather interfere with serving as a successful financial manager. By presenting these downsides, we highlight future research directions regarding the role of financial managers in religious organisations. In this line, our case study highlights behaviours that might be necessary to avoid in the management of a religious organisation. In addition, scholars in this field have called for further research on the role of financial managers in different religious organisations (Carmona and Ezzamel, 2006). We also contribute to this point, because to our best knowledge, our study is the first to analyse the role of the cellarer in a Benedictine abbey.

Previous research has thus far focused on the transferability of Benedictine governance principles to the corporate world (e.g., Rost *et al.*, 2010; Inauen *et al.*, 2010a) by presenting the upsides of monastic governance. By contrast, our analysis indicates that although the prevailing governance mechanisms in Benedictine abbeys might be stable, the advantages of Benedictine governance also include specific downsides.

The remainder of this paper proceeds as follows. In the following section, we provide a brief overview of the RB, especially relating to the cellarer's relevance. We also briefly summarise extant research on the (changing) role of corporate CFOs and on their current challenges. In the subsequent section, we elaborate on the application of ORT in this study and present an ORT-based theoretical comparison of the cellarer's and the CFO's roles. Afterwards, we report the case study methodology applied in this study. We continue by presenting and discussing this paper's findings and conclude with implications for practice and research as well as its limitations.

The Benedictine cellarer and the corporate CFO

The RB and the cellarer

St. Benedict (c. 480–547) lived in the sixth century in Italy. He was born in Nursia, a small town near Perugia in the Italian region of Umbria, and therefore he is usually referred to as Benedict of Nursia (Clark, 2003). The RB (or *Regulae Benedicti* in Latin) was written by Benedict around 540 during his time at the abbey of Monte Cassino. It consists of 73

chapters, which are primarily dedicated to the organisation of Benedictine life and used to bring the monks of a Benedictine abbey closer to God (Fry, 1981; Tredget, 2010). The primary tenet inherent in the RB is “*ora et labora et lege*” (in English: “pray, work, and study”). This Benedictine motto may also be regarded as the most significant characteristic that distinguishes Benedictine abbeys from other religious orders such as the mendicant orders of Franciscan or Dominican, which refuse to strive for their own earnings and ownership. In addition to fulfilling the work of God, Benedictine monks also have to earn their livings themselves and ensure the long-term sustainability of the abbey by performing manual work (Fry, 1981; Tredget, 2002; Kleymann and Malloch, 2010). In recent years, there has also been discussions on the relevance of the Benedictine motto “*ora et labora et lege*” and the RB in general to other organisations, such as corporations, as the RB concerns issues of leadership, organisation, and human resources (Kennedy, 1999; Tredget, 2002; Bargiela-Chiappini, 2007; Kleymann and Malloch, 2010; Rost *et al.*, 2010; Chan *et al.*, 2011).

One of the RB’s 73 chapters is devoted to the qualifications of the monastery cellarer, who holds a position similar to a finance director or a treasurer in modern corporations (Norsworthy, 2001; Tredget, 2002). According to chapter 31, the cellarer should be “wise, mature in conduct, temperate, not an excessive eater, not proud, excitable, offensive, dilatory or wasteful, but God-fearing, and like a father to the whole community” (Fry, 1981, p. 227). Moreover, he should “not be prone to greed, not be wasteful and extravagant with the goods of the monastery, but should do everything with moderation and according to the abbot’s orders” (Fry, 1981, p. 229). This unchanged “person description” for the CFO of a Benedictine abbey has been in place for roughly 1,500 years.

The cellarer is a constant part of a Benedictine abbey’s governance. He is appointed by the abbot and subject to the abbot’s directives (Fry, 1981; Tredget, 2002). Moreover, a council of elders advises the abbot on financial topics. Some important economic decisions are also contingent on the council’s agreement, such as raising credit or selling assets. Therefore, the council of elders influences the cellarer’s work and acts in a similar capacity to an advisory or supervisory board on economic issues (Rost *et al.*, 2010; Feldbauer-Durstmüller *et al.*, 2012). Optionally, an additional economic council can also exist, but this is not a fixed governance component as the council of elders. Interestingly, the cellarer himself can also be a member of the council of elders, which could – compared with corporate structures – delimit the supervisory role of the council for the cellarer.

Research on the role of the corporate CFO

In recent decades, academic interest in the CFO position has increased significantly. The driver for this increased interest can be found in the gain in importance of the CFO in the corporate hierarchy. In the 1960s, only a small minority of firms had installed a CFO position on their executive boards; however, by the 1990s, more than 80% had done so (Zorn, 2004). Research has studied CFOs' educational and career backgrounds (e.g., Baker and Phillips, 1999; Collier and Wilson, 1994; Graham *et al.*, 2013) as well as how CFO characteristics affect accounting and management practices (e.g., Aier *et al.*, 2005; Naranjo-Gil *et al.*, 2009; Barua *et al.*, 2010; Ge *et al.*, 2011; Burkert and Lueg, 2013), firm performance (e.g., Gallo and Vilaseca, 1998; Caselli and Di Giuli, 2010), or the aftermath of CFO turnovers (e.g., Mian, 2001; Geiger and North, 2006).

At the same time, particularly in practice-oriented publications by advisory firms, a role change for the CFO has been proposed, moving strongly from transactional tasks and the beancounter cliché to a more strategic role (Bremer, 2010; Lüdtke, 2010; Farag *et al.*, 2012). However, academic research on the role behaviour of the CFO and the move into a more strategic role is still scarce. While some studies based on qualitative research have found that under certain conditions the CFO plays a more strategic role (Baxter and Chua, 2008; Becker *et al.*, 2011; Hiebl, 2012a), others have shown that in large corporations, the CFO still rarely participates in strategy or corporate development (Lüdtke, 2010; Bremer, 2010; Farag *et al.*, 2012). Important drivers for the CFO acting in a more strategic role have been found in the higher hierarchical position of the CFO, the absence of firm owners in the active management of the firm, and the non-existence of a clear CEO position (Malmi *et al.*, 2001; Hiebl, 2012a). However, compared with CEOs, CFOs were recently found to be generally more risk-averse and less optimistic about the future (Graham *et al.*, 2013), which may explain why it is still CEOs rather than CFOs who continue to most significantly shape a firm's strategic course (Bremer, 2010).

Despite limited and partly controversial scientific empirical evidence for the CFO having moved into a more strategic role, it seems certain that current CFOs usually face the challenge of a more complex job compared with the CFOs of a few decades ago (Zorn, 2004; Farag *et al.*, 2012; Burkert and Lueg, 2013). In addition to a generally more complex job

profile, CFOs today are confronted by various other challenges, including working towards playing such a strategic role in the firm, as they could fear that they cannot live up to the ideals set out by advisory firms. Moreover, there is evidence that current CFOs have close relationships with CEOs, which can turn out to have significant downsides for CFOs if the firm or the CEO does not perform as expected, resulting in the simultaneous dismissals of both the CEO and the CFO (Mian, 2001; Zander *et al.*, 2009; Hilger *et al.*, 2013). These close CEO–CFO relationships may in turn limit the CFO’s ability to act as a critical counterpart or a financial conscience to the CEO (Weber, 2011; Hiebl, 2013). Thus, another challenge for CFOs is forging a good working relationship with the CEO while not getting too close. Furthermore, coping with globalisation and, accordingly, the increasing internationalisation of accounting standards as well as growing importance of financial IT systems constitute additional challenges for CFOs (Farag *et al.*, 2012).

In consideration of the increased importance of the CFO role, the manifold challenges CFOs face, and the relatively scarce body of literature, scholars have recently called for a deeper investigation into the CFO role in various corporate structures (Bremer, 2010; Menz, 2012; Farag *et al.*, 2012). In this paper, we address this call for more research on the CFO’s role by examining the role of the cellarer in Benedictine abbeys and describing what corporate CFOs can learn from this role.

Application of ORT

Role theory and role conflicts

ORT (Katz and Kahn, 1978; Wickham and Parker, 2007) interprets organisations – and in this paper, a Benedictine abbey – as open systems of roles. In order to explain the behaviour of a focal person belonging to the organisation, ORT analyses the relationships between the focal person and role senders, who are the people the focal person works with or communicates with in the organisation. All role senders together form the focal person’s role-set (Merton, 1957; Katz and Kahn, 1978). Each role sender has expectations about how the focal person should behave and sends his or her expectations to the focal person. However, role expectations in the role sender’s mind do not necessarily fully match with the expectations that he or she sends to the focal person (Katz and Kahn, 1978). For instance, the

role sender might only explicitly communicate a proportion of his or her expectations of the focal person's behaviour to the focal person and leave the remaining expectations unmentioned in order to test whether the focal person meets the role sender's expectations without explicit instructions.

=== Insert Figure 1 about here ===

In turn, the focal person receives expectations from role senders that do not necessarily need to match the intended "sent role" by role senders and does or does not act accordingly. How the focal person finally acts is subsumed under "role behaviour" (Katz and Kahn, 1978). ORT further suggests that the entire relationship between role senders and the focal person of interest is influenced by the attributes of the focal person, interpersonal factors between role senders and the focal person, and organisational factors such as the purpose of the organisation, size, ownership, and other factors. The entire process of role sending, receiving, and behaving is described by Katz and Kahn (1978) as being cyclical. This means that after the role sender has sent his or her expectations to the focal person for the first time, the focal person acts and may also provide feedback to the role sender. The role sender may then modify his or her sent role and the behaviour of the focal person might change. These so-called "role episodes" (Katz and Kahn, 1978) may happen several times until the intended behaviour of the role sender matches the focal person's actual behaviour. When the role sender's expectations of the focal person change, the whole process restarts.

Katz and Kahn's (1978) entire theoretical model of the factors involved in taking organisational roles and its application in this paper is depicted in Figure 1. As can be seen, in our study, the cellarer in a Benedictine abbey is the focal person under investigation. As role senders, we investigate the abbot, members of the council of elders, members of the community of monks (also known as the "chapter"), and the monastery's non-monk employees. We chose to investigate these role senders because they are defined in the RB as parts of a Benedictine abbey's governance (all but the non-monk employees) and as collaborating with the cellarer (Fry, 1981; Tredget, 2002).

In the interplay between role senders and the focal person, several problems can arise that can create role stress for the latter. Specifically, role stress may include role conflicts. In the literature, four types of role conflicts are usually distinguished (Kahn *et al.*, 1964; Rizzo *et*

al., 1970). Inter-sender conflicts exist when role expectations from different role senders do not complement each other, but rather compete with each other. Thus, the focal person cannot comply with all these expectations, and as a result may feel stress. In a Benedictine abbey, the abbot might have different views on how to spend the budget than some members of the council of elders. Both will present their expectations to the cellarer, who will have to find a solution to the conflict. Further, intra-sender conflicts also exist when the focal person receives conflicting demands from one role sender. For instance, the body language of the role sender might not comply with the oral role expectations he or she is sending to the focal person.

In different situations, the focal person may also act in different roles, which might come along with different demands (inter-role conflict). For instance, in addition to his role as the abbey's CFO, the cellarer is also a monk, and therefore has to engage in the work of God, including prayer, canticles, and reading (Tredget, 2002; Kleymann and Malloch, 2010). These tasks also take up a monk's time, and thus the cellarer might have insufficient time to serve as the abbey's financial manager. The fourth role conflict is typically called person–role conflict, which happens when the personal attributes (qualifications, goals, points of view, and others) of the focal person do not fit the expectations of a certain role. In the circumstances of this paper, the cellarer might need to take actions that are necessary from a financial point of view, but which he cannot arrange with his conscience as a Christian monk (such as the layoff of non-monk abbey personnel).

Comparing the cellarer's and the CFO's organisational roles

The above-presented ORT model by Katz and Kahn (1978) indicates that organisational factors significantly influence a focal person's role. Thus, there are important differences in the cellarers' and the corporate CFO's roles, which should not be overlooked when trying to transfer aspects of one role to the other.

Most prominently, and different to corporate CFOs, in addition to being responsible for the abbey's finances, the cellarer is also monk. In this regard, the cellarer is also part of the community of monks that run the abbey, who are interpreted by Rost *et al.* (2010) as being the abbey's "shareholders" [1]. Thus, compared with most CFOs, the cellarer is not *just* an employee, but he performs a dual role as a monk and as the officer responsible for finance

and accounting. By contrast, despite potentially holding some shares in the firm, corporate CFOs rarely have such a dual role. Indeed, only in the case of management buyouts and founder or family firms (Gallo and Vilaseca, 1998; Caselli and Di Giuli, 2010; Braun *et al.*, 2011; Lutz and Schraml, 2012) might the corporate CFO also be a major shareholder.

For the cellarer, this role dualism can be expected to affect his role behaviour. For instance, in his role as cellarer, he might realise that necessary actions would negatively influence his fellow monks' daily lives. However, as part of the "monastic family" (Tredget, 2002, p. 225), his decisions as cellarer might affect his "family life" as a monk, which might lead him into role conflict. By contrast, the corporate CFO is primarily responsible for managing a firm's finances and his or her actions in most situations do not affect his or her private life.

Similarly, the cellarer also faces two groups of role senders with different statuses: monks and the abbey's non-monk employees. Therefore, it could be theorised that the role expectations from the cellarer's fellow monks might be more important to the cellarer than the non-monk employees' role expectations, as the cellarer can be expected to have stronger ties to his fellow monks than to the abbey's non-monk employees. By contrast, the CFO might also face distinct role expectations from the firm's owners, the CEO, and the firm's employees. However, for the CFO, all these relationships are deemed to be of professional and not of private nature in most cases. Thus, the CFO might not experience this intermingling of professional and private life role expectations as the cellarer does.

Another difference between the cellarer and the CFO might relate to the motivation for job assignment. For selecting a cellarer, the abbot's choices are limited to the community of monks. Therefore, the first prerequisite is that the cellarer candidate is already part of the community of monks, which clearly substantially limits the number of potential candidates. Of these monks, the abbot then has to choose the applicant who meets the requirements set out in chapter 31 of the RB (Tredget, 2002). By contrast, the corporate CFO is mainly recruited because of his or her professional qualities or fit with the firm, the CEO, or the firm's owners (Mian, 2001; Lutz and Schraml, 2012; Hiebl, 2013) rather than being otherwise associated with the firm (again, except for family CFOs in family firms).

Despite these important differences between the cellarer and the corporate CFO, both share the common ground of being responsible for their respective organisations' finance and

accounting functions (Mian, 2001; Tredget, 2002; Becker *et al.*, 2011). Moreover, both have to account for and report to key stakeholders about their organisation's financial performance: the cellarer to the abbot, the council of elders, and the entire community, and the corporate CFO to the CEO, shareholders, and capital markets. Hence, given the stability of Benedictine abbeys over centuries (Inauen *et al.*, 2010b; Feldbauer-Durstmüller *et al.*, 2012), it still seems to be interesting to examine those aspects of the cellarer's role that foster this stability and that might be informative to the corporate world as well.

Methodology

As the central research approach, we used a single case study in one Benedictine abbey. We chose to adopt the case study as our research method, as we aimed to gain a deep understanding of a complex social phenomenon (Eisenhardt, 1989; Yin, 2009). Case studies are especially useful for the study of such social phenomena, as they enable the researcher to “retain the holistic and meaningful characteristics of real-life events” (Yin, 2009, p. 4). Moreover, in our view, the single case study approach best fits this paper's investigation of the organisational role of the cellarer, as there is little prior research on this role. Moreover, this single case study enabled us to view the cellarer's role from multiple perspectives, which is inherent in the ORT view that one focal person usually faces expectations from several role senders (Katz and Kahn, 1978).

Semi-structured interviews and group discussions provided the core of the data in this paper. Between October 2011 and April 2012, we conducted 10 interviews or group discussions in a Benedictine abbey in Austria. As indicated in the above section on ORT, we aimed to include the views of the abbot, council of elders, chapter, and non-monk employees. Therefore, we had at least one discussion with each of these role senders (or members of these groups). In addition, we also interviewed the current cellarer of the respective abbey to include a subjective view on his role. Using this methodology, 16 individuals participated in the interviews and discussions. Six of these 16 individuals were monks and 10 were non-monk employees of the abbey. An overview of the interviews and discussions conducted for this case study including dates and topics discussed is provided in Table 1. Moreover, we also

included other data sources in our analysis (Eisenhardt, 1989), such as the RB itself as well as internal documents of the abbey provided by the abbot and the cellarer.

=== Insert Table 1 about here ===

The interviews and discussions were transcribed and analysed using Thomas's general inductive approach (Thomas, 2006). The focus of this approach lies in processing the textual material created through oral communication such as interviews in order to allow topics to emerge without creating a code system before the analysis stage. Codes were created when a topic emerged from one transcript. The other transcripts were then scanned for the same topic and coded accordingly. Although the general inductive approach is inductive in nature, the topics and aims of the interviews and discussions were derived in a deductive way by analysing prior literature and applying ORT (Thomas, 2006).

Findings

Case description

The studied Benedictine monastery (non-Cistercian) is situated in Austria. We chose to study this particular abbey because it can be regarded as an average Austrian Benedictine abbey along various dimensions. For instance, the case abbey's numerous pastoral, economic, and educational activities are typical to Benedictine abbeys. Moreover, by being situated in rural surroundings, albeit near to a major Austrian city, the case abbey shows signs of being both a rural and an urban abbey. Eventually, of course, the abbey's openness towards our study was also an important factor. There are 16 Benedictine abbeys in Austria with an average lifespan of 648 years (Feldbauer-Durstmüller *et al.*, 2012). The abbey under investigation in this paper is comparatively old (roughly 1,000 years). At the time of our study (2011–2012), the abbey had a chapter of 20 monks.

Similar to other (Benedictine) abbeys (Prieto *et al.*, 2006; Fernández Roca, 2010) and religious organisations in general (e.g., Nwankwo *et al.*, 2012), the case study abbey is heavily intertwined in the local economy and society. It runs several enterprises such as a forestry and a fishery. In addition to its spiritual and pastoral missions, the case abbey also

follows cultural and societal missions such as running two schools. The abbey's monks are involved in these economic and societal activities, which are necessary for the monks to conform to the RB's tenet of "*ora et labora et lege*" and remain economically self-reliant. The case abbey is economically self-reliant, because – just as with the other Austrian Benedictine abbeys – it does not receive funding from the Austrian Benedictine congregation (a voluntary association of Austrian Benedictine abbeys) or the Catholic Church (Feldbauer-Durstmüller *et al.*, 2012).

Overall, the interviewed monks appeared to see the RB as the guideline for their monastic life, as intended by Saint Benedict. Therefore, and in line with the Benedictine motto, in addition to the monks' spiritual work ("*ora*") and continuous studying ("*lege*"), working ("*labora*") was an important part of their daily lives. However, the number of monks in the case abbey was too small to run all activities on their own. Therefore, the abbey also employed approximately 30 non-monk employees at the time of our investigation. These non-monk employees were active in several of the case abbey's activities, such as working as cooks, foresters, or launders. The abbey's overall governance structure is presented in Figure 2, which also confirms that the chapter of monks elects the abbot and that the abbot then elects officials such as the cellarer.

=== Insert Figure 2 about here ===

In our first few discussions in the abbey, we were mainly presented with the upsides of Benedictine governance and the role of the cellarer. However, over the course of our case study investigations, the monks revealed more and more about the difficult financial situation of the abbey as they got to know and trust the researchers. The abbey was making annual losses and it was only able to maintain its financial solvency through the continual sales of assets (such as forests or farmland). Further, during our investigation the abbot, together with the cellarer, initiated a kind of turnaround program to stop operational loss making. Therefore, in the following presentation of our findings, we present both aspects of the cellarer's role, which might be helpful in the design of the CFO role in corporations, as well as governance issues, which are idiosyncratic to Benedictine abbeys and governance and may limit the transferability of the positive aspects of the cellarer's role. We cluster the following findings by the main topics that emerged from the interviews and discussions: the cellarer's qualifications, responsibilities and role behaviour, and role conflicts.

Cellarer qualifications

As an important part of ORT, we analysed the cellarer's personal and professional attributes. The cellarer in the case monastery has been a Benedictine monk for over 20 years (all at the same monastery) and has served as the cellarer for two years. Before his entry into the monastery, he apprenticed in trade. After his entry into the abbey, he studied theology. Therefore, he had not received a specific education in the field of finance and accounting, as the cellarer himself states:

“I have not really had a formal education in business. During my apprenticeship, I learned the basics of financial and cost accounting and after joining the monastery, I took a few courses in cost accounting. So for me, the largest part of the qualification as a cellarer was to gather information and to build a treasure trove of experiences.”

This statement indicates that in the cellarer's as well as in the abbot's view, a pure professional education in finance and accounting was not necessary. Rather, the cellarer in the case monastery needed comprehensive knowledge about the formal and informal processes of the monastery as well as sufficient interpersonal skills to deal with his fellow monks and non-monk employees. Interestingly, despite the situation of financial distress the monastery found itself in, all interviewees placed more emphasis on the cellarer's interpersonal attributes rather than his professional attributes. Moreover, in the last few interviews and discussions, the notion prevailed that the situation of financial distress was not due to the cellarer's lack of professional education in finance and accounting. Rather, the situation was ascribed to internal governance problems, when the abbot at first did not estimate the financial situation as being threatening. Only after the cellarer had advised the abbot of the difficult situation for several months did the abbot give in and approve the austerity measures.

The cellarer's personal attributes seemed to be more important when we asked the abbot about the crucial qualifications when choosing a new cellarer. He stated that chapter 31 of the RB, which is devoted to the qualifications of the cellarer, only describes the cellarer's desired character traits and not his professional qualifications as a finance manager. Nevertheless, these personal characteristics were considered to be very important by the abbot for living

together in the community of monks. The abbot also declared that as a first priority, he would look for a candidate from within the chapter of monks, although an external or non-monk employee could also take over the cellarer's tasks (although the non-monk employee would not be called "cellarer" and a monk cellarer would still have to be elected). This priority was because when assessing potential candidates for the cellarer position, the abbot declared that trust in the candidate and his abilities was the most important prerequisite:

"I have to choose the one who I trust – who I trust personally, but in whom I also have trust that he is able to fulfil a cellarer's tasks. Personal trust is very important, but also trust in his professional qualifications and his personal growth prospects."

An important part of a trustful relationship between the abbot and the cellarer was also the cellarer's absolute personal integrity. According to the abbot, a Benedictine cellarer has to be reputable and must never try to fleece anyone inside or outside the abbey. The abbot further reported that the search for a new cellarer is not an easy task, as most monks do not want to or do not openly declare that they would like to become the cellarer. The cellarer also recounted that at times his fellow monks pity him for having to serve as the cellarer. They sometimes even stated that it was unfortunate for the cellarer to have to dedicate time to finance and accounting tasks when he could devote the time to more valuable functions, such as spirituality or his own personal development and growth. Therefore, the notion became evident that the overwhelming majority of Benedictine monks did not plan a career in the abbey in terms of reaching official positions.

The cellarer's responsibilities and role behaviour

In terms of his responsibilities, the cellarer takes care of similar functions to those typically undertaken by corporate CFOs (Becker *et al.*, 2011; Bremer, 2010; Farag *et al.*, 2012). In the case abbey, the cellarer is responsible for the abbey's general administration, accounting, the personnel office, and the abbey's economic enterprises. Moreover, and beyond a CFO's typical responsibilities, the cellarer is also responsible for the abbey's kitchen, laundry, and tailor shop. However, the cellarer indicated that he was not really able to act independently in these various functions, but rather had to agree his actions with the abbot:

“At the end of the day, the abbot bears final responsibility for the abbey’s finances. However, he has to appoint a cellarer because the abbot would never be allowed to lead the abbey’s finances on his own.”

We openly asked our interviewees how they would describe the cellarer’s role in their abbey and how the cellarer role is designed in general terms in Benedictine abbeys. For both questions, most interviewees stated that consensus between the abbot and the cellarer is most important and that the cellarer’s role therefore mainly depends on the abbot’s view of how the cellarer should act (as shown above, the abbot appoints the cellarer). In this vein, the abbot in the case monastery stated that it is crucial for the abbot and cellarer to be “compatible”, which in this case means that they are able to collaborate well. Therefore, for the often discussed question of whether corporate CFOs now act more as strategists than in former times, in Benedictine monasteries, it mainly depends on the abbot’s own role and abilities, as one of the members of the council of elders states:

“There are abbots who need a strategically thinking cellarer, who also manages all the financial and accounting issues, so that the abbot is free to devote himself to spiritual or cultural functions. In these cases, the cellarer guards the abbot’s back from other tasks. But if there is an abbot who likes to think strategically himself, then it is not necessary that the cellarer also plays a strategic role.”

The culture of consensus applies not only to the relationship between abbot and cellarer, but also to the community of monks in general. For the cellarer, this also results in having to align major projects or transactions (such as asset sales) not only with the abbot and the council of elders, but also with the entire chapter. As a consequence, decision-making can take long periods of time. However, the cellarer insisted that in cases that are essential to the abbey’s survivability and when quick decision-making is necessary, the chapter could decide quickly.

In general, from our case study analysis, the abbey’s survivability emerged as one of the most important aims of all officials. In particular, its continuity was a major concern for the cellarer:

“For every economist, this would be a wearing situation. The roughly 1,000 years of our abbey’s existence mean that I should act to enable at least a 1,000 more.”

However, in later talks, the cellarer contextualised this statement, stating that his main concerns had shifted to the shorter-term future because of the situation of financial distress. Still, the long-term orientation existed and seemed to be rooted in the common goals and values shared by the monks. These common sets of values were formed and aligned over their typically decades-long stays in the abbey. For them, economic activities did not aim to provide financial performance or a decent rate of return. Rather their business activities were only seen as a means to an end: to enable the glorification of God and the transfer of the abbey to succeeding generations of monks. In this line, the current cellarer also saw himself as a steward that aimed to make the monastic lifestyles of his fellow monks viable:

“The better I exercise my duties as our cellarer, the more I enable my fellow monks to pursue their spirituality. Often, this is the main motivation to bear some unpleasant tasks or situations as a cellarer.”

Role conflicts

During later interviews and discussions, more and more role conflicts were revealed, as interviewees more openly shared their views and opinions with us. As indicated above, these role conflicts were mostly caused by the abbey’s situation of financial distress. We present these conflicts according to the types of role conflicts discussed in the section on ORT.

The most serious role conflicts that the cellarer experienced at the time of our investigation were inter-sender conflicts. Owing to the difficult financial situation, the cellarer together with the abbot initiated austerity measures to reduce the operational losses that the monastery was experiencing. From the view of the chapter of monks, those measures were tolerable, as they were targeted to secure the monastery’s longer-term existence. However, the abbot and the cellarer reported that both the abbey’s local environment as well as some of its non-monk employees did not approve of these measures. Thus, although the abbey did not depend on donations from its local community, their strong ties with the local economy meant that the abbot and the cellarer felt restricted in executing the necessary austerity measures (most importantly, layoffs) due to fearing disagreement from the local society. Thus, a heavy involvement in the local economy and restrictions for taking action actually limited the abbey’s options.

Some non-monk employees also felt that the austerity measures would hamper their day-to-day work and that these measures were not necessary, as the abbey could continue selling assets to meet its upcoming liquidity needs. Moreover, the abbot stated that some employees clearly feared losing their jobs. Therefore, the cellarer was confronted with different expectations of his role from within the abbey. The non-monk employees' point of view was shared by some important members of the abbey's local environment, as they too felt that the abbey could continue its economic activities as usual. They concurred that as long as the abbey had vast assets, it should not take severe measures that could endanger the job security of non-monk employees. Moreover, at the end of our investigation in the abbey, some non-monk employees were still reluctant to fully support the measures initiated by the abbot and the cellarer.

This also led to inter-role and person–role conflicts for the cellarer. On one hand, he felt that it was his duty as the abbey's finance manager to secure its longer-term survivability. On the other hand, he felt that his actions should avoid harming others as far as possible. Therefore, the layoff of non-monk employees was clearly regarded as a last resort. These personal attitudes affected his role as cellarer and limited his options for action.

Discussion

Our case study analysis showed that Benedictine abbeys are likely to experience problems in finding suitable personnel for the role of cellarer. In our case abbey, the cellarer was not a professional accountant and had not studied business or a related field. In this regard, Benedictine abbeys may face similar problems to small and medium-sized firms in terms of finding suitable finance and accounting personnel (Seghers *et al.*, 2012; Gurd and Thomas, 2012). Previous research has shown that professionally trained CFOs can positively affect firm performance and encourage the use of more sophisticated finance and accounting tools, especially in small and medium-sized entities (Caselli and Di Giuli, 2010; Di Giuli *et al.*, 2011).

Surprisingly, the interviewed monks did not regard the cellarer's missing professional qualifications as a cause for the abbey's financial distress. However, compared with

corporations, the difficult search for suitable finance managers seems to be even more exacerbated in (Benedictine) abbeys, as the cellarer is chosen from the chapter of monks, which limits the pool of cellarer candidates. By contrast, small and medium-sized firms can at least access the local job market when searching for CFO candidates.

In our view, the clear description of a cellarer's desired personality in the RB, which has been unchanged for over 1,500 years, can serve as both a strength and a weakness of Benedictine governance. On the positive side, it gives the abbot clear direction when choosing a new cellarer. Chapter 31 of the RB forces the abbot to choose a cellarer who has superior interpersonal skills and a caring personality. Therefore, conflicts about the values or culture within the abbey should not arise. In our case abbey, we found no conflicts within the chapter of monks concerning the cellarer's interpersonal role behaviour. In this regard, the corporate world might actually be able to learn something from Benedictine governance, notably that cultural fit is a crucial driver when appointing new management personnel that should be included in the personnel selection process. Indeed, research has shown that small and medium-sized family firms, for instance, place too little emphasis on cultural fit when recruiting non-family managers for the first time and too much emphasis on the candidate's professional qualifications, which can lead to disappointment, conflicts, and the dismissal of management personnel (Hall and Nordqvist, 2008).

By contrast, Benedictine abbeys seem to place (too) little emphasis on the cellarer candidate's professional qualifications. The monks in our case monastery also mainly had interpersonal role expectations for the cellarer rather than an expectation that he would manage the abbey's finances well. Some monks even pitied him for having to devote his time to "less valuable" finance and accounting tasks. Therefore, despite the small pool of potential cellarer candidates, Benedictine abbeys could learn from our study that the increased consideration of cellarers' professional skills could be necessary, at least through additional training. Otherwise, their shared goal of the abbey's survivability might be endangered due to suboptimal financial management. Considering our case from this survivability perspective could also raise the question of whether the monks in our case abbey properly follow the RB. The economic sustainability of a Benedictine abbey is an important tenet inherent in the RB (Tredget, 2002). Thus, risking the abbey's sustainability and survivability by depleting its asset base could be interpreted as not being in line with the RB. Benedictine abbeys might

therefore learn from our case to better align their short-term adherence to the RB with the long-term consequences in order not to interfere with the longer-term-oriented RB tenets.

On the notion that corporate CFOs are beginning to play a more important and more strategic role in firms, we found no evidence that a similar development was occurring in the cellarer's role. Owing to the rule incorporated in the RB that the abbot appoints the cellarer (and not an independent body, such as a board of directors) (Fry, 1981), the cellarer seems unlikely to develop into the role of the abbot's critical counterpart, which is a role ascribed to modern CFOs in collaboration with CEOs (Weber, 2011; Hiebl, 2012a). This also became evident in our case abbey, when we were told that the cellarer recognised the difficult financial situation well before the abbot, who needed a great deal of time to be convinced that austerity measures were unavoidable. Therefore, the cellarer's role behaviour is mostly specified by the abbot's role and view of how the cellarer should act. As research on CFO dismissals suggests (Mian, 2001; Zander *et al.*, 2009; Hilger *et al.*, 2013), such strong ties between CEOs and CFOs are also present in corporations. However, the CFO position does not need to be designed in strict obedience to the CEO (such as the cellarer to the abbot). Therefore, while the clear subordination of the cellarer to the abbot might – thanks to their shared values (Tredget, 2002) – still work for Benedictine abbeys, the cautionary example of the case study's cellarer might point to designing a more independent CFO role in corporations, in which the CFO would be truly allowed to critically scrutinise a CEO's actions. In addition to regulation such as the Sarbanes–Oxley Act (Geiger and North, 2006), this might also help avoid scandals such as Enron, where the CEO and the CFO teamed up to forge accounts (Benston and Hartgraves, 2002). Nonetheless, it emerged from our case study that good working collaboration between the abbot and the cellarer is crucial, which is a notion that may also be transferred to the relationship between corporate CEOs and CFOs. Therefore, the condensed message for corporations might be to create independent CFO positions as critical counterparts to CEOs while recruiting CEO/CFO teams that can adopt good working relationships.

Another element of the cellarer's role behaviour that could serve as a role model to corporate CFOs is his long-term orientation and resulting behaviour. The cellarer in our case study clearly rates the successful long-term development of the abbey and its survivability over his personal career and development (see for instance the statement on the cellarer acting to enable another 1,000 years of the case abbey's existence). In this sense, his role behaviour

can be associated with stewardship theory (Davis *et al.*, 1997; Vallejo, 2009) or guardian behaviour (Lightbody, 2000). The steward model of man contrasts with the tenets of agency theory (Jensen and Meckling, 1976; Vallejo, 2009). A steward is committed to the well-being of the organisation that he or she serves rather than being focused on personal profit maximisation and/or the advantages that the classic agent in agency theory seeks (Davis *et al.*, 1997). Although both stewardship and agency theory focus on the management of corporations, the observed role behaviour of the cellarer in the case abbey fits the stewardship picture well: as a custodian of the abbey's finances who aims to enable at least 1,000 more years of the abbey's existence, the cellarer may be regarded as a steward. Similarly, the guardian image describes the behaviour of storing and guarding resources in order to enable future generations to access and use them (Lightbody, 2000).

As a steward generally pursues the successful development of the firm, intensive control mechanisms are not as necessary as proposed by agency theory (Eisenhardt, 1985; Kreutzer and Jacobs, 2011). Thus, one of the benefits of stewardship behaviour is a lower need for management controls (Songini, 2006; Kreutzer and Jacobs, 2011; Hiebl, 2012b), which in turn reduces costs. Therefore, the question arises whether and how the steward-like behaviour of the cellarer observed in the case abbey can be transferred to corporate CFOs. One viable way might be that the corporate CFO signals to the board of directors or the owners of the firm that his or her main concern is the long-term success of the firm. In this way, the directors or owners could establish a culture of reciprocal trust with the CFO, which in turn could create a more innovative and selectively risk-taking culture that is less focused on short-term performance. Although this approach might not fit with the impatient and short-term-oriented shareholders often associated with stock-listed firms, large numbers of firms in western societies are not stock-listed, but are rather privately held and family-controlled, and thus show more "patient" capital (Habbershon and Williams, 1999; IFERA, 2003). For privately held family-controlled firms in particular, the development of a stewardship culture with the CFO might result in the benefits described above.

One prerequisite for the described stewardship-like behaviour of the cellarer can be seen in his high commitment and cultural fit with the community of monks (who might serve as a proxy for shareholders in the corporate world, see Rost *et al.*, 2010). This cultural fit seems to have been fostered by the long affiliation of the cellarer with the abbey before he was actually appointed to his current position. Moreover, the decision to join the community in the first

place is in accordance with the other values of monks. This agreement about values may be enforced during long affiliations with an abbey. The same degree of spiritual value commitment may not be expected from corporate CFOs. However, the notion that a firm only appoints CFOs who have already been with the respective firm for some years and who have built a basic accordance with the firm's culture might work as a role model for the corporate world. Although the empirical results on the relationship between tenure and individual job performance are mixed (Sturman, 2003), there is evidence that managers with higher tenures in the same firm are more risk-taking and oversee superior firm performance (Simsek, 2007), which is clearly in line with the tenets of stewardship theory.

In addition to the positive aspects of the cellarer's role, we also noted the downsides of Benedictine governance. Owing to the intense involvement of the case study abbey in the local economy, the local environment quickly noticed its plans to introduce austerity measures. Therefore, while the abbey's local networks may serve as a foundation for its long history and stability, they also limit its options for taking action such as layoffs. In addition, the shared set of values and goals, described above as enabling a stewardship culture of trust, also limited the abbey's possible courses of action. This downside raises the question of whether the positive impact of a stewardship culture can be successfully transferred to the corporate world without the concomitant adoption of its negative attributes. Clearly, this question cannot be answered based on the single case study presented herein. However, research on the application of stewardship theory in family-controlled firms indicates that stewardship culture and maintaining high action ability may not necessarily be contradictory (Davis *et al.*, 2007).

For CFOs, it seems to be important that – in contrast to the cellarer depicted in our case study – their personal values do not interfere with their professional duties. In the worst case, this means that they should also be able to take measures that affect other people negatively (such as layoffs). Otherwise, a CFO, similar to the cellarer in our case study, would experience role stress due to role conflicts, which in turn could affect his or her personal performance and well-being. This also means that corporations in financial distress would be well advised not to recruit a CFO who could not align severe austerity measures with his or her conscience, as both the corporation and the CFO would suffer.

Conclusions

This paper examined the role of a Benedictine cellarer and described those aspects that could be reasonably transferred to the corporate world. While we identified those aspects of the cellarer's role behaviour (mainly stewardship behaviour and long-term orientation) that may serve as a role model for corporate CFOs, crucial problems of the cellarer's role were also identified (role conflicts and the Benedictine abbey's usually high involvement in its local environment). Thus, in terms of implications for practice, corporate CFOs may find the results of our study useful to further develop their roles. This might include creating an independent CFO role that is allowed to act as a critical counterpart to the CEO, encouraging steward-like behaviour, and signalling a longer-term focus to firm owners, which in turn might also help create a stewardship-like culture of reciprocal trust.

The implications of our study for academia suggest an array of avenues for further research. First, the findings presented in this paper, which were based on a single case study, may be further tested in qualitative or quantitative field studies. Such research might show whether other cellarers experience similar role conflicts and how they overcome these issues. Furthermore, if linked to the goals of monasteries, it might be interesting to assess whether these role conflicts affect monastic target achievement given that they could make less time available for spirituality or the glorification of God. A broader analysis of Benedictine abbeys could also focus on the financial distress observed in the case monastery. It would be interesting to determine how many abbeys currently experience such predicaments and which actions they take. Another potentially fruitful avenue for further research might be to investigate the extent to which corporate CFOs already incorporate certain aspects of stewardship behaviour in their roles. In this regard, it might also be interesting to assess whether firms with a steward-like CFO differ from firms with a more agent-like CFO in terms of performance and organisational culture.

This paper also has some limitations. First, the single case study methodology of this paper is a major limitation. Because we examined the role of a Benedictine cellarer in one abbey, our results cannot be readily generalised and require further testing. Second, during the time of our investigations, the studied monastery experienced a situation of financial distress, which most likely affected the information we received from our interviewees. Therefore, we cannot

conclude that the cellarer's role would look the same in situations that are more successful from an economic point of view. Lastly, the difficult financial situation was only revealed to us in the last few interviews and discussions. Therefore, we were unfortunately not able to interview proponents of the abbey's local environment, who were mostly attributed to being major sources of the cellarer's role conflicts. Further studies of Benedictine abbeys in financial distress should therefore also include views from members of the local economy and society on the abbey.

Notes

[1] Although Rost *et al.* (2010) interpreted monks as the abbey's "shareholders", other authors rather see monks who follow the RB as custodians responsible for sustaining the abbey for succeeding generations (Tredget, 2002; Prieto *et al.*, 2006; Bargiela-Chiappini, 2007). From this view, they would not be regarded as owners of the abbey; nonetheless, the cellarer would still play a dual role as monk and finance director.

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Figure 1. The Katz and Kahn ORT model and its application in the present study.

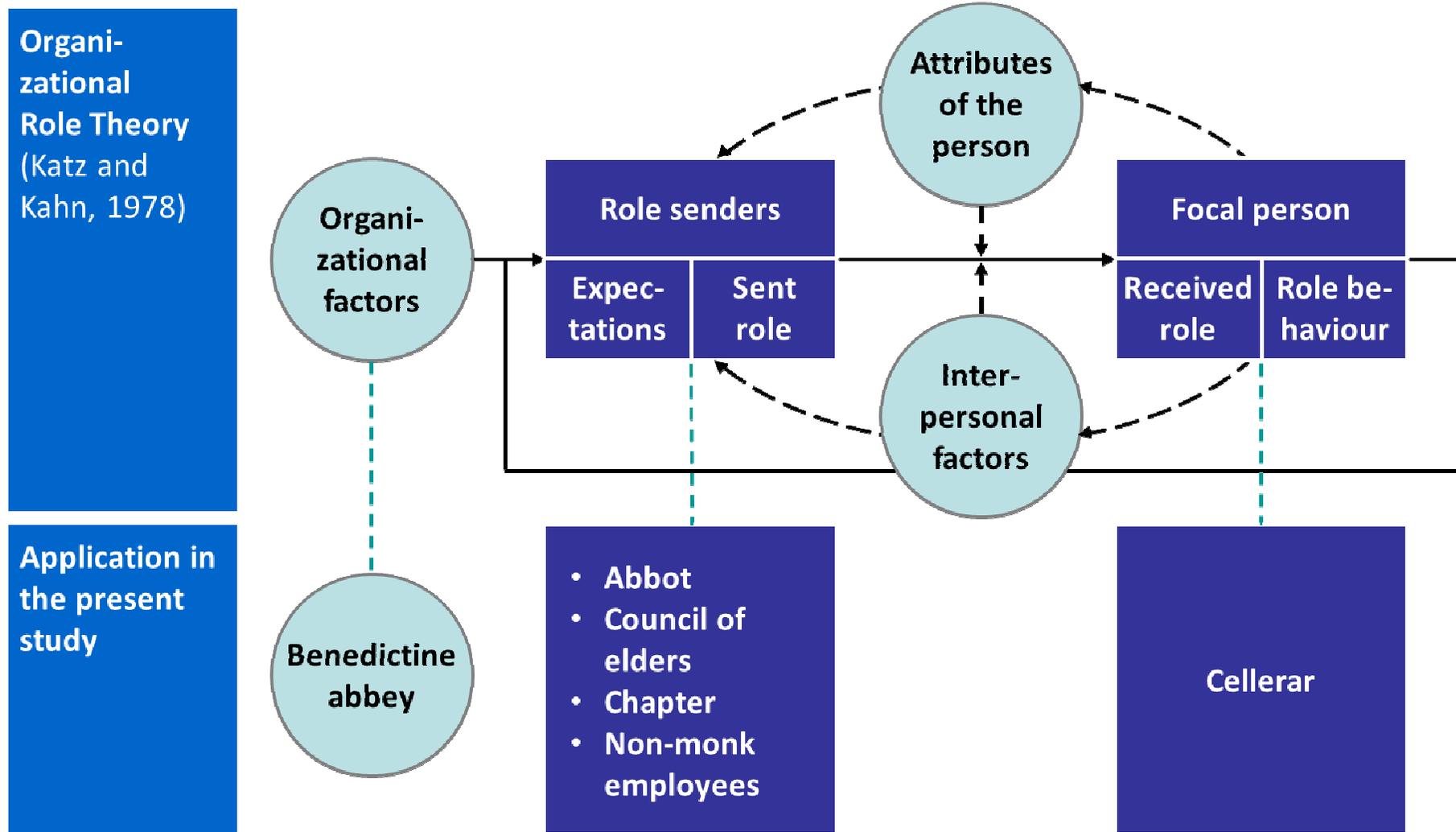


Figure 2. Organisation and governance mechanisms of the case abbey (based on Rost *et al.*, 2010, p. 98).

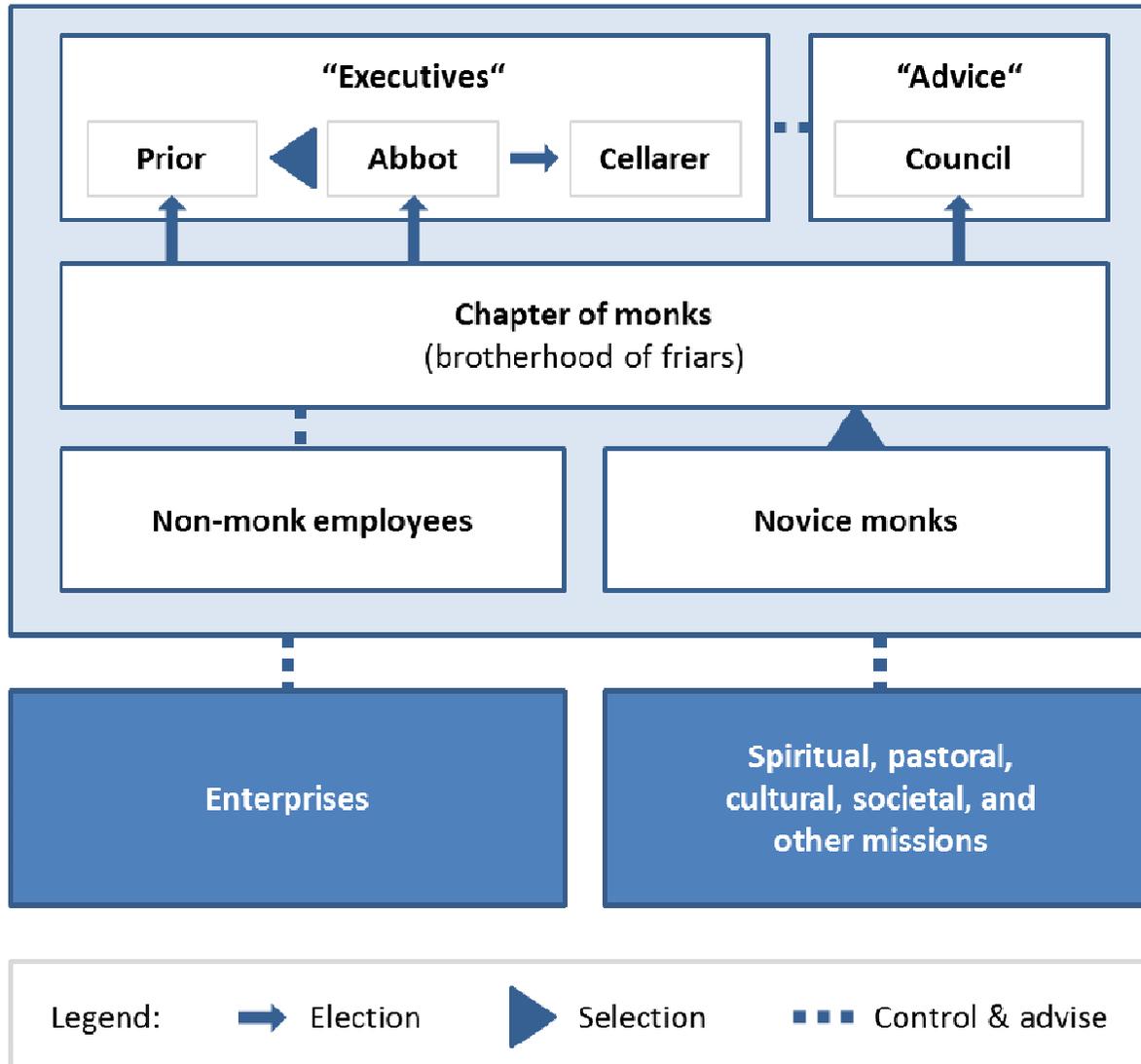


Table 1. Individual interviews and group discussions conducted in the case abbey.

Dates	Interviewees/participants of group discussions	Focus topic(s) discussed related to this paper's theme
10.10.2011	Abbot	The cellarer and monastic governance
13.10.2011	Cellarer	The cellarer's role behaviour and qualifications
24.11.2011	Seven non-monk employees, member of the chapter, member of the council of elders	Collaboration of non-monk employees with the cellarer and abbot
25.11.2011	Abbot, cellarer	The cellarer's role behaviour in light of agency and stewardship theory
13.12.2011	Non-monk employee	The abbey's financial situation
04.01.2012	Abbot, cellarer	The abbey's financial situation
13.01.2012	Abbot, cellarer, member of the council of elders	The abbey's financial situation
08.02.2012	Cellarer	The cellarer's role in light of the abbey's difficult financial situation
10.04.2012	Abbot, cellarer, member of the chapter, member of the council of elders	Further development of the abbey's financial situation
19.04.2012	Five non-monk employees, abbot, cellarer	Further development of the abbey's financial situation