



# BUILDING HEALTHY BOARDS

training today's leaders

MB Seminary

**EQUIP**

Building Healthy Boards v.1.0

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Unless otherwise noted, all Scripture references are from *The New International Version*. Grand Rapids, MI: Zondervan, 2011.

# BUILDING HEALTHY BOARDS

## INTRODUCTION

Strong leadership doesn't happen by chance. If churches and organizations seek to be effective in their calling and mission, they must be led by healthy governance boards.

We asked pastors and denominational leaders to identify their board's most significant challenges. This Building Healthy Boards study is built to address the topics they identified and is designed to equip you with the skills you need to thrive in your role as a board member. It is also envisioned to help boards grow in health together.

### How to use this study guide

The teaching in this series will only make a difference if you apply what you have learned. Therefore, the questions in this study guide are designed to help you consider how your board currently functions, and what plans could be made to initiate healthy change.

The versatility of this study guide also allows you to work through the questions individually or as a group. Regardless of how you choose to study this material, debriefing what you learn with others can help you work toward appropriate action steps. Strong governance and healthy leadership open doors to effective mission.

### Want to go deeper?

The teaching segments in this series are part of our graduate level courses offered through the [ACTS World Campus](#), a global training community that brings theological education to you. By enrolling in this course, you will benefit from additional teaching and assignments that will help you to better integrate your learning into your current ministry context.

You can also explore these topics further through additional faculty-recommended reading:

- T.J. Addington, *High Impact Church Boards: Join the Revolution!* (Sandbox Resources, 2007).
- Dan Hotchkiss, *Governance and Ministry: Rethinking Board Leadership* (The Alban Institute, 2009).

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## MODELS OF MINISTRY GOVERNANCE

1. Let's assume that the board in your church (or other organization if you would like to focus on a non-church board) has a Policy Governance approach to organizational oversight. What would be some of the pros and cons of this approach in your context?

2. How would you tweak it to make it work better (or how have you adjusted it if you already use this approach)?

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## THE SHIFTING NATURE OF CONGREGATIONALISM

3. Even though this training session focuses on “true congregationalism,” the main point is that any church would benefit from widespread and meaningful involvement of its people in decision-making. How have you experienced widespread and meaningful involvement of people in decision-making?

4. How might you increase the level of decision-making involvement in your ministry?

5. Of course, you may not agree that widespread and meaningful involvement of people in decision-making is advisable in your context. If this is your situation, describe why a different approach would work better.

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## ORIENTING NEW BOARD MEMBERS

6. Reflect on the thoughts and feelings you had when you first joined a leadership board. What do you wish the board had done to better prepare you for the role?

7. What barriers are keeping your board from orienting new members?

8. Consider the three aspects of board orientation: building relationships, providing documents, and discussing current leadership issues. Which part is currently emphasized by your board? Which part is neglected?

9. Identify 1-3 action steps that your board can take to strengthen your orientation process.

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## TRAINING NEW BOARD MEMBERS

10. What are you currently doing to raise the “leadership lid” of your board through orienting and training board members (and in other ways, too)?

11. If you could raise the “leadership lid” of your board even more, what would you do (list at least five steps you would take and describe how you would do them, the challenges you might face, and the potential benefits of implementing the steps)?

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## MAKING COMPLEX DECISIONS: A GUIDED PROCESS

12. Describe how you feel when you know that there is a complex decision on the horizon. Do you look forward to the challenge of navigating it with others? Do you wish someone else could make the decision and simply inform you later?

13. In your experience, which of the eight steps is the most difficult to work through, and why?

14. Describe how you think the process would work in an environment in which trust had previously been eroded. In what way could the eight step process (re)build trust within an organization?

15. How could you strategically incorporate prayer and spiritual discernment into the process?



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## CASE STUDY: FUMBLING WITH FIGURES

(This case adapted from Michael Milco, *Ethical Dilemmas in Church Leadership* (Grand Rapids, MI: Kregel, 1997), 111-112.)

Walter did not suspect anything was wrong at first. All he knew was that when he and the board chair authorized payments to the contractor who was building the new wing for the church, the church treasurer, Fred, seemed reluctant to write the checks. Two weeks after one major payment was due, the check still had not been written.

When the contractor called to complain, Walter phoned Fred to ask what had happened. "I know we are a little overdue, Pastor," Fred said. "I will get it out. I'm running a little behind." "We've got an obligation to pay bills on time," said Walter. "It's part of our Christian testimony." The next thing Walter knew, the phone rang again and the board chair was on the line. He said Fred had just called asking him to get the pastor off his back about the payments. "He says the money is tied up in CDs" the chairperson explained. "If we withdraw it now, it will cost us an interest penalty. Is there any way we can hold off for two more weeks until the CDs mature?" Walter pointed out the check was already two weeks overdue. He wondered silently why Fred had not told him about the CDs, but in the end he agreed to ask the contractor for an extension. The contractor was not happy about the delay. He had just paid his workers, and this put him in a cash-flow bind; but "since you are a church, I guess we can hold things together for two more weeks. But we definitely need the money then."

Two weeks later, Walter got a call from Everett Hinson, a church member and vice president of the bank where the church kept its accounts. "Walt, I think we've got a problem," he said, with his voice serious. "Fred and I need to talk with you. And you better get the board chair in on this, too." Two hours later, the four men were seated around the table in Walter's office. Everett began. "Fred told me something today that I insisted he tell you immediately. Fred?"

Fred sat staring at the floor. "Two months ago, I heard about a great opportunity, a new company that was looking for investors. It was a sure bet. If I worked things right, I figured I could pay off the entire cost of the church's construction. I took the \$182,000 in the building fund and invested it in the company's stock. It should have tripled in value within a couple months - we could have had half a million to pay off our construction. It was a terrible mistake. Yesterday I found out the company declared bankruptcy." Walter felt his stomach getting queasy. "How much did we lose?" "We lost it all," said Fred. "It was bad judgment on my part."

Bad judgment! Walter wanted to scream. How dare you take the entire building fund without telling anyone and invest it in some shady deal? We owe the contractor an overdue \$100,000, we have got nothing to pay it with, and the building is barely half done. You have just crippled us. Instead, Walter said nothing, groping for words. The room was silent. No one had any answers. Finally he said, "This is too much to digest right now. Let's get the board together tonight, and in the meantime, let us pray for wisdom and resiliency, and maybe a miracle."

After Fred left, Walter got more details from Everett. Since building funds required two signatures, apparently Fred had been able to transfer funds to another church account that required only one. Everett had only heard about it that morning when Fred came in asking for a loan, intending to borrow money personally to reinvest and try to recover his losses. Everett eventually got the story out of him and demanded he tell the pastor right away.

**Discussion - Your board has to decide on a course of action. Use the Discernment Process for Making Complex Decisions (detailed in the previous video) to guide your discussion.**

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## ACTIVITY: CORNERSTONES OF TEAMWORK

Like any decision-making group, a foundation for success lies in your group's team dynamic. Does your team work well together? Do you communicate well? Are individual and team goals aligned? Church and ministry boards, have a demanding fiduciary responsibility to model, guide and serve God and others well. Functioning as a healthy team is vitally important to carry out effective mission.

A sense of team is so important that the Harvard Business Review suggests that boards who function effectively as a team have an 800% greater impact than the impact of any one well-qualified board director. Team health is critical, and we believe that there are eight key components necessary to cultivate, strengthen, and encourage healthy team dynamics:

- 1. Strong leadership
- 2. Unanimous focus toward a common goal
- 3. Clearly defined roles for members
- 4. Shared resources
- 5. Effective and frequent communication
- 6. Consistent, united and enthusiastic effort
- 7. Periodic and temporary suppression of ego
- 8. Dependency on God

**Activity:** using the accompanying worksheet "[Cornerstone Tiles](#)," print one set of eight tiles for each participant. For each of the following questions, each individual team member shall choose their answer/colour from one of the eight tiles. They should not share or discuss their answer at this time. When all participants have reached their decision, have everyone put their selected tile in a team pile together. Review and discuss your answers as a group. What insights did you glean?

1. Which attribute do you think is the most important to become an effective board?
2. Thinking of your board specifically, which attribute do you do especially well?
3. Which attribute do you think is a critical growth area?

*These eight cornerstones of team and this team-building exercise are adapted from Eagle's Flight experiential training "The 7 Cornerstones of Teamwork." Used with permission.*

# WHAT IS MB SEMINARY EQUIP?

## ABOUT US

**Equip** is MB Seminary's training for today's leaders. Equip removes barriers such as geography, time, and calendar to better equip you to lead in your context. You can learn more about Equip and explore additional training options by visiting [www.mbseminary/equip](http://www.mbseminary/equip).

The teaching content in the **Building Healthy Boards series** was developed and delivered by Dr. Randy Wollf, Associate Professor of Leadership Studies and Practical Theology at MB Seminary. Each teaching segment is part of a graduate level course offered **online** through the ACTS World Campus.

The **ACTS World Campus** is uniquely accessible, borderless, asynchronous and contextual. All of our courses are only eight-weeks long and can be taken as standalone training or as part of an MA degree with multiple majors. We bring graduate education to you! Our courses feature:

- Professionally-developed instructional content by leading experts that you can access anytime through course videos, audio podcasts, or written text
- Course mentors who will help guide you in your learning journey
- Interactive forums where you can engage in deep and meaningful discussions with peers on your own time
- Practical assignments that will help you test and apply course ideas in your own ministry or work setting

Visit [www.mbseminary/actsworldcampus](http://www.mbseminary/actsworldcampus) to learn more about our formal online study options.

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