PRINCIPLES FOR CHOOSING A MODEL OF CHURCH GOVERNANCE

By Larry J. Perkins, PhD

Most church board chairs step into an existing model of church board governance. While board members individually may have only a modest sense of any coherent or intentional mode of governance, one exists. There are assumptions and principles that determine why the board operates the way it does. In churches that have considerable history the operational mode of a church board probably has developed based on denominational tradition, pastoral advice, presumed biblical principles, ideas people have discovered, and/or experiential discoveries. Whatever this implicit or explicit governance model may be, it will define substantially the role of board chair. For example, if the board is viewed merely as a kind of administrative committee advisory to the pastoral staff, then the role of chair will be very limited, even though the responsibilities this group has — in reality the governing board of the congregation — remain the same as for any registered, non-profit charity.

In many cases the model of church board governance which has developed will be eclectic – a hodge-podge of ideas, principles, and learned behaviours that have minimal coherence. As a result, the board may be severely challenged to achieve its leadership potential. However, board chairs have the responsibility as well as opportunity to enable the church board to "improve its serve."

In the past two decades, there has been considerable research on non-profit boards and models of governance. Charities have different missions, different scope, different values and culture, different kinds of accountability, and are at different stages in their development. There is no single model that fits every situation. As well, in the case of most, smaller non-profit charities the model of board governance they adopt (intentionally or otherwise) tends to be a mixture of various models, rather than the pure application of one board governance model. In contrast larger entities tend to select one model and seek to apply it with some rigour. Asking the right questions can help the church discern what board governance model or combination of models of non-profit board governance will suit the situation of the congregation with the greatest benefit.

Benefits of Following a Church Governance Model

Three benefits accrue to a church board if it knowledgeably chooses to follow a particular model. Firstly, a model brings clarity to the function of a church board. Understanding why the board does something motivates it to do it well. It helps the

members work more effectively and reflectively, considering ways to improve the process because they understand what the model is and how it is supposed to work. The better an athlete comprehends the goals and rules of a sport, the greater opportunity he or she has to innovate in that sport and become truly outstanding in its execution. Wayne Gretzky and his exploits in ice hockey offer a significant example of this principle.

Secondly, having a model to follow enables church boards to discern what their proper business is. With clarity about the function of the church board, members have greater ability to focus on the primary ministry work that the board should be doing. How does the chair determine what needs to be placed on the church board agenda? Does an item become a board agenda item just because someone wants it discussed or is there a principled reason for its presence on the agenda? The only way to evaluate whether an item should be a matter for church board discussion is to understand the board's model of governance and what the scope of its business should be. Further, the board will discern through what channel the item should come to it, thus allowing opportunity for preparation of appropriate information to guide its discussion of that matter. For example, if the church board understands its model of governance, then it will have greater clarity about what decisions the lead pastor has authority to make and what decisions it must make as a church board. When uncertainty arises, clarification can be sought. This in turn allows the board to require greater accountability.

Thirdly, a governance model allows the board to assess whether it is doing its work well. Without some concept of a governance model, a church board does not know what its proper work is and thus cannot assess its performance. Doing the wrong things well and overlooking the necessary things will not contribute to mission advancement — the primary work of a church board. Focusing upon minor things, but ignoring major issues similarly deflects the board's efforts from the mission. The church board might receive excellent reports from staff and spend much of the board's time reviewing the contents of each report — but is this the best use of a church board's time? Reports tend to cause a board to look back, not forward. Most church boards meet ten to twelve times a year and still do not feel they have enough time to get their work done. Yet many other non-profit boards meet only three or four times a year and manage to do their work with excellence. Is it because there is confusion about what the work of the church board is and lack of clarity about its governance model?

There are four key questions that help a church board sort out and identify the model of governance that will suit its current purposes and create a solid foundation for future development:

1. What does the church board's governance need to achieve for the mission of the church to advance?

2. What values will guide the board in its evaluation of governance models?

3. What models of church board governance exist and what are their operational strengths and weaknesses?

4. How can the church board chair enable the board to sort this issue through, discern the most appropriate model, and then agree to implement it, believing it will add value to their work?

Advancing the Mission

The first question a church board chair should consider in discerning a model of Church board governance would be: what does your church board's governance need to achieve for the mission of the church to advance? This question focuses attention on three elements. First, the most important work a church board does is to advance the congregation's mission. Second, discerning a model of church board governance is a 'means' question, not an outcomes issue. It concerns the how and not the why. Third, if an inappropriate model is selected, then the church board may work diligently with a high level of trust, but not accomplish half of what otherwise it might. There is nothing sacred about a certain model, but it is probably the case that board chairs will discern one model that will enable the church board to accomplish the kind of work that is essential to the advancement of the congregational mission.

Before board chairs get too far into this question, they should pause and ask whether the board has specific authority to provide strategic leadership for the congregation? Who leads within the congregation – the pastoral team, the lead pastor, the board, or some other group? Board chairs need to know both who provides the strategic leadership and what group should be exercising strategic leadership for the health of the congregation. If the answers to the questions are not the same, the pathway to discerning the best governance model for your congregation will probably be lengthy and peppered with some turbulence. Those who currently are exercising the strategic leadership (not the church board), will not give it up easily and the board members themselves may not want to accept this responsibility.

If the lead pastor or the pastoral team considers that they provide the strategic leadership for the congregation, then board chairs have a tough assignment to get to the point where the church board owns this function within the congregation. It should be noted that when a church board exercises appropriate strategic leadership

the lead pastor or pastoral team are more significantly empowered than they have been. If the lead pastor or the pastoral team is providing the strategic leadership, they are determining the primary outcomes that the congregation should be accomplishing. They and not the church board set the board's agenda. Such a situation subverts the proper work of a church board.

If it is already acknowledged that the church board should provide the strategic leadership for the congregation and is already doing this to some extent, then the quest to discern the best church board governance model should proceed well, because it is a matter of encouraging the church board to do better what it already is striving to achieve.

What governance models might a church board chair consider? There are three options, depending upon the particular congregational context.

The advisory board

In contexts such as church plants, or churches in which the founding pastor remains lead pastor for several decades, or larger churches which are essentially pastor-led, the church board may function primarily as an advisory board. Although the board legally may be responsible for the decisions it makes, in effect the lead pastor sets the agenda, and the board routinely approves the recommendations that this person brings to the board. In other words, the board advises the lead pastor, but essentially acts in support of the pastor's leadership. Rarely, if ever, is the lead pastor's direction challenged.In this mode, the board acts as a consultative committee, giving the lead pastor input regarding directions and actions that he/she has already decided to take. If this is the model of governance that a church board follows, board chairs should have extended conversations with the lead pastor about the pros and cons of this model for the long-term health of the congregation. Only when the board chair and the lead pastor agree that the church board needs to adopt a new model should the board chair present the need to the board for a careful examination of this question.

The working board

Usually in churches of less than 200 participants, the church board effectively functions as a working board. This governance model has emerged over time without much conscious choice. In this model the board members both govern and manage concurrently because there are not enough paid staff to provide the administrative leadership to sustain the congregational community. Church board members function as volunteer financial officers, youth leadership, children's ministry leader, worship leader, etc., assisting the lead pastor. Often this model exhibits itself in various ministry committees chaired by a board member, with each

board member accountable to the board for a specific ministry area. The lead pastor is only one of several ministry leaders who are accountable to the church board for ministry. The church board in this instance is both church board and church ministry leadership team. Agendas will be confusing as the board seeks to discern when it is functioning in which capacity. As well, this model makes it difficult for lead pastors to know what aspects of ministry leadership they are responsible for and what their relationship to board members who oversee specific ministry responsibilities should be.

In this model, the church board is responsible both for exercising strategic leadership and implementing strategic plans. However, it often will struggle to develop good processes of accountability. Further, it will tend to become bogged down in reports and managerial discussions and decisions, leaving little time and energy for exercising strategic leadership. The 'urgent' matters will trump the consideration of the more strategic issues. Board members responsible for specific areas of ministry tend to refer decisions to the board, rather than make them themselves.

If the church board is a working board, the board chair might consider several actions to help the board members understand the model of governance they are following and help them use this model effectively. First, the board should recognize its dual role and embrace it wisely and effectively. The working model is not bad in itself; it is required because of the ministry agency's stage of development. Second, the chair can help the board discern when it is functioning as a board and when it is operating as a management team by arranging board agendas into two discrete segments, focusing respectively on board matters and ministry management matters. Third, ensure that each board member who is also a ministry leader has a position description that the board can use to exercise some accountability as well as delegate clear authority. Fourth, the position descriptions should make these volunteer ministry leaders accountable to the lead pastor, who then has the opportunity and authority to create mission alignment with all the ministries. In this model, the lead pastor then will be accountable to the board for ministry implementation. However, this model places significant pressure upon board members responsible for leading specific ministries, to exercise a "disinterested" evaluation of board decisions because in that context they are wearing "the board hat," not "the ministry leader hat."

The policy board

When the congregation employs multiple staff, has 200 + participants and is growing, a policy model of governance is an advisable choice. The church board delegates responsibility for the implementation and management of ministry to the

pastoral staff but hold them accountable through the lead pastor. The church board normally does not get involved in management issues, although it still will advise the lead pastor from time to time and in emergency situations may take charge of a specific management responsibility. The board exercises strategic leadership by defining and delegating authority, defining boundaries within which management can act, and describing how accountability will function. The board gives its attention to the big questions of vision, outcomes, assessment, and policy development. Its focus becomes forward-looking. John Carver's writings define one way in which a policy model of governance operates.

Adopting and implementing a policy model of board governance will require church board members to exercise a disciplined approach to their work and will require the lead pastor to accept responsibility for discerning and implementing strategies to achieve board-defined outcomes. It will take about two years of consistent effort of leadership as board chair for a church board to transition from a working board to a policy board model. Board chairs would be advised to take time initially to resource the board through several education sessions. The power of a policy model of board governance gains force especially in situating the church board (of which the lead pastor is a member) as the strategic leadership team within the congregation. Concurrently this enables the church board to concentrate its energies on advancing the mission.

The Issue of Values

A second significant question that a church board chair asks when it comes to evaluating board governance models is which model is most compatible with the congregation's values (which should be the same as those of the church board). The congregation's values will be expressed primarily in its statement of faith. However, there may be additional values expressed in documents that define the mission and the vision. Whatever values your congregation and board have adopted officially will serve as an important grid for evaluating models of board governance. The means, i.e., the model of board governance, the church board currently follows to exercise its strategic leadership presumably is somewhat compatible with those values, but maybe the board chair has never taken time either to define what the model is and to what degree it is complies the values of the church. If such an evaluation was conducted, the board chair might be surprised at the variance between the values and the model of board governance currently being followed.

The first step, then, in responding to the second question, requires board chairs to develop clarity about the congregational and board values. One value that goes without saying is that the model of board governance must nestle easily and completely within biblical principles of church life and the ethical guidelines that

Jesus expects his followers to emulate. If the polity that the church community follows is congregational, then the model of board governance selected must function in a way that supports generously such congregational polity. The board's practices of governance will involve the congregation in those aspects of decision-making that are defined clearly in the church's bylaws as its mandate.

In some cases, the question of the model of board governance gets mixed up in controversy as to whether the board members should be deacons or elders or whether women and men can serve, etc. Often the question of the nature of the board's authority becomes the point at issue. For example, if the authority of the board extends to spiritual oversight in the congregation, does this require the members to be elders and only males? Theological principles will define the response. Here again the values of the church will direct the model of board governance.

Secondly, the board will need to discern which values concern issues of leadership and authority, because the model of board governance should be compatible with such values. For example, if a local church defines "leadership formation" of congregants (i.e., raising up, equipping, and releasing leaders to realize their full potential of God's calling on their lives") as a significant value, then it needs a model of board governance that encourages and exemplifies "raising up, equipping and releasing leaders." An advisory board model will not accomplish this. A management board model might if the congregation was 150 or less. However, the current size and the number of staff we employ push us towards a policy model of board governance. One of the policies that such a board will develop would describe how it will discern and develop new board members with intentionality. "Equipping" means that the chair will work to provide continuing education for board members in relationship to various, pertinent topics.

In terms of authority, the model of board governance selected should promote the exercise of authority that aligns with its description in the bylaws and serves and cares for all within the congregation, fully embracing the trust that the congregation has given to it to preserve the mission. Special interest groups should not be able to coerce the board into actions that cater to their agendas. As well, the board's authority should enable pastoral leaders to provide leadership in a way that is motivating and effective but express clearly the boundaries of their authority to act. In other words, the model of board governance should both define authority limits, but also require appropriate accountability.

Thirdly, some values will be focused more upon spiritual growth. In this setting the model of board governance chosen would have to support spiritual growth of the board and congregation, enabling worshipful work. The decision-making processes employed should give expression to biblical truth, and conscientiously rely upon God's Spirit for guidance.

Fourthly, one category of values will be relational in focus, i.e., loving neighbour, serving others sacrificially, etc. The members of the congregation are both 'stakeholders' and 'beneficiaries' of that ministry agency. There are also other stakeholders and beneficiaries beyond the congregational boundaries that should be considered. The board needs to select a model of governance that enables them to attend consistently and effectively to the concerns both of internal and external stakeholders and beneficiaries. The model of board governance should enable the board members to determine to what degree the agency is assisting its defined categories of clients effectively.

Younger leaders are interested in governance models that align with values of collaboration and networking. They are uncomfortable with hierarchical models or models that create silos within the organization. Board chairs should be aware of this value trend and the importance of bringing younger leadership into the board context. They may discern a church board governance model that invites and supports collaboration between board and staff, rather than conflict or confrontation.

Fifthly, an important value for many congregational leaders is excellence. They desire the ministries of the congregation to be planned and implemented with a serious commitment to quality and excellence. This does not mean elitism, but rather recognizes that the Lord Jesus served in these endeavours deserves Christians' best efforts. The model of board governance chosen should enable the board to exemplify and encourage excellence throughout the congregation's life together.

Finally, advancing the mission of the congregation is a central and core value. The model of board governance should enable the board to pursue vigorously and unrelentingly this Great Commission focus. If the model of board governance enables and encourages apathy and lethargy with respect to the mission, then this model needs to be challenged.

It may be that the cluster of values that the congregation and board has chosen to define its life will require a model of board governance that is not purely one or the other, but a mixture of principles. If this is the case, then the chair and board should experiment with it, but keep evaluating whether there are better ways to proceed.

Operational considerations.

Boards excel and flourish when they follow a model of governance that enables them work together effectively (get the job done) and efficiently (get the job done in a timely manner using the board's resources wisely). Operating in this way requires board chairs to learn to recognize and assess the board's own effectiveness and to recommend ways and means of enabling the board members to work collaboratively, use their time and energy in a smart manner, and apply the board's

resources (e.g. expertise, wisdom, skills, etc.) productively. Models of board governance are means to an end and so the means should be effective and efficient towards accomplishing the agency's primary outcome within appropriate legal and ethical boundaries.

To help the board in its discernment of an appropriate model of governance, the chair should be able to articulate for the board the primary functions it must perform well if the agency's mission is to be accomplished. For example, the church constitution and bylaws may mandate the board to work with the lead pastor to do three key things:

- to ensure that the church's mission is accomplished,
- to protect and nurture the congregation's spiritual life, and
- to oversee and manage the resources of the congregation.

What kind of board governance model will best enable the church board to do its job responsibly? The advisory board model will not help the board advance the mission of the congregation or oversee and manage the resources of the congregation because such a board has no authority to do so. A model of governance that focuses on monitoring and guarding will only achieve a small portion of this mandate. More appropriate would be a model that enables the board to focus its energies on discerning and planning for the future, assessing all aspects of the present ministry implementation, and giving the spiritual care required for the health and growth of the congregation and its employees.

One way to evaluate the current board's effectiveness and primary focus is to review the board meeting minutes for the past two years. Note the various kinds of activities and issues that occupied the board's time and energy. For example, how much time in each board meeting was given to receiving and hearing reports from staff or committees? Were decisions about management issues forming the content of most motions? How much real time did the board spend assessing ministry programs, evaluating trends, praying and discerning future direction, evaluating the senior pastor? If the bulk of time and energy was preoccupied with monitoring and managing, then the church board will not be able to advance the mission of the congregation. The purpose of church boards is to govern, not manage.

Another operational aspect is the development of broad policy that guides the board and the senior pastor in their respective responsibilities. When was the last time the church board developed a board policy — not a management policy. A board policy sets parameters within which the board or the lead pastor operate. When was the last time the board reviewed a policy and made significant revisions? Does the church board have well defined statements about the measurable outcomes it is striving to achieve to advance the mission this year? If the board does

not know where it discerns the congregation should be in 12 to 24 months, how can it provide strategic leadership to ensure it arrives at the desired destination?

The third operational area for evaluation would be the ability of the board to function as a ministry team, engaged in worshipful work. Will the governance model chosen enable the board to discern and conduct its work with a deep and constant consciousness of the spiritual dimensions and dynamics? Church board work should never be allowed to occur in a spiritual vacuum. A church board then will select a governance model that supports its spiritual values and its spiritual work. Agendas, discussions, and decisions can be framed to express the spiritual mandate. The commission of Jesus will shape the board's work, the Holy Spirit will guide the interactions, and God's kingdom values and plans will form the context for all discussions. Board chairs will not want to keep forcing the governance model to attend to this spiritual ethos, but the governance model should enhance the ability of the board members to provide the spiritual, strategic leadership the congregation requires. What governance model will enable the board members give appropriate, energetic attention to the core issues that will enable the congregation's mission to be achieved? What governance model will support values of integrity, excellence, respect, sacrificial service, and mutual trust?

Board chairs should encourage the board to adopt a governance model that gives them the time they need to focus upon the big questions and not get bogged down in minutiae or side-tracked by personal agendas or become preoccupied with micro-managing the agency.

Observations

Some propose a model of non-profit board governance in which the board functions as a networked team, with all decisions taken by consensus or with unanimous support. The members are the ministry leaders. Proponents of such an approach to church governance argues that it reflects more adequately the family or community essence of the church. If this model suits your congregational ethos, beware of two fundamental issues that will arise. First, there is the phenomenon of fatigue. Participants may start out with energy and enthusiasm, but when the hard work of gaining consensus runs up against diverse opinions stubbornly held, then impatience and irritation may soon erupt. In this model, what can be done collectively when consensus becomes impossible? Second, this model of governance usually blends governance with management. The leadership team is the governing body. Maintaining the distinction between governance and management decisions will be a challenge. As well, those in charge of specific ministries may become reluctant to make decisions and constantly throw back to the leadership team decisions that they as leaders have the authority to make. The networked team

model eventually will prove ineffective and inefficient within the context of a local church.

One other observation may be pertinent. Sometimes it is not possible because of theological values or denominational traditions to adopt in a pure form a specific "model" of board governance proposed for non-profit boards generallly. Few church boards succeed in implementing a model of governance perfectly. Something in the local context or in the congregations values (i.e., theological beliefs) that will require some modification. That is all right in most cases. The chair should take the gains and implement well. As the board members see the value of the operating model in terms of their collective work, it may convince them to move to the next level of implementation.

Education, Decision and Implementation

Developing a process to assist a church board discern whether it should adopt a different model of governance requires education of the board members and their prayerful, careful analysis of the possible options. Presumably such a discussion has arisen because of some felt need experienced among the board or its leadership. The board's ability to provide strategic leadership is hampered and it cannot achieve its potential resulting in dissatisfaction among board members. Perhaps a crisis has shown the inadequacy of current practice or the congregation has outgrown the capacity of the current model board governance to provide sustained strategic leadership. Whatever the cause, discussion has ensued about the need to discern and develop new approaches to board work in the church.

The board looks to the chair to provide guidance and direction. If there is deep consensus among the board that change is necessary, then the board chair has a great opportunity. If the board is divided about exploring alternative governance models as a solution to current problems, then the chair's initial task is to discern the worry points of those board members who are uncertain and seek to provide information and assurance so that the board can move forward together in the conversation and discernment process. Board chairs could prepare a "Discussion Brief" that summarizes the current state of board operations and effectiveness as they perceive it. The brief should propose a process of discernment and a pathway to decision that gives comfort to all board members that their perspectives will be considered carefully and decisions will be taken based upon good information and general board consensus (not unanimity). If there is confidence in the process, then the board in most cases will follow.

Often some education is necessary. For many who serve on church boards the suggestion that there are various models of church board governance will come as a surprise. They may never have thought about this possibility. For others the idea that

the board should consider board governance models that are not spelled out in Scripture will raise considerable angst. Will such exploration lead the board to adopt ideas and processes that are contrary to Scripture or denominational tradition, thus weakening the church's witness? Engaging someone who has experience and expertise in these matters, but who is somewhat distant from the congregational context, enables helpful information to be shared, allows board members to ask their questions and probe without the presenter feeling defensive, and gives opportunity for the board to understand the pros and cons of potential directions. The process can be an exercise in building board relations and modelling ways of working together as a board that the members may not have experienced before.

After the information is gathered and discussed, the chair could board encourage the board to form a small taskforce (two or three people at most from the board), who will sift the data and evaluate the discussion, and prepare a report with recommendations regarding a model of governance. This may take a month or two to prepare. It is better to give the report enough time to be done well than to rush things and reach a poor decision. The chair may need to be one of the task force members, along with the lead pastor. The task force should consider implications for possible bylaw changes that their recommendations may require. It is important for the lead pastor to be involved because the model of board governance recommended may also require some changes in how his position is defined and understood. It is also quite possible that the role of the chairperson will also adjust.

If the church board decides to adopt a new model, much of the responsibility for steering this implementation process effectively will rest upon the chair. Therefore, it is important that board chairs understand the governance model as clearly as possible, i.e. become the resident board expert. Chairs should develop a realistic assessment of the amount of change that will occur and what timeline will be required to bring it together. They should be wary of making grandiose announcements to the congregation, which may establish unreasonable expectations or create uncertainty.

Selecting a new governance model should have little impact upon the life of the congregation, other than to enable its mission to be accomplished more effectively. At some point various bylaw changes will probably have to be processed and at that time more explanation can be offered. Also, the board should pay particular attention to changes in position descriptions that will ensue – board member, chairperson, lead pastor. Explicit financial costs will probably be relatively modest, apart from board education. However, if there are major changes required in the position description of the lead pastor, this may have salary implications. Once the board have decided on the model, they should try to locate a church board that has used that model for some time and request permission to use their documentation as a template for the initial development of new policies, etc. They

should not worry about getting everything right the first time through. As the board gains experience in using the new model, they will discern ways to improve it. This means that new policies should automatically have a two-year review cycle.

As the leadership team works through the process, bathe it in prayer. Listen carefully. Once the board has made a decision, they should implement it unswervingly.

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