

LOCAL CHURCH GOVERNANCE



TABLE OF CONTENTS

- 02 WHAT IS CHURCH GOVERNANCE?
- 05 WHY IS GOVERNANCE IMPORTANT?
- 06 WHAT YOU CAN DO
- 08 GOVERNANCE MODELS
- 10 SPECIFIC ISSUES TO CONSIDER
- 12 CHOOSING BOARD MEMBERS
- 14 RESOURCES



WHAT IS LOCAL CHURCH GOVERNANCE?



“Governance” refers to responsibilities for guiding, regulating and controlling the actions and behaviour of people associated with an organization. Its purpose is to achieve clarity and focus with respect to the “ends” for which an organization exists, as well as defining and promoting the “ways and means” for achieving such ends. The church leadership fumbles that may occur within this context constitute a variety of risks to be avoided, if at all possible.

Baptists are distinctive from many other Christian denominations in terms of their “church polity” or governance style. Congregational forms of governance are formally independent of other hierarchical authorities in most matters of their operations and decision-making.

Churches encountering difficulties in governance matters may appeal for help to denominational officers such as Regional Ministers, but the role of such people is normally only advisory. Lines of authority within the church may be defined in many ways, commonly leading to senior oversight by pastors and the board, but authority lines return back to the church membership as expressed through duly-called church congregational meetings.

Governance is effected through the offices of leadership—including the board, the pastor, and those appointed or elected to assume specific responsibilities. The constitution and bylaws of the church are a part of the governance structure, representing a codified set of agreements on how the affairs of the church are to be managed. Some aspects of this code reflect the larger societal obligations of churches within the legal framework of the land.

Other aspects reflect the will of the people in the local church, who agree through membership and/or regular participation in the life of the church to abide by the agreements that exist at any given time. Activities and decision making that are in accordance with the agreed-upon codes are described as being conducted with “due process.” Other actions or decisions contrary to such formal agreements can be challenged and nullified, even in the courts.

Pastors are normally expected to provide significant leadership within a church. This must be done, however, within the legal context of churches as charitable organizations. Boards have a number of significant legal responsibilities for the governance of a church which must be exercised with due diligence by independently thinking board members.

For this reason, pastors or any other paid employees of a church are not normally formal members of the board and are thus prevented from exercising a vote as part of normal board decision making.

Pastors, as would be the case with executive officers in other organizations, are most often present in an advisory capacity.

The nature and exercise of leadership within a church for these reasons may be found somewhat confusing. Pastors are frequently viewed as providing spiritual leadership within the church. And since the spiritual and temporal are not always easily separated, pastors may be expected to exert significant influence from time to time on decision making within the congregation as a whole, or in the board setting. Formally, however, members of the congregation and members of a board are expected to engage in decision making with independence of mind on the questions and issues to which they are expected to respond.

Decisions are to be made in the interests of the church as a whole. Decision making cannot be abdicated or delegated to others. Giving full recognition to these basic values of democratic decision making often makes the development of a consensus a challenge.

Where consensus is difficult to reach, there must be a commitment to giving support to democratic decisions reached through due process.

A significant part of governance is the development, revision, and implementation of policy. A policy represents guidelines for ongoing decision making. A policy on church hall use, for instance, will set out guidelines which may identify appropriate groups to use the facilities, procedures for booking, and the conditions (monetary and otherwise) for its use.

Policies may be formulated through broad participation of staff and other informed individuals, but they must be approved formally at some stage through board or congregational decision making. Such policies provide boundaries on the freedom of any individual or group in a particular area. They have the effect of clarifying the freedoms for action and use, while exerting appropriate controls that have the understanding and agreement of the church as a whole.

Governance also addresses issues relating to accountability. To whom are volunteers who fill some specific role accountable? To whom are staff members accountable? In what form and in which areas is the senior pastor accountable to the board? How are the senior pastor and the board accountable to the church as whole? And in what spirit and in what form is all of this accountability to be exercised?

Leadership is closely associated with governance. Once a pastor is called and a board is appointed, the roles should give each appropriate authority to provide complementary leadership. A church that will not give adequate authority to its leadership has been called "dysfunctional" (see Trites).

WHY IS GOVERNANCE IMPORTANT?

Because of the independent status of Baptist churches within their denomination, conflicts and problems that arise within a church must be dealt with ultimately by the church itself. There is no authority outside of the church (other than the courts), that has the power to step in and give direction. The challenge for Baptist churches is to give care to governance matters since they, alone, are ultimately responsible for the conduct of the business and the exercise of leadership within their body.

Care must be taken to prevent serious rupturing of relationships caused by careless attention to governance matters.

The potential risks for failure to exercise good governance frequently include:

- Internal conflict which may threaten the effectiveness of ministry both internally and externally
- Resignation or termination of a pastor or staff member
- Loss of members and adherents, or a church split
- Court challenges



GOVERNANCE ISSUES THAT BECOME A THREAT TO A CHURCH AS AN ORGANIZATION INCLUDE THE FOLLOWING:

1. CONFLICTS ARISING FROM A LACK OF CLARITY ON ENDS AND MEANS WITHIN THE CHURCH

2. CONFLICTS ARISING FROM PERCEIVED DENIALS OF "DUE PROCESS"—IN THE SENSE THAT EXPECTED AND UNDERSTOOD PROCEDURES ARE PERCEIVED TO BE ARBITRARILY SET ASIDE FOR REASONS OF EXPEDIENCY, OR WORSE, THE INAPPROPRIATE USE OF POWER BY KEY INDIVIDUALS

3. CHALLENGES ARISING FROM DISCIPLINARY ACTIONS TAKEN AGAINST INDIVIDUALS THAT ARE PERCEIVED TO BE AT VARIANCE WITH ESTABLISHED POLICIES OR THE BROADER SOCIAL NORMS TO WHICH THE CHURCH MAY BE REQUIRED BY LAW TO ADHERE

WHAT CAN YOU DO?



1

TREAT THE REVISION OF THE CONSTITUTION, BYLAWS AND POLICIES AS EXPRESSIONS OF THE WILL OF THE CHURCH

as necessary to reflect changing conditions, but always confirmed through due process, in honour of the democratic rights of individuals within the church to make decisions.

2

ATTEND TO THE DECISION-MAKING PROCESS

by ensuring that the conduct of church and board meetings are done in an orderly and business-like manner, giving honour to the rights of participants to express their viewpoints and participate appropriately in the decision-making process.

3

DEVELOP AN UNDERSTANDING OF THE GOVERNANCE STYLE IN PLACE WITHIN THE CHURCH,

the process by which meetings are to be conducted, the ways in which decisions are made, and the appropriate ways for an individual or group to have a fair hearing or otherwise engage in the decision-making process.

4

CONSIDER THE ROLE OF "PARLIAMENTARIAN"

to function within congregational meetings in order to attend specifically to matters of order and due process06

5

MAINTAIN AND PROMOTE A SPIRIT OF SERVANTHOOD

as a model for Christian service for all members and leaders within the church. Guard against carnal tendencies to use position or power to "lord it over" others.

6

DEVELOP AN UNDERSTANDING OF THE NEED FOR COMPLIANCE WITH THE ESTABLISHED PROCEDURES

and guidelines that have been developed with due process. This compliance becomes an expression of appropriate submission to the local body and contributes to the unity of purpose and ways of achieving agreed upon ends.

7

EXAMINE ALTERNATIVE MODELS OF GOVERNANCE

from time to time. Be prepared to modify existing practices, when necessary, to bring the governance model in use into better conformity to the needs of the organization.

8

ENSURE THAT ANY ACTIONS TAKEN IN THE NAME OF "CHURCH DISCIPLINE" ARE GOVERNED BY WELL-CONSIDERED AND WELL-UNDERSTOOD PROCEDURES

(Perhaps best expressed in a formal policy statement). Consider development of a policy on conflict resolution—and the practice of "mediation"—to assist in bringing resolution to conflicts.

GOVERNANCE MODELS

WHEN EXAMINING GOVERNANCE STYLES, SIGNIFICANT FOCUS IS PLACED ON THE NATURE OF THE ROLES AND THE DEGREE OF FREEDOM TO BE EXERCISED BY PASTORS, BOARD MEMBERS, AND OTHER DEFINED LEADERS.

Governance models represent different overall patterns for church organization and functioning. Church governance will differ in important ways from the style and methods used in business or government.

For instance, if all staff and chairs of committees are expected to report along authority lines up to the senior pastor, the pastor's role may be described as something like a chief executive officer (CEO). Care should always be taken, however, in adopting terms such as this from the business community.

A pastor's role must be viewed in quite different terms than that of the administrative leader of a secular organization. Frequently, major differences in governance style hinges on the role that is assigned to the pastor and his or her functional relationship with the board and staff.

In the case of the board, it may be expected that board members have oversight for a specific part of the church's functioning. There exists here the potential for some misunderstanding as to how and what decisions ought to be made, whether or not decisions must be referred up the authority line for approval, and to whom various volunteer participants or staff ought to be accountable. Clarifying such matters will normally make clear the basic nature of the specific governance patterns existing in a church.

Some governance models recognized in the area of charitable organizations are as follows, as adapted from materials prepared by the United Way of Canada:

The Collective model. Policy development, program delivery, and administration are assumed to be shared responsibilities between board and staff.

The Working/Administrative Board model. Financial decisions and the general setting of directions are board responsibilities. Development and implementation of plans are shared board/staff responsibilities. Program delivery and administrative tasks are shared between board and staff.

The Policy Board model. The work of the board is carried out by committees. The board determines direction and policies and approves committee work. Staff work with committees on operational tasks.

The Policy Governance model (Carver). It is the board's role to crystallize the vision, establish policies, and set boundaries within which the CEO is expected to give leadership and direction. All operational tasks and decision making in this model are delegated to the senior staff person who is expected to assume all responsibility for recruiting volunteers, giving oversight to staff and committee functioning, and assuming responsibility for the functioning of the organization.

While there is currently (1999) evidence of some growing fascination with the Policy Governance model, this represents a rather strong departure from the traditional governance styles found in most Baptist churches. It may be more appropriate to larger, more fully-staffed churches. A great deal of the success of this model would seem to hinge on the leadership gifts of the senior pastor. Board authority and involvement, when limited to policy development only, is much reduced. The role of board members is highly constrained in this model, functioning as board members only within the time and location of the formal board meetings.

SPECIFIC ISSUES TO CONSIDER



The style of governance adopted by a church must be responsive to the church as a whole, and must be seen to serve the church effectively.

The process of clarifying the governance style is an exercise in seeking agreement over the basic pattern of decision making and functioning. The resulting "shared understandings" establish a base upon which the various functions of governance can operate.

Some of the governance-related threats to effective church functioning include the following:

1. Inadequate understanding and preparation of leadership to appropriately manage decision-making within a democratic body
2. Inadequate or outdated provisions in a church constitution, bylaws and established policies to handle a variety of situations
3. A lack of consistency in dealing with similar situations (often as a result of lack of policy) which lead to a sense of unfair treatment
4. Actions of church boards that seem to be motivated more by loyalty to a pastor or other key leader rather than to the welfare of the church body as a whole (i.e. an unwillingness by board members to exercise their constitutional and legal independence of judgment)
5. A preoccupation with desired outcomes at the expense of due process for achieving agreements and support

A Special Note on the Role of Pastors Within Board Decision Making

In some provinces, formal incorporation may allow employees to be named as directors of the non-profit corporation in limited numbers, to ensure their minority status.

While this provision may exist from the point of view of provincial corporate law, other guidelines, arising from the application of federal tax law and other legal cases, focus on the potential for significant conflict of interest on the part of paid employees who function as formal (voting) parts of board decision making. For these reasons, practice increasingly dictates that there be a clear separation between board members and employees. In churches where this is a matter of significant debate, it may be advisable to obtain a legal opinion.



CHOOSING LOCAL BOARD MEMBERS

The Board Member Qualification Guide – An Excerpt
By Olan Hendrix

If boards exist to govern, then board members should have the abilities required to govern. This brings us back again to the need for a definition of governance. Once defined, the board must have a framework for the performance of that work. Finally, there must be the agreed-upon group discipline “to govern and govern only.”

Permit me to give an overview list of three simple traits that can be identified in prospective board members.

The first and most obvious is an understanding of and passion for the ends to which the organization exists.

The second is the ability to think clearly, especially to think conceptually. The only tool of governance is words, and words are the result of conceptual thinking. This means translating values and perspectives into language and ensuring understanding of these words by the staff.

The third is the emotional ability that allows the board member to debate issues without always having to win the debate. Governance, if done by a group of human beings rather than one person, requires compromise, seeking of truth rather than consent, and seeking the best for the ownership.

Even these qualities are not enough if there is not a quantifiable process for governance. Only a codified process actually enables governance to take place. Without it, the work of a board ebbs and flows with the whims of the reigning personalities in the group.

Assuming this process is in place what should we look for in board candidates? The best summary I know of is by John Carver in *Board Leadership*, Number 23, Jan–Feb 1996. He said, “Most boards would fire their CEOs for filling staff positions as haphazardly as the board recruits for board positions.”

He went on to advise boards to look for board members who:

- Are visionary, able to create alternate futures
- Are conceptual thinkers
- Grasp the big picture
- Are connected to the ownership
- Demonstrate moral courage
- Can work as a group
- Accept and use authority
- Can allow others to lead
- In certain cases, have fundraising or other skills peculiar to a specific organizational need

There is a powerful paragraph in *The Policy Governance® Fieldbook*, edited by Caroline Oliver, page 27:

“Boards need to look at the kinds of skills required to be on a Policy Governance® board. These include the ability to think about the future and to deal with abstract, qualitative ideas. Traditional boards are more likely to require members with skills that mirror organizational operations such as managing finance, fundraising, public relations and personnel. Under Policy Governance®, board members need to give up the satisfaction usually associated with making short-term, concrete decisions, and being involved in day-to-day operations; instead they will be linking with owners and shaping the organization’s long-term future.”

Board work at its best is difficult. At their best, boards lead leaders—not merely oversee staff work. This is leadership at its most demanding, with the greatest consequence for the organization. We cannot afford to further jeopardize the process with a simplistic formula for selecting members.

RESOURCES

1. CBWC and your Regional Minister.
Visit cbwc.ca to get in touch.

2. Carter, Terrance S. "A legal analysis of church discipline in Canada". CCCC Bulletin, May 25, 1992; Published by the Canadian Council of Christian Charities, 1-21 Howard Avenue, Elmira, ON N3B 2C9. (See Discipline and Restoration article in Section 1 of this manual.)

3. Hendrix, Olan. "There is Hope for Boards". *Hendrix Briefings*, October 1999. Olan, CEO of Leadership Resource Group, Inc., is a strong advocate of the Carver model.
email: ohen957938@cs.com.

4. Kranendonk, Dick L. *Serving as a Board Member*. Belleville, ON: Essence Publishing, 1998.

5. Palmer, Donald C. *Managing Conflict Creatively: A Guide for Missionaries & Christian Workers*. Pasadena, CA William Carey Library, 1990.

6. Trites, Terrance (Rev.). "When church is dysfunctional." *Faith Today* March/April, 1998.





**CULTIVATING LEADERSHIP
INVESTING IN RELATIONSHIP
ENGAGING IN MISSION**