



Governance in action

EFFECTIVE BOARDS AND COMMITTEES

Lowell C Cooper, Vice President
General Conference of Seventh-day Adventists
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I'm On a Committee

Oh give me some pity, I'm on a committee
which means that from morning to night,
we attend, and amend, and contend, and defend
without a conclusion in sight.

We confer and concur, we defer and demur,
and reiterate all of our thoughts.
We revise the agenda with frequent addenda,
and consider a load of reports.

We compose and propose, we suppose and
oppose and the points of procedure are fun!
But though various notions are brought up as
motions, there's terribly little gets done.

We resolve and absolve, but we never dissolve,
since it's out of the question for us.
What a shattering pity to end our committee.
Where else could we make such a fuss?

Why Board Processes Matter:

1. Most leadership training is for individualized positions of responsibility. Most major decisions are made in groups.
2. Effective group decisions do not arise spontaneously. They result from deliberate designs in structure and social dynamics.
3. Many governance weaknesses and mistakes arise from inadequate attention to group responsibilities and processes.
4. The pursuit of excellence in such matters is worthwhile...because God's work deserves such.

Our Challenge:

"...there is one thing all boards have in common, regardless of their legal position. They do not function."

Peter Drucker



Our Challenge:

"Though possessed of ultimate organizational power, the governing board is understudied and underdeveloped...where opportunity for leadership is greatest, job design for leadership is poorest."

--John Carver

The Seven Signs of Ethical Collapse

How to Spot Moral Meltdowns in Companies...
Before It's Too Late

Marianne M. Jennings, J.D.

7 Signs of Ethical Collapse:

1. Pressure to maintain those numbers
2. Fear and silence (dissent not tolerated)
3. Bigger-than-life president/CEO, aspiring colleagues
4. Weak boards
5. Conflicts of interest not addressed
6. Success is all that matters
7. Goodness in some areas atones for evil in others

SDA Governance Structures:

Governing Board

- Stand-alone entities (i.e. institutions)
- One employee member
- External chairperson
- CEO accountable to board
- Limited hiring decisions
- Incorporated status

Executive Committee

- Part of a network (i.e. conf/union/division)
- Many employee members
- Internal chairperson
- 3 officers accountable to board
- Multiple hiring decisions
- Unincorporated status

Effective Governance Culture:

Emphasis: Clarity of strategic intent informs decision-making.

Expertise: Quality and range of director expertise fits the organization.

Environment: Board meeting is a safe place to talk.

Engagement: Assumptions are examined, differing views are welcome.

Governing Board:

- Has ultimate corporate authority
- Total authority matched by total accountability
- Can be superseded only by organization's owners or by the state
- In SDA structure the owner is the constituency, or "membership" defined in the bylaws

Board Composition: (Ex officio plus minimum 15, maximum 30)

• Ex officio	3
• Gen Conference	6
• North American Division	2
• Union presidents	5
• Union treasurers	5
• Local conference president	1
• Laypersons/Others	<u>9</u>
Total	31

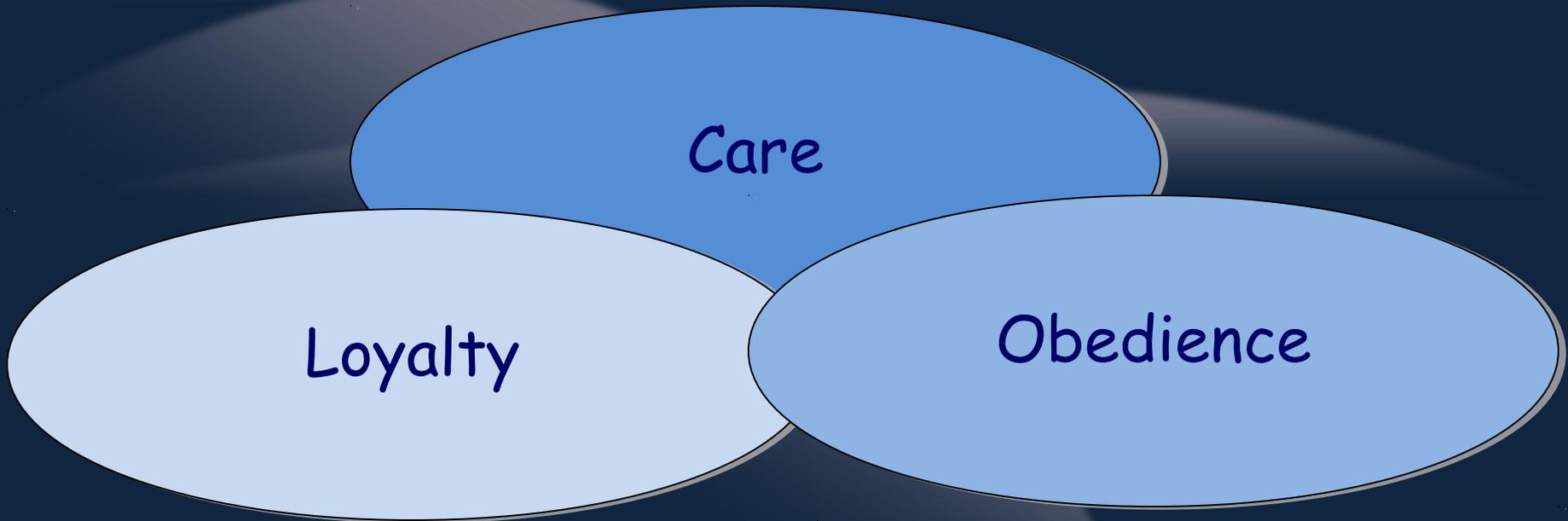
What Good Boards Do:

1. Shape mission and strategic direction
2. Maintain SDA identity of organization
3. Establish key policies and strategies
4. Select, develop, and evaluate officers
5. Ensure adequate financial resources
6. Build/enhance organization's reputation
7. Provide adequate risk management
8. Assess performance against mission
9. Improve board performance

Director/Member Rights:

- Access to management
- Access to records and documents
- Attendance at meetings
- Prerogative to vote

Duties of Board Members:



The Duty of Care:

- Refers to the level of competence expected
- Common standard: "ordinary prudent person"
- Duty to attend meetings regularly
- Duty to show independent judgment in voting
- Duty to be informed
- Duty to rely on/delegate to trusted sources
- Duty of diligence (perfect judgment not required)
- Duty of risk management...

The Duty of Loyalty:

- Corporate position not for personal advantage
- Standard of faithfulness to the organization
- Undivided allegiance when making decisions
- Duty of loyalty breached when members use organizational property for personal purposes
- Maintaining confidentiality of privileged info

Conflict of Interest

Because of the common objectives embraced by the various organizational units... membership held concurrently on more than one...committee or board does not of itself constitute a conflict of interest provided that all the other requirements of the policy are met. While serving...(on) multiple denominational entities is thus acknowledged and accepted...director...is expected to act in the best interest of that organization and its role in denominational structure.

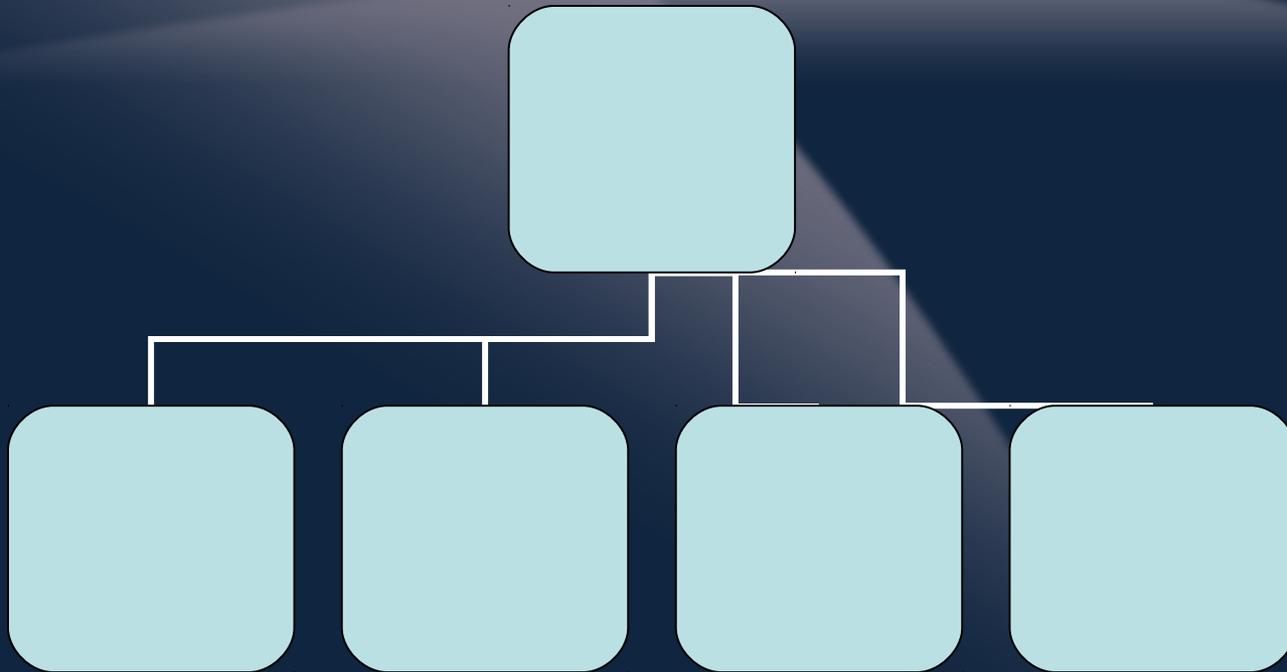
The Duty of Obedience:

- Making sure the organization remains obedient to its purpose and role (i.e. faithful to SDA mission, beliefs, culture, policies and practices)
- Duty of compliance with laws
- Fulfilling commitments, including previous ones

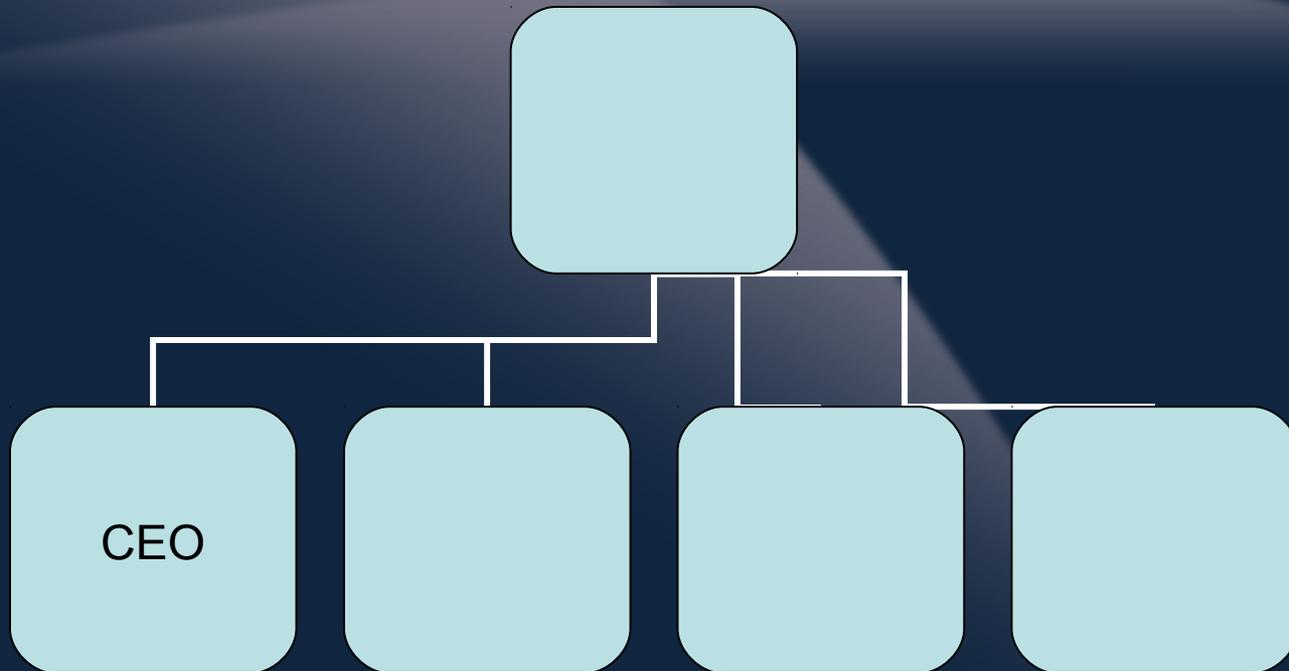
The Organizational Chart:

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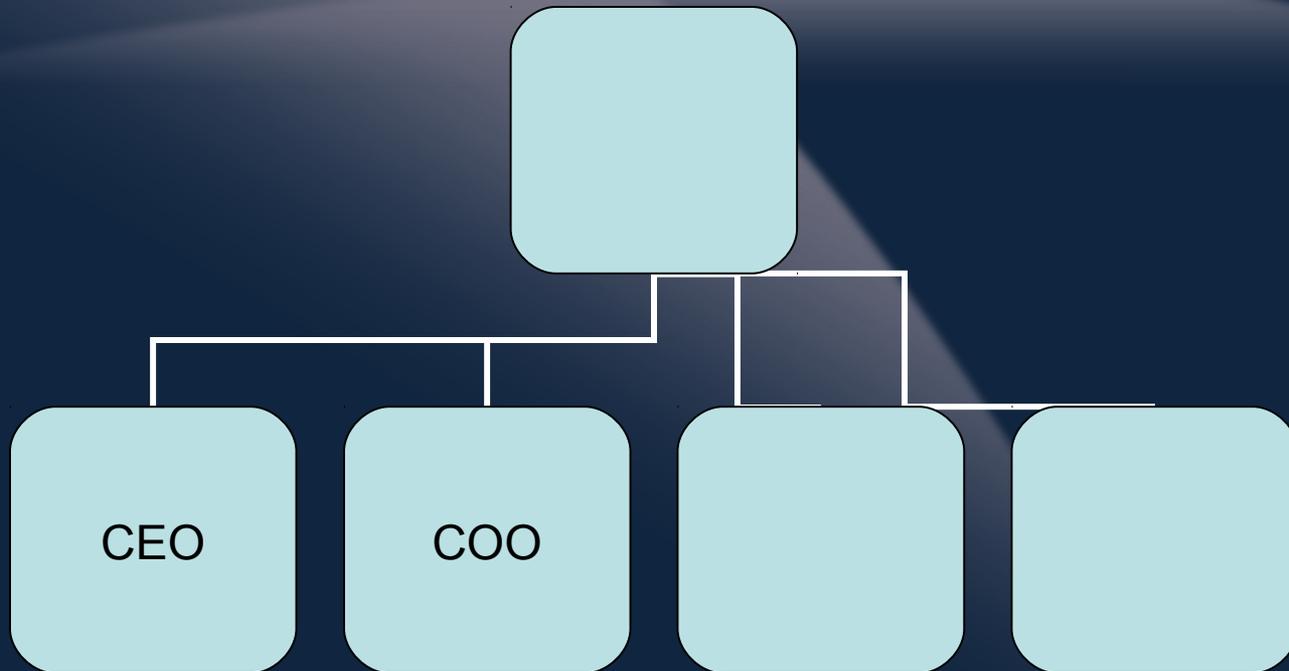
21st Century Organizational Chart



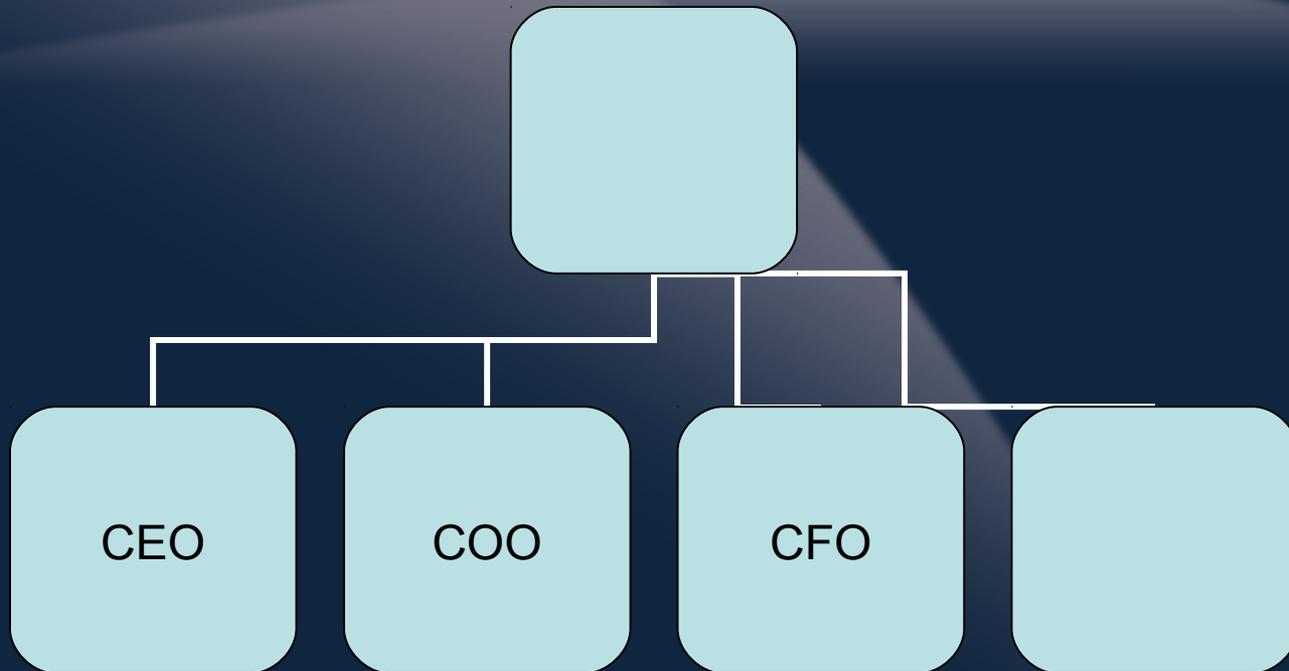
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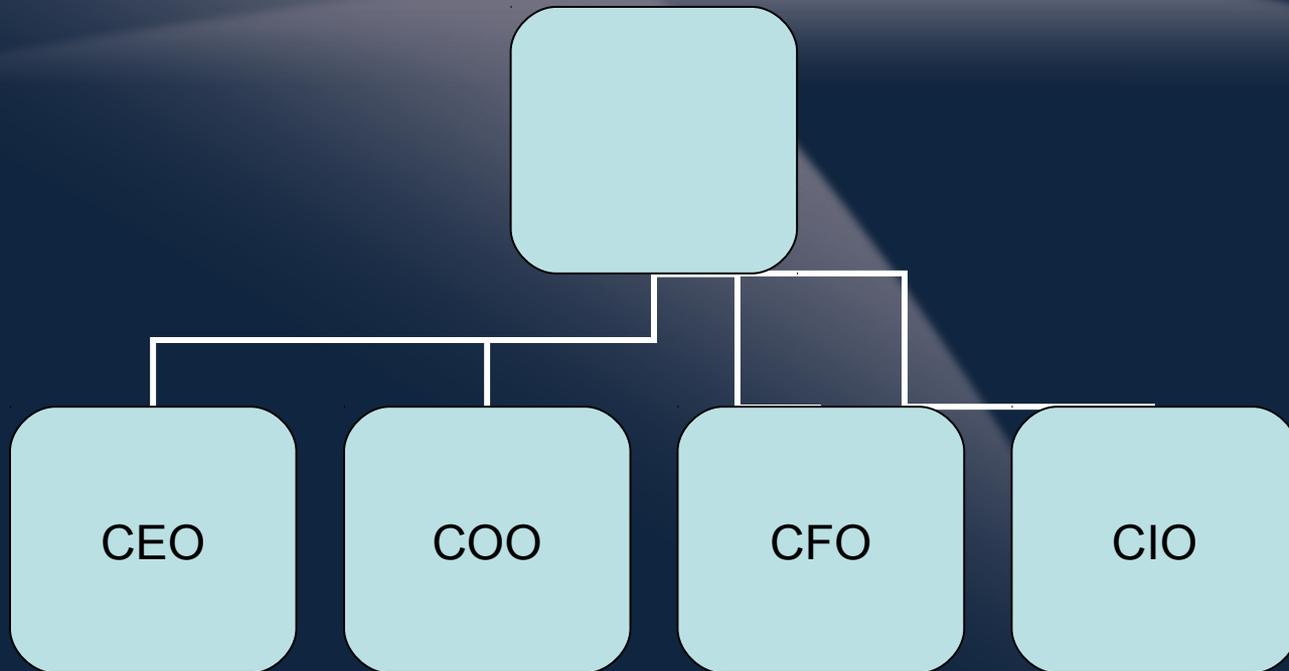
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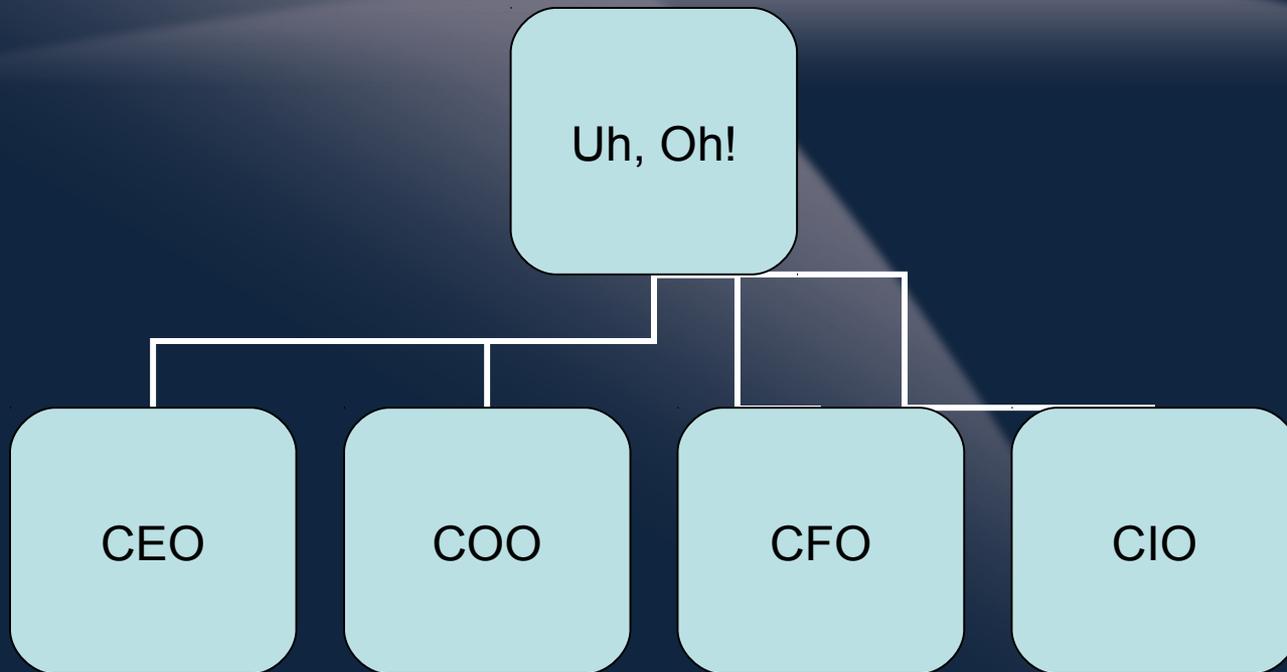
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21st Century Organizational Chart



Pacific Press Publishing Association Governance and Administrative Organization Chart

Pacific Press Publishing Association

Organized in 1875 to serve western USA

Located in Oakland, CA

Moved to Mountain View, CA in 1904

Moved to Boise, ID in 1984

Registered in Idaho as 'Nonprofit Religious Corporation'

Mission statement:

The mission of Pacific Press Publishing Association is to uplift Jesus Christ in communicating biblical teachings, health principles, and family values—in many languages—through various types of printed materials, video products, and recordings of Christian music.

Challenges and Opportunities:

Non-commercial, focus on serving SDA clients
Shifting pattern in reading and use of literature
Advanced technology—underutilized capacity
Distribution system—ABCs and LEs