

First Unitarian Church Board Case Study
Dawn Cooley

The Board of First Unitarian Church has been through many subtle changes in the past seven years. They have shifted their focus from management of the details of church life to larger policy issues by delegating effectively to the five ministries that make up the Ministry Council. They have empowered the Finance Committee to monitor the finances while still reviewing them each month, but without the line-by-line hours-long assessment that was once common. Additionally, the members of the Board represent a diversity of age, tenure of membership, gender and residential location. There is much to celebrate in these changes!¹

At the same time, First Unitarian Church is heading into a time of upheaval with the recent announcement of the resignation of their minister. As there are parallels between an executive at a nonprofit and a minister in a congregation, First U might follow Hotchkiss's (2016, page 7) advice to learn from nonprofits during this time of transition. Allison (2002) suggests that during transitions, there are three threats that nonprofit boards want to guard against: “(1) board underestimate the risks and costs of bad hires; (2) boards are typically unprepared for the task; and (3) boards too often focus on the problems in hiring new CEOs and fail to make full use of the opportunities in CEO transitions” (p. 341).

Based on past history with difficult interim and settled ministers, it seems unlikely that the First U Board will underestimate the risk or cost of a bad hire. Additionally, with the Board in such a strong place with excellent leadership, they are unlikely to fall into Allison's second threat of being unprepared for the task. However, the Board *may* be more likely to fall into the third threat Allison highlights – focusing too much on the problems in finding a new minister and

¹ See *APPENDIX A: Basic Responsibilities of a NonProfit Board* for more information about what a Board's responsibilities are.

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failing “to make full use of the opportunities” during this time of ministerial transition. In order to help the Board to avoid this threat, in this paper I will offer five suggestions that the Board might explore to help make use of this time of opportunity:

1. Board recruitment and training
2. Strategic Planning
3. Hiring Consultants
4. Funding the work of the Board
5. Providing Clarity around the Relationship of the Minister to the Board

First, the Board of First Unitarian Church might utilize this time of transition to look at the recruitment and training of Board members. Ostrower (2007) points out that “Seventy percent of nonprofits are having difficulty recruiting board members, and 20 percent are finding it very difficult” (p. 23).

First U has chosen, at this point, to not fill one of the eight board positions due to not being able to find a suitable candidate. I applaud this choice, as it is unhealthy for a board to allow just any warm body to fill such an important leadership position². Instead, the Board might use this time to look at who is present, and who is missing at the table. Once it is evident that a certain group of people are not present, an appropriate person could be approached by the Nominating Committee. Ostrower (2007) points out that “as important as they may be, best practice guidelines or adopting new policies will not be sufficient to strengthen board performance and accountability” (p. 23). Instead, she writes that “Our findings repeatedly emphasize the importance of various recruitment criteria and the ability to obtain board members willing and able to carry out board functions.” Ellis (2010) reminds us, too, that “to some board

² See *APPENDIX B: Qualities of a Good Board Member* for a list of what to look for in a Board member.

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volunteers, the hands-on work is more interesting than the policy decision making and they prefer doing what they see as practical things” (p. 172) – this would need to be taken into consideration by the Nominating Committee.

When approaching someone to join the Board, particularly someone who may be unaware of what the role of a congregational board is, it would be helpful for the Nominating Committee to be in possession of position descriptions for the roles. Ellis (2010) shares that “Having written position descriptions to show candidates will clarify what your organization expects of *each* individual board member. For board officers, additional pages are needed to describe the requirements of each leadership position” (p. 170). However, as Pynes (2013) points out, unfortunately “board members are less likely to have written job descriptions and policies in regard to their responsibilities” (p. 397). It would be in the best interest of First U to create such job descriptions and use them to approach appropriate candidates.

Additionally, once candidates for the Board are nominated and voted on, they will need appropriate training. Pynes (2013) points out that “training and orientation are important for all board members regardless of their professional expertise and experience” (p. 401). A part of this training would be giving Board members binders (electronic or physical) containing the resources they need to to their jobs. Pynes (2013) suggests Board members have access to the following items at every meeting (p. 400-401):

- Constitution, bylaws and policies
- Organization's mission or purpose statement
- Organization's goals and current plans, strategic and long range
- Annual report
- Budget and financial report

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- Program description and its goals and objectives
- Organization chart (staff names and contact information)
- Committees: their goals and plans, such as fundraising expectations and commitments
- Public relations strategies
- Personnel policies and expectations
- A list with the names, addresses, email addresses and phone numbers of all board members
- Meeting information, with attendance and time requirements
- Minutes from meetings for the previous fiscal year
- Any appropriate procedures governing conduct of meetings
- Any evaluations conducted during the past year.

An additional part of board member training would be in the area of team development.

Axelrod (2005) shares that

“Sonnenfeld (2002) concluded that what makes 'great boards great' in the corporate sector relates to group traits such as whether there is a climate of trust and candor among board members and between the board and management; whether information is shared openly and on time; whether board members feel free to challenge one another's assumptions and conclusions; whether management encourages lively discussion of strategic issues; and whether board assess their own performance collectively and individually” (p. 141).

These are qualities that can emerge when a team atmosphere develops amongst board members. Axelrod (2005) goes on to quote Chait, Holland and Taylor (1996), who “found that without an intentional effort to develop the capacity of the individuals on a board to work as a team, the natural tendency is for board members to drift away from the long-term view, strategic focus, and collective actions we associate with effective boards” (p. 141).

This leads to the second way that the Board of First Unitarian Church might utilize this time of transition: reigniting the strategic planning process. The Board had delegated this duty to a

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church leader but over the course of over two years, little was accomplished. As Axelrod (2005) points out, “the board is ultimately responsible for ensuring that the organization it governs fulfills its mission” (p. 134), which is difficult, if not impossible to do, without some sort of plan in place. Indeed, Axelrod (2005) goes on to quote Tecker, Franekl and Mayer, who assert that “If governance is not actively engaged in considering strategic direction, the association may find that board decisions about policy, program, and budget have little reference or relevance to the significant strategic issues confronting the organization, and instead, priorities will be set in the budgeting process – based on politics, perceptions, and past practice” (p. 135).

In order to focus on the strategic, the Board may need to be in further conversation with the larger congregation. Hotchkiss (n.d.) suggests that one way the Board might “activate the wisdom of the congregation is to hold focused, future-oriented conversations. The board needs to be good at raising relevant, provocative questions or issues for discussion. It also needs to be good at finding ways to draw subgroups of the congregation into conversation” (para. 15).

If the Board does not feel comfortable leading this work itself (due to time restrictions, or by not having appropriate leadership in house) it may be time for First U to consider hiring an outside consultant, which is the third way the Board might utilize this time of transition.

It may be as Axelrod (2005) asserts, that “too many boards are performing below par and individual board members are underdeployed” (p.131). However, when the membership base to choose board members from is substantially fewer than 200 adults, it may also be next to impossible to find appropriate diversity within the Board. Pynes (2013), quoting O'Connell (1988) and Houle (1989) suggests that Board diversity include “distributions in age, sex, location

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of residence, representatives of the constituency work being served by the organization, political contacts, clientele, expertise, and training in the following areas: personnel, finance, law, fundraising, marketing and public relations, and social media” (p. 397). This diversity may not be possible at First Unitarian Church at this time.

Therefore, it may be in the best interest of both the Board and the congregation to bring in consultants to help provide support in areas the Board may be weak in. Consultants could come from the MidAmerica Region of the Unitarian Universalist Association (UUA), the UUA headquarters in Boston, or they may come from outside the denomination. There are church governance consultants, church staffing consultants (including compensation experts), church finances consultants, stewardship consultants, long-range and strategic planning consultants (for both congregations and other nonprofits), and so much more. Rather than relying on in-house expertise that may or may not exist, I recommend that, during this time of transition in particular, the Board of First Unitarian Church consider bringing in consultants to help bolster their weak areas.

Which leads directly to the fourth way that the Board might utilize this time of transition: it will be impossible to bring in consultants without allocating some money in the budget to the Board. Currently, the Board is able to adjust the annual congregational budget by up to ten percent each year, but it has nothing in its own line item! And it is not just consultants such a line item could be used for. Board members could partake in in-person or online leadership training, were the funding available. In addition, there are other things that pop up in the life of the church for which the Board could consider utilizing its funds: from sending flowers to the board

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member whose parent just died, to hiring a parliamentarian for the annual meeting, and beyond. This time of transition is an ideal time to break through the budget stagnation and allocate some funds specifically for board spending.

Finally, the fifth way that the Board might utilize this time of transition is to seek clarity around the relationship between the minister and the Board. Though the Constitution of the congregation indicates that the minister is a non-voting member of the Board by virtue of the office (*ex-officio*), there have been times in the recent past when the minister has been treated more like a permanent guest, as Board leadership has sought to “protect” the minister from some issue or conflict. Additionally, there is usually very little feedback on the minister's reports to the Board, even when the reports detail some systemic issue that the the minister has observed.

This is where some intentional examination of the similarities and differences between congregations and nonprofits might be useful. Axelrod (2005), quoting governance expert Chait, shares that

“Chait (2003) advises chief executives who want their boards to 'govern more and manage less' to take the time to 'articulate an institutional strategy for careful, periodic review by the board; structure board materials to direct board members' attention to issues of policy and strategy; structure board meetings to direct board members' attention to issues of policy and strategy; and equip board members with the capacity to monitor organizational performance and progress” (p. 143).

Currently, this is not the relationship between the Minister and the Board. As Allison (2002) points out, “members of the board of directors at a nonprofit often act as if the executive director

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is the boss, even while espousing and acknowledging their responsibilities for governing the organization” (p. 348). This seems to be the case at First Unitarian Church. It would be helpful to achieve clarity around the relationship between the Minister and Board prior to engaging a new settled minister.

Meanwhile, there are two easily implemented techniques that might honor the minister's professional training as an executive while at the same time honoring the Board's responsibility to govern the congregation. First, the Board could implement a regular 20-minute “Minister's Agenda” at each Board meeting. The minister could then use this time for leadership development and training of the Board, or a focused conversation on strategic planning, or whatever else the minister deemed a priority.

A second technique that the Board could implement comes from Hotchkiss (n.d.) who writes that

“Specifically, the board and clergy leader need to agree on a short list of priorities for the next year or two. I call this list the Annual Vision of Ministry—it’s “smaller” than a congregational mission or vision statement, but bigger than the work goals that staff members and ministry teams might set. Call it what you like—if board and pastor don’t agree on top priorities for this year, they are almost certain to be disappointed in each other at year’s end.”

Such priority setting could be an annual topic of a board meeting, with regular (perhaps quarterly) check-ins. Especially while the congregation is still without a strategic or long-range plan, this would help both the Board and the Minister to know what their priorities are.

Allison (2002) points out that “The change of occupant of in the office of executive

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director can be successful only if the organization pays attention to the transition from one leader to another” (p. 344). The same is true for congregations whose ministers are transitioning. This is a time of opportunity to shape the future of the congregation. If the First U Board is able to focus on recruitment and training, strategic planning, hiring consultants where there are institutional weaknesses, providing line-item funding for the Board, and providing clarity around the relationship of the Minister to the Board, the Board of First Unitarian could capitalize on this opportunity and thus positively impact the future of the congregation.

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APPENDIX A: Basic Responsibilities of a NonProfit Board

Ingram (1988) as quoted in Pynes (2013, p. 395)

1. Determining the organization's mission and purposes and setting policies for its operation
2. Selecting the executive director and evaluating executive performance
3. Ensuring effective organizational planning by engaging in long-range planning to establish its future course
4. Ensuring adequate resources by establishing fiscal policy and boundaries and seeing that resources are managed effectively
5. Determining and monitoring the organization's programs and services
6. Enhancing the organization's public image by promoting the work of the organization
7. Serving as a court of appeals for employees with grievances
8. Assessing its own performance in relation to its responsibilities.

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APPENDIX B: Qualities of a Good Board Member

National Charities Information Bureau (NCIB) has a section entitled "Am I A Good Board Member?" quoted in Kearns (1995, p. 340). It proclaims that good board members:

- 1) Are dedicated to helping others and modest in the light of their responsibilities as Board members.
- 2) Approach their responsibilities in the spirit of a trustee on behalf of contributors, their intended beneficiaries, and the public at large.
- 3) Stand up for their convictions, even at the cost of misunderstanding or disapproval in business or social life.
- 4) Back up other Board members and staff, rising to their defense when they are unjustly criticized or attacked.
- 5) Treat staff as a partner in a high calling, maintaining over-all supervision and control but not interfering with day-to-day administration.
- 6) Avoid being overawed by others on the Board, whether they are executive staff; tycoons of business, labor or society; professionals in social work, education, medicine, etc.
- 7) Welcome information and the best available advice, but reserve the right to arrive at decisions on the basis of their own judgment.
- 8) Respect the right of other Board members and of staff to disagree with them and to have a fair hearing of their points of view.
- 9) Accept as routine that decisions must be made by majority vote and will at times go against one or more members.
- 10) Criticize, when necessary, in a constructive way, if possible suggesting an alternative course.
- 11) Recognize that time and energy are limited and that over-commitment may prove self-defeating.
- 12) Endeavor to keep disagreements and controversies impersonal and to promote unity.
- 13) Maintain loyalty to their agency, within a higher loyalty to the welfare of the community and humanity as a whole.

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