MISSION-CENTERED GOVERNANCE

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INTRODUCTION

Effective governance is the cornerstone of a thriving ministry or nonprofit. Boards are entrusted with guiding strategy, stewarding resources with integrity, and ensuring alignment with the organization's mission and values.

The following articles, which are based on insights from the *Mission Centered Governance* curriculum from the [*Maclellan Foundation*](#), address three essential dimensions of board governance: recruiting the right members, equipping them for ongoing success, and cultivating relationships that foster trust and unity.

You'll find clear, practical guidance for building a mission-centered board that advances your mission, upholds biblical principles, and meets the expectations for modern nonprofit leadership. Our hope is that this resource empowers your organization to achieve greater Kingdom impact for many years to come.
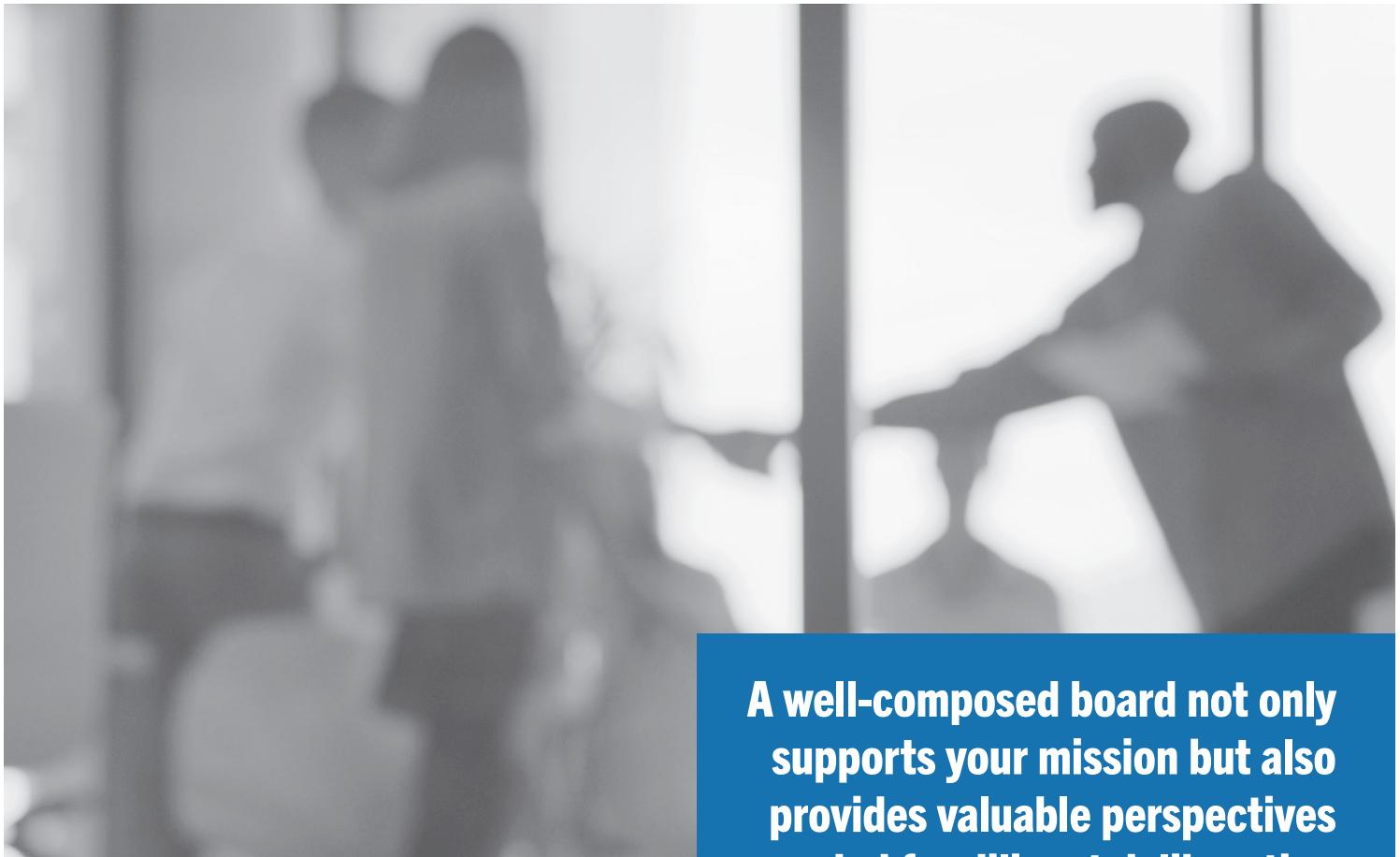
> A well-composed board not only supports your mission but also provides valuable perspectives needed for diligent deliberation and wise decision-making.

RECRUITING AND SELECTING IDEAL BOARD MEMBERS

Building a strong, effective board is one of the most important responsibilities of any ministry or nonprofit organization. A well-composed board not only supports your mission but also provides valuable perspectives needed for diligent deliberation and wise decision-making. The comprehensive approach outlined here draws from Scripture and modern best practices to help your organization identify, engage, and select individuals well-suited for this vital leadership role.

THE ATTRIBUTES OF IDEAL BOARD MEMBERS

Whether your ministry is forming a board for the first time or replacing members who are completing their service, recruiting and selecting new board members is always a pressing priority. As a starting point, consider the three ways people are chosen for service in Scripture:

1 God chooses them directly — e.g., Moses at the burning bush (Exodus 3) and Paul on the Damascus Road (Acts 9:1-19)

2 God sends men to find the person He tells them to choose — e.g., Abraham's servant finding Rebecca (Genesis 24:1-26) and Samuel choosing David (1 Samuel 16:1-13)

3 Men choose others using a list of attributes (such as essential qualities of commitment, competency, and character) to guide their search and decisions — e.g., Moses selects the 70 (Exodus 18:21, Deuteronomy 1:13), the apostles choose church administrators (Acts 6:1-7), and Timothy and Titus choose church elders (1 Timothy 3, Titus 1:5-9)

In today's context, this could manifest in several diverse recruiting pools, such as:

1 Nominations from current board members or other stakeholders.

2 Donors who have shown faithfulness and commitment to the organization's mission and vision over the years.

3 Targeted recruitment through referrals from board members of similar organizations.

These and other recruiting pools will hopefully yield names of high-potential board members. But at this point, they are just names. The big question is how well these potential candidates meet your list of desired attributes. These attributes may include:

- **Skills and experiences relevant to your organization's work, such as finance or accounting expertise. (Note that the goal is not to find individuals who can provide technical help, but rather individuals who can bring these perspectives and insights into board deliberation and decision-making.)**
- **Alignment with your mission and vision.**
- **Ability to make the required time commitment.**
- **Collegiality.**
- **Objectivity.**
- **Managerial courage to make tough decisions.**

When developing a comprehensive list of qualities that are most important for your board, it can be helpful to organize your thinking around four broad categories:

FOUNDATIONAL QUALITIES
Non-negotiables such as mission alignment, independent thinking and objectivity, managerial courage, and spiritual maturity

CAPACITY AND COMMITMENT
Time and willingness to prioritize the responsibilities of being a board member

INTERPERSONAL SKILLS
Collegiality, emotional intelligence, sense of humor, and communication skills

TECHNICAL EXPERTISE
Experiences and skills that will contribute to the board's collective knowledge and decision-making

Individual board members may have different views about which qualities are most critical and how well potential board members align with them. To encourage consistent evaluation and decision-making, consider assigning an indicator of importance to each attribute. Some attributes are important, and possibly even "must-haves." Others may be less important but nice to have.
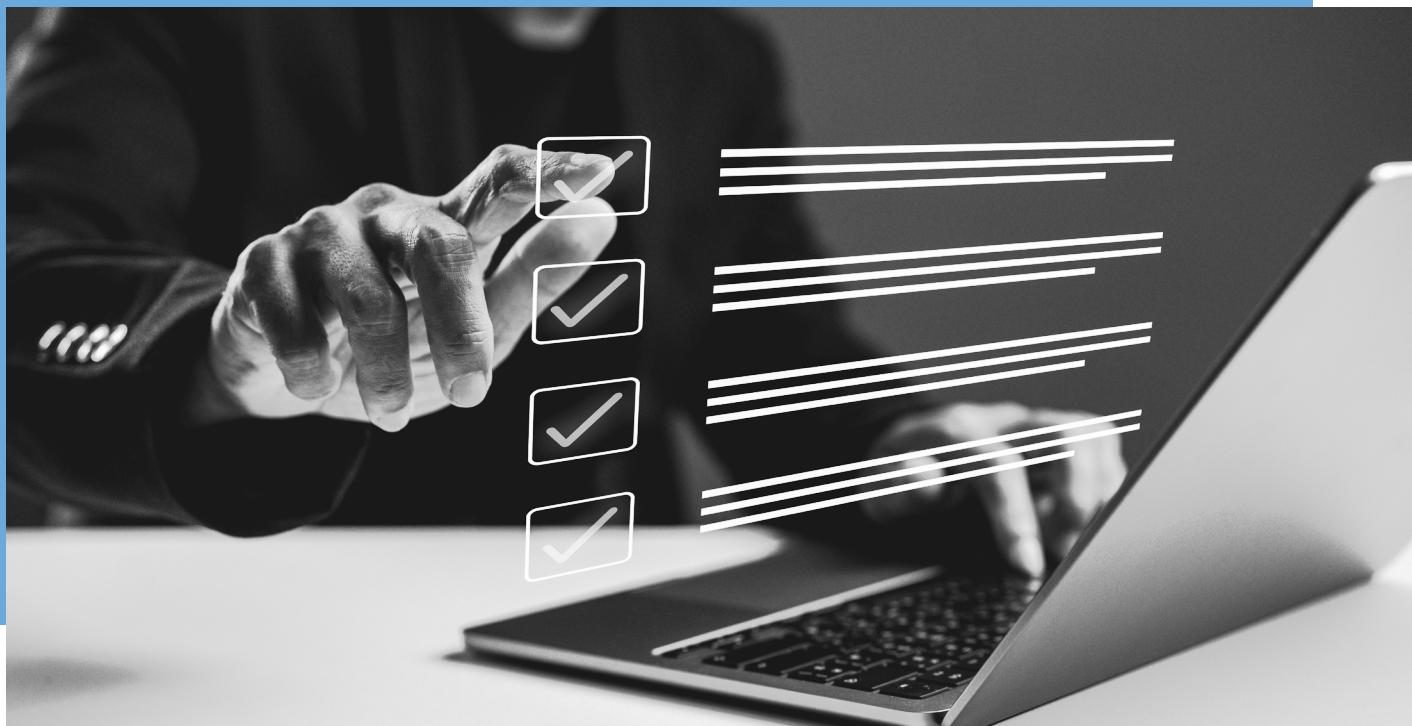
SIX PRINCIPLES OF EFFECTIVE BOARD MEMBER RECRUITMENT

Once you have defined the desired attributes, begin identifying and engaging prospective candidates who meet your qualifications. The recruiting and selection process can be challenging and requires substantial time for discussions with the candidate, other board members, and ministry leaders. Setting and communicating realistic timeframes can help you avoid rushing the process and ensure a strong board that supports your ministry's ongoing health and integrity.

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The *Mission Centered Governance* curriculum from the Maclellan Foundation recommends six guiding principles for recruiting qualified board members:

1. Your message must be mission-centric. Outline your mission in a clear, focused, relevant, and believable way.

2. The initiative lies with you, the recruiter. Qualified board members are very busy, so they are unlikely to seek out this opportunity. You will need to seek them out and be persistent.

3. It's all about relationships. Tap into your network of friends, acquaintances, colleagues, and community organization members.

4. Communicate a compelling invitation. Be realistic about the commitment and expectations, as well as the opportunities for making a difference.

5. The heart transcends the head. Worldly stature or position is irrelevant compared to internal attitude and motivation.

6. Maintain an expectant attitude. You don't recruit the right board members so much as you discover them.

By approaching board recruitment with intentionality, patience, and a heart aligned with your ministry's mission, you will lay the foundation for a capable and deeply committed board.

MAKING WISE SELECTIONS

Recruiting is about identifying and engaging with candidates who appear to meet your qualifications. Selection confirms their fit.

Recruiting is about identifying and engaging with candidates who appear to meet your qualifications. Selection confirms their fit. Use the attribute list you created as a framework, similar to an extensive job interview. The process typically includes:

1	2	3
INITIAL SCREENING	**INTRODUCTORY CONVERSATIONS**	**DEEPER DISCUSSIONS**
Identify promising candidates.	Explore mutual interest and alignment.	Involve other board members and stakeholders.

4	5	6
INTERNAL EVALUATION	**FINAL DECISION**	**INVITATION**
Assess the candidate's alignment and capacity.	Conclude with a meeting to confirm or decline the appointment.	Invite the candidate to join the board.

Some organizations' evaluation processes are more like an inquisition than a prelude to a warm welcome. The overall process should be robust, complete, objective, and edifying in every aspect.

Here are some suggestions for how you can use your list of desired attributes to identify potential matches:

- **At a minimum, write down your observations of each candidate rather than relying on memory. A more holistic picture may emerge as different board members share their experiences with the candidate.**
- **Assess the candidate's alignment with each attribute on your list, on a scale of 1 to 5.**
- **Gather supporting information from sources such as:**
  - » **Resumes or curricula vitae**
  - » **Interviews with and observations of the candidate by current or past board members**
  - » **References from individuals who know and have had meaningful experience with the candidate**

Throughout the process, it's helpful to keep organized and detailed notes you can refer back to.

SEVEN PRINCIPLES FOR FINAL SELECTION

Here are seven helpful principles to help you make your final board member selections:

1 Avoid the binary trap of having to say yes or no to a single candidate. Always strive to find multiple qualified candidates from whom you might choose the very best for your board.

2 The best person available may not be the best person for the role—don't settle for availability. (Hopefully, availability wasn't one of your "must-have" attributes.)

3 Every good candidate is an "almost fit"—there are no perfect fits. Every candidate will have strengths and weaknesses, so focus on strengths. As the renowned professor, consultant, and author Peter Drucker wrote, "Whoever tries to place a man or staff an organization to avoid weaknesses will end… with mediocrity."

4 Past behavior is the best indicator of future behavior.

5 Compare candidates to your criteria, not each other. Consider which attributes are non-negotiable versus which are preferences.

6 The best time to fire someone is just seconds before you hire them.

7 Take your time. Multiple interactions over time are the best protection against jumping to conclusions.

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As with most strategic and impactful decisions, board recruitment requires foresight and intentionality. Allow time for thorough recruitment and selection, rather than waiting until there is an urgent need for new members. Ideally, you will build a pipeline of vetted candidates, allowing you to avoid rushed decisions. A proactive approach will help ensure that your board remains mission-aligned and equipped for effective long-term support of your ministry.

A thoughtful and structured onboarding process for new board members not only sets the tone for their service but also strengthens the board's overall effectiveness.

ORIENTING AND EVALUATING BOARD MEMBERS

Welcoming new board members is a pivotal moment for any organization. These individuals bring fresh perspectives, valuable expertise, and renewed energy to the boardroom. Their ability to contribute meaningfully, however, depends largely on how well they are oriented and integrated into the board's culture and responsibilities.

A thoughtful and structured onboarding process for new board members not only sets the tone for their service but also strengthens the board's overall effectiveness. Below, we discuss best practices for orienting new board members and share strategies for evaluating and enhancing board performance to ensure long-term success.

ORIENTING NEW BOARD MEMBERS

Once your ministry has recruited and selected a new board member based on the desired attributes and characteristics, it's time to welcome them. New members will arrive with varying levels of familiarity with your ministry and the responsibilities of board service, so it is important not to rush orientation or assume prior knowledge.

Although ministries and nonprofit organizations vary in size, structure, and mission, their boards share a consistent core purpose: the board holds ultimate authority for the organization's governance and is responsible for strategic decisions that shape the organization's future. Traditionally, the board chair serves as the primary liaison with the organization's leadership. However, this role is delegated by the board as a whole. The senior leader works for the board and does not "report" to the board chair. It's also important to note that nonprofit boards operate collectively, with no hierarchy, and the board does not report to or work for the chair.

Effective boards often meet infrequently and rely on a combination of formal and informal processes to accomplish their tasks and objectives. This complexity requires clear communication during the onboarding process to ensure new board members understand the board's structure, expectations, and norms.

Unlike employee onboarding, which can be a gradual process of learning on the job and growing into the role, board member onboarding should occur quickly. Assign an experienced board member to mentor the new member, clarify responsibilities, answer questions, and provide ongoing support.

Many ministry and nonprofit boards lack a formal onboarding program, which can limit new members' early contributions. Effective board member orientation should cover four key areas:

- **Welcome** — Express appreciation for their service and enthusiasm for collaboration.
- **High-level orientation** — Provide an overview of board culture and the organization's mission, vision, history, and leadership.
- **Lower-level orientation** — It is particularly important to ensure that new board members understand both the collective role of the board (see the Key Nonprofit Board Responsibilities section) and the individual responsibilities of board members. Each new board member should have a clear understanding of what is expected of them. Depending on the organization, this may include:
  - » Maintaining personal alignment with the organization's mission, vision, and core values.
  - » Developing a deep understanding of the organization and its ministry context.
  - » Diligently reviewing the organization's financial statements and understanding its financial state and trends.
  - » Donating financially as they are able.
  - » Preparing thoroughly for board meetings (e.g., reviewing materials in advance).
  - » Actively engaging in board discussions and decision-making.
  - » Keeping an appropriate board-level focus on issues.
- **Ongoing follow-up** — Offer opportunities for questions and continued mentoring and coaching.

For consistency and convenience, consider creating an orientation binder that includes key information such as your organization's financial statements, bylaws, strategic plan, committee structures, board policies, and minutes from recent board meetings.

SHARPENING BOARD MEMBER PERFORMANCE

Given that boards have exceptional influence and impact but limited interactions over the course of the year, it's essential for board members to be prepared, focused, and fully engaged during meetings. While board performance evaluations may feel uncomfortable, especially considering the time, talent, and resources members contribute, evaluations are vital for growth and alignment.

Viewing performance (collectively and individually) on a continuum can be helpful:

UNACCEPTABLE ➡ MARGINAL ➡ ACCEPTABLE ➡ SOLID ➡ EXCEPTIONAL

METHODS FOR PROVIDING FEEDBACK

Strong feedback mechanisms foster reflection, discussion, and development.

Strong feedback mechanisms foster reflection, discussion, and development. Effective methods for providing board member feedback include:

- **Annual one-on-one interviews conducted by the board chair and a senior board member** — These can be short in-person or virtual conversations with each board member. The board should develop a list of five to 10 questions to discuss with each member to gauge changes or differences. Potential topics include their experience as a board member, board effectiveness, strategic recommendations, support needs, and areas for greater contribution.
- **Self-assessment questionnaire** — This questionnaire should be focused on calling, commitment, engagement, and duty of care. When members complete this self-assessment before their annual conversation with the chair, it can enrich the conversation.
- **360-degree feedback** — In this process, the board creates a survey based on the expected skills and behaviors of board members, rated on a scale of 1 to 5. Each board member completes a 360-degree survey for each of their peers. The responses are then compiled to provide a summary of each board member, including average scores for each question.

Your board is only as strong as its members. Understanding how individual members perceive their performance, and how their peers perceive them, is essential to the board's effectiveness. This is especially important as board composition evolves over time. Strong onboarding, evaluation, and feedback processes allow for cohesion, continuity, and sustained ministry impact.

KEY NONPROFIT BOARD RESPONSIBILITIES

A clear understanding of the overall board's role is essential for effective governance. This understanding should be established during the recruitment and orientation of new board members.

The key responsibilities of a nonprofit board include:

DIRECTION

- Review and approve the organization's mission, vision, and core values.
- Approve and oversee the implementation of long-term strategic and annual operating plans.

CAPACITY

- Select the senior leader/chief executive.
- Evaluate and support the senior leader/chief executive.
- Ensure the organization has sufficient resources and capacity to fulfill its mission.

PERFORMANCE

- Provide financial, organizational, and program oversight.
- Establish accountability for ethical and contractual obligations.
- Monitor and strengthen the ministry's reputation.
- Ensure ministry programs align with the overall mission.

GOVERNANCE

- Recruit and train new board members.
- Establish effective board structure, policies, and procedures.
- Evaluate board performance and programs for development.

Learn more about board goals and individual member responsibilities in our **Nonprofit Board Governance: Goals and Responsibilities** article.

> **The ability to build and sustain trust with stakeholders directly influences the effectiveness and sustainability of your organization's work.**

MANAGING CRITICAL RELATIONSHIPS

In the dynamic world of ministry and nonprofit leadership, relationships are foundational to mission success. Whether you are guiding local outreach or leading a global mission, the ability to build and sustain trust with stakeholders directly influences the effectiveness and sustainability of your organization's work.

In this section, we explore how ministries can strategically manage key relationships. Three of these are particularly important in successful governance:

1. **Internal and external stakeholder relationships** — With a few exceptions, boards typically delegate the nurturing and maintenance of stakeholder relationships to the organization's management. However, wise boards remain aware of the most important stakeholders and set clear expectations for how those relationships should be developed and sustained. When boards put this responsibility on autopilot or ignore it altogether, it can lead to adverse outcomes.

2. **Board/management relationship** — The board's relationship with the organization's senior leader is vital. It should be built on accountability, transparency, and mutual respect.

3. **Board member relationships** — Effective boards cultivate and maintain the collegiality needed to foster a collective intelligence that supports wise decision-making.

Here, we focus on stakeholder and board member relationships. For insights into the dynamic between boards and senior leaders, including key elements of a healthy relationship, see this CapinCrouse article.

A STRATEGIC VIEW OF MINISTRY STAKEHOLDERS

Ministries and other nonprofits come in many forms, with diverse missions and geographic reach. Yet, for the most part, they all share a commitment to serving others and understand the importance of engaging people across multiple spheres of influence.

Nonprofits must plan for and manage outcomes that may be more nuanced than in the for-profit sector, where mission is typically tied to profits and shareholder value. Those metrics are often easier to understand and measure than nonprofit missions such as church planting, education, evangelism, discipleship, and relief and development.

Further, while businesses often have a clear line of sight to their customers and shareholders, ministries and other nonprofit organizations serve a multitude of stakeholders—all the various individuals and organizations with a vested interest in the nonprofit's mission and outcomes. These stakeholders often have differing or even conflicting priorities and interests.

At the highest level, ministries must balance the expectations and participation of internal and external stakeholders, including management and board members. Each group engages with the organization in different ways and for different reasons.

While God is ultimately the primary stakeholder in a ministry, the earth-bound stakeholders generally fall into two broad categories:

- **Internal** — Employees, management, board members, global partners
- **External** — Government, society, volunteers, local churches, constituents, accrediting associations, donors, media, global partnerships, other ministries

> **As a ministry or nonprofit leader, it's essential to assess the current state of each relationship, define stakeholders' needs and expectations, and identify steps to close any gaps.**

Key questions to consider include:

- **Is our organization meeting stakeholders' expectations at a reasonable level?**
- **Are there any unmet expectations that are affecting trust or relationships between stakeholders and the organization?**
- **Do we have strategies in place to close critical gaps?**

Understanding who your stakeholders are, what they expect, and how they interact with your ministry is the first step. Once these relationships are identified and assessed, the next critical task is to cultivate and sustain them. This begins with trust.

BUILDING AND MAINTAINING STAKEHOLDER TRUST

Internal stakeholders often begin with a foundational trust due to their alignment with the ministry's mission. External stakeholders, however, may be more cautious. They want confidence that your ministry will act lawfully, stay within the boundaries of its charter, conduct its mission effectively, and deal honestly and efficiently with the resources placed in its stewardship.

External stakeholders often come from diverse backgrounds and are shaped by different experiences, expectations, and priorities. Their trust is neither automatic nor permanent—it must be continually earned and maintained. Much like a bank account, trust is built through consistent "deposits" and can be diminished through "withdrawals." The table below, which is adapted from a model introduced by Steven Covey[1], shows how trust is gained or lost through three factors:

- **Character** — Do we do what we say we will do?
- **Competence** — Do we deliver with excellence?
- **Concern** — Do we act with the best interests of our stakeholders in mind?

THE RELATIONAL TRUST ACCOUNT

	Character	Competence	Concern
DEPOSITS	Honor their commitments	Perform with excellence	Have stakeholders' best interests in mind
WITHDRAWALS	Don't deliver on their promises	Lack of quality/excellence	Have their own best interests in mind

In this metaphor, when an organization demonstrates strength in one of these three areas, it makes a deposit into a relational trust account. Failing to deliver in one of these areas results in a withdrawal of trust. If too many withdrawals occur, the trust account can become overdrawn, and stakeholders may become hesitant to engage with the organization. If this trend continues, the account will be closed, and trust will be lost.

The following factors can be applied across multiple areas of accountability within a ministry:

- **Mission** — Alignment with and action toward mission goals
- **Legal/government** — Compliance with regulations and guidelines
- **Financial** — Accurate, timely financial reporting and accounting methods and responsible stewardship of funds
- **Program** — Efficient, effective execution and transparent communication about activities designed to meet the needs of those the organization serves
- **Process** — Ethical, streamlined operations
- **Spiritual** — Integration of biblical principles into planning, decision-making, and relationships

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[1] Stephen R. Covey, *The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change* (New York: Simon & Schuster 1989).

Depending on the ministry's performance in these areas of accountability, trust can either be strengthened or weakened. Effective ministry boards monitor this dynamic between the organization and its most important stakeholders. Boards should delegate this vital task to management, with clear expectations for regular reporting on the health of stakeholder relationships.

BUILDING BOARDROOM RELATIONSHIPS

Of all your ministry's stakeholders, your board members are the most crucial to your long-term stability and growth.

Of all your ministry's stakeholders, your board members are the most crucial to your long-term stability and growth. Their alignment with the ministry's mission and objectives, the quality of their deliberations and decision-making, and their ability to bring diverse experience and wisdom to the organization's most significant and complex issues are critical to organizational success.

High-trust, collegial relationships are critical to the governance process. It is only through such relationships that any group, particularly boards, can effectively discuss the issues at hand and make wise strategic decisions. Most board decisions are made by consensus. This means they do not have to be unanimous or even voted for by a majority of the members; it requires only that all members are willing to accept the decision. Consensus is reached when everyone has had an opportunity to share their views, engage in meaningful discussion, believe the process is fair and objective, and feel heard.

Boards think together much more than they work together, so it's paramount that they share a common understanding of the purpose of board discussions. You can view this as the board having a bright "collective IQ" consisting of these elements:

- **Cognitive diversity** — Welcoming all ideas and thought processes
- **Constructive straight talk** — Being direct but respectful
- **A psychologically safe environment** — Providing a platform that encourages candor and open discussion
- **A culture of collegiality** — Prioritizing trust, respect, acceptance, and a shared purpose
- **A priority of prayer** — Recognizing that true wisdom comes from above

At the heart of every thriving ministry is a network of trusted relationships. By understanding your stakeholders' roles and expectations, building trust through integrity and competence, and cultivating unity within your board, you can lay a strong foundation for lasting impact.

Please **contact CapinCrouse** with any questions or to discuss how we can assist your ministry with board coaching, training, or other governance considerations or concerns.

At the heart of every thriving ministry is a network of trusted relationships.

ADDITIONAL RESOURCES

This e-book draws on concepts from *Mission Centered Governance*, an in-depth, biblically based governance curriculum provided free of charge by the Maclellan Foundation at **mcgovernance.org**.[1]

The following CapinCrouse resources also provide additional insight into governance:

Nonprofit Board Governance: Goals and Responsibilities
Nonprofit Board Governance: Warning Signs to Watch For
Nonprofit Board Governance: Senior Leader Warning Signs to Watch For

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[1] *Mission Centered Governance* is built on a solid biblical foundation while applying the technical expectations for effective governance. Primary copyright © The Maclellan Foundation Inc., 2020, 2024, MISSION CENTERED GOVERNANCE™ All Rights Reserved – Used with Permission.