

Policy Governance Primers

Overview

Policy governance is traditionally used in nonprofits and churches as a way to provide for more effective and consistent governance of the organization. Often, boards are started very early on when a ministry is small and fledgling and the board is very active and hands-on – what is often called a “working board”. So, board positions can easily become positions with a fair amount of power in the organization over time. As the organization grows, matures and gets larger, those positions actually need to change and shift in how power is executed in order for the organization to continue to be effective and healthy.

Traditional church boards can unfortunately end up being in danger of being hijacked by four things, and they go together:

1. Personality
2. Personal opinion
3. Power
4. Position

What can end up happening is that someone, or a couple people on the board who have strong personalities, positions of power, or who have a personal opinion about how the ministry is going can hijack a church. This can result in moving a church off mission, stalling a church, creating division, or even removing a pastor inappropriately. As a church grows, in order to continue be effective, Policy Governance is a way to get after a greater effectiveness with greater safety.

Policy Governance is based on a having system of protection, process and performance that's based on policy rather than personality, personal opinion, power or position.

A Policy Governance board has the responsibility of acting on behalf of somebody - and usually in churches we talk about working on behalf of Jesus Christ, on behalf of the congregation, and on behalf of those the church is seeking to reach - to see to it that the church achieves what it should be achieving and avoids the things that are unacceptable. So, the purpose of a church board under policy governance is, on behalf of Jesus and the people, to see to it that the church achieves what it should and avoids what is unacceptable.

In doing so, there are several foundational aspects to Policy Governance. First, is that accountability is a high value. The Board seeks to articulate very clearly what the accountability principles are and how those will be measured in a systematic manner. When executed appropriately, accountability increases under Policy Governance. The pastor and the staff are held accountable for in systematic way because the board clarifies the group's values and then creates a system not based on personality or personal opinion to hold one another accountable.

Second, freedom in leadership within that accountability goes up. Instead of having to return to the Board for approval for every decision, the Board predetermines in what situations approval is needed. This creates efficiencies and the freedom for the Pastor to lead.

There are a number of key ideas within Policy Governance that are key, and here are a few of them:

1. Ends – Means distinction: Ends refer to **what** the mission and goals of the church are while means refer **how** are we going to go about achieving the mission and goals. There are probably many means or approaches to pursue a mission and its goals. In Policy Governance, the Board interacts with Ends and Means differently. With ends, the Board pays attention to whether the Pastor is achieving the stated mission and goals. With means, the Board determines what means are not acceptable.
2. Governance-Management distinction: Taking this a step further, the Board governs while the Lead Pastor and staff manage. In other words, the Board focuses on the Ends, while the Lead Pastor and staff determine the means. In traditional working church boards, board members are on committees that also execute ministry as a board function. In Policy Governance, there is a separation between those who govern (the Board) and those who manage and lead (the Lead Pastor and staff). The only involvement that the Board as a whole has in management is by determining what should not be done and what is unacceptable. Those things that are unacceptable are called Executive Limitations. (See Primer on Executive Limitations)

In a nutshell, Policy Governance is a system of protection, process and performance that allows a board to move away from being overly influenced by personality, personal opinion, power and position. This a greater level of freedom and ministry, a higher level of accountability to appropriate means, as well as a higher level of accountability to achieving the mission and goals of the church. Jesus has given us stewardship of his church and asked us to do accomplish specific things. He is also going hold us accountable, so we in turn need to have effective ways of holding one another accountable as we serve the church together in our various roles.