

# **Final Report on Executive Team Composition Submitted to the Board by the ETC Sub-Team September 14, 2013**

## **IMPETUS FOR THE INQUIRY**

In the spring of 2012 the church posted and hired for the position of Director of Congregational Life. Board members involved in discussing candidates at that time recognized that our bylaws and governing policies appeared unclear as to the staffing and constituency of the Executive Team, or ET. Lisa Friedman was hired by the board on a two-year contract pending resolution of these issues. The board also recognizes that other changes in senior ministerial and executive staff will occur within a few years. Clarity on composition of ET is necessary in advance of any search for replacement candidates.

The ET Composition sub-team of the board was formed in early 2013 to investigate more fully the structure, composition, and functioning of the ET. Its charge is to determine whether existing policies and limitations are sufficient, and if not, to recommend to the full board changes that would support both effectiveness and accountability of the ET.

### **Methods (See Appendix A for list of interviewees)**

- Group and individual meetings with former board members
- Individual interviews with current members of the ET
- Individual interviews with current and former staff members

## **CURRENT STATUS OF THE ET**

### **What is the purpose of the ET?**

- Center of accountability for mission, values, and ends.
- Responsible for fulfilling the strategic plan, mission and ends. The ET operationalizes board policy and ends statements.

### **What are relevant policies and by-laws? (See Appendix B for list)**

- Ends policies outline the results the ET is directed to achieve
- ET limitations constrain it to act prudently and ethically
- ET reports to the board/is monitored on performance in 3 areas
  - Accomplishment of organizational ends
  - Organizational operation
  - Appropriate use and delegation of power
- Article IV of the by-laws states that the ET shall be comprised of at least one minister and other key positions as determined by the board.
- By-laws cover selection or removal of called minister(s), and employment agreement of minister(s) and non-ministerial ET.

### **What functions are represented on the ET?**

- The ET represents the highest level where all aspects of the life and health of the congregation merge. It is a balance of lay and ministerial positions.
- Unity Church has operated with policy governance model since 1993. An ET structure was adopted in 1999, replacing the CEO structure. Over the years, the ET has consisted of different numbers and configurations of staff.
- The current ET is composed of the two co-ministers, the Director of Congregational Life (DCL), and the Executive Director (ED).

### **How is it evaluated?**

- ET members are directly accountable to the board, whether called ministers (the co-ministers) or hired positions (ED and DCL).
- The board reviews and approves the ET's operational implementation of the Ends statements on a monthly basis. This review focuses on the means and priorities the ET has established (with Board approval) based on their interpretation of the Ends.
- The board conducts direct inspection of Ends and limitations through annual congregational and staff/volunteer surveys and annual financial audits.
- Policies direct the board to conduct an annual ET evaluation measuring Ends achievement for the prior church year. Through that process the board and ET discuss areas of desired professional growth and priorities for coming year.
- ET members are not formally evaluated as individuals. By-laws state that ET members shall report to the board individually and as a team. Board policy requires that individual professional development plans be presented to the board annually, but does not outline any board responsibilities regarding those plans.

## **KEY STRENGTHS AND WEAKNESSES OF THE ET MODEL**

### **Strengths**

- Leadership and decision making power is shared rather than concentrated.
- It mirrors our theology in that it is covenantal. Members are accountable to one another and jointly to the church. They make decisions by consensus and share responsibility for them.
- Spiritual and corporate management are crucial leadership functions but are quite different; the ET model enables balanced consideration of both perspectives. Decision making on complex issues is improved when a diverse group works together to discover the best path forward.
- Each member on the ET hones both an executive mindset and a collaborative mindset. This can be challenging and growth-producing for individual members, which in turn is healthy for the development of the church.

### **Weaknesses and potential hazards**

- ET members are co-equals on the organizational chart, but that can be more theoretical than real. In the past, when one member of the ET had previously supervised another, accountability to the board was unclear. Differences in staff responsibilities, lines of

reporting, salaries, and the presence of married co-ministers, all are factors that can create imbalances of influence.

- Good chemistry is not a given; It takes time and intention to develop skills at working in team. Outside consultants may be needed at times to facilitate the development of productive and healthy working relationships.
- The ET speaks with one voice once its decisions are reached. This practice places a special responsibility on ET members to judge when a failure to inform the board about an internal conflict or disagreement would constitute a violation of policy limitations on communication and counsel to the board.
- Having an ET model will put constraints on the search process for replacing the called ministers and other members of the ET. Few UUA ministers or executive leaders are experienced with or inclined toward working collaboratively at the highest levels. Unity is one of only two places in the UUA network (the other being Dallas) that is making it work.

### **CONCLUSIONS OF THE SUB-TEAM**

1. The ET model is the optimal structure for the scale and complexity of this church.
2. The current members of the ET all have organization-wide responsibilities.
3. The composition of the ET should not be set in the by-laws. Its current composition is well suited to Unity's developmental stage. When future circumstances suggest a different composition is needed on the ET, the by-laws grant the board latitude to change it.
4. The ET model is not the only model that could work well at Unity. Further, Unity's success with it is in large measure due to the people currently serving as its members. As the board begins to prepare for ministerial and lead staff transitions in the coming years, we need to be open to considering alternatives.
5. Regardless of which positions serve on it, the ET should consist only of persons directly hired by and accountable to the board. Our by-laws are specific as to how ministers are to be called and dismissed, but provide almost no direction on how other executives are to be hired and dismissed.
6. In many of the past several years the board has not adhered to its own policy directives regarding evaluation of the ET. In addition, board policy allows for but does not specify routines for evaluation of individual ET members. These factors have resulted in missed opportunities to provide the ET with support and guidance, both as a team and as individuals.
7. The board has three ways to monitor ET performance against ends and limitations. If at any time the board is concerned about the amount, nature, or timing of information

provided to it by the ET, the board has both the authority and the obligation to correct the situation.

## **RECOMMENDATIONS**

### **Policies**

- We recommend no changes in board policies. The current policies are sufficient in spelling out limitations, governance process and relationship between ET and board.

### **By-laws**

- We recommend the addition of a by-law that more clearly states what the board's involvement should be in hiring non-ministerial ET members. It would follow Article V.1: Selection or Removal of the called Minister(s). By-laws need to be approved at the annual meeting of the corporation, which will be held on November 16, 2013.

#### **V.2: Selection or Removal of non-called ministerial ET members**

**“The Board of Trustees shall appoint a search committee from among staff, trustees, and voting members of the Corporation, when an Executive Team member who is not a called Minister vacates his/her position and that position is to continue on the Executive Team. Such committee shall recommend its candidate to the Board of Trustees for approval and hiring.**

**“Removal of non-called ministerial ET members is the responsibility of the Board.”**

- We recommend six minor edits to the by-laws to clarify called vs. non-called Minister positions. The edits will be included in the recommended changes presented to the congregation for approval at the annual meeting.
- We recommend no other changes to existing by-laws. They delineate parameters related to ET composition, employment agreements, and lines of reporting, while allowing flexibility that is essential to respond to changing circumstances.

### **Practices/operations**

We recommend the following operational guidelines, within existing policies and by-laws:

- By-laws are clear that the board decides composition of the ET. Operationally, we think this means that the board is responsible for ensuring that ET members hold executive level positions that reflect the highest level, growing edge needs of the church. Changes to ET membership might be proposed by the ET or by the board, and would be discussed in deep consultation between the two, prior to a decision by the board.
- When ET changes membership, the ET has sometimes hired a coach/consultant to get the new team off to a healthy start. In addition, consultation from UUA or others will

help the board plan for ministerial transitions. The strength of executive leadership being crucial to the church, we recommend that the board's professional fee line item in its own budget can be used for these purposes.

- We think the board should strengthen its dependability and follow-through on ET evaluation. We recommend that, as part of the annual ET evaluation, individual members of the ET be given a separate opportunity to talk directly with the board about their work. Professional development plans should respond directly to areas of growth identified through the evaluation, and should be monitored by the board.

### ET COMPOSITION: INTERVIEWEES

#### Former Board Members

- Craig Allen
- Carol Bauer
- Pauline Eichten
- Bill Etter
- Barbara Ford
- Ellen Green
- Ken Green
- Beverly Heydinger
- Laura Park
- Louise Wolfgramm0

#### Staff

- Kerri Meyer
- Ruth Palmer
- Laura Schlatter
- Justin Schroeder

#### Executive Team

- Janne Eller-Isaacs
- Rob Eller-Isaacs
- Lisa Friedman
- Barbara Hubbard

## ET COMPOSITION: RELEVANT BOARD POLICIES AND BY-LAWS

*(Paraphrased except where noted)*

### Composition

- Article V of By-Laws (revised 11/21/09)
  - 1: Selection of called minister(s): search committee recommends candidate(s) to board and, upon board approval, to voting members of corporation. Selection or removal requires consent by three fourths of voting members present.
  - 2: Employment agreement of minister(s): board establishes and reviews annually. (This by-law does not specifically state “called” minister(s)).
  - 3: Employment agreement of non-ministerial ET: Board establishes and reviews annually.
  - 4: Composition: “ET shall be comprised of at least one minister and other key positions as determined by the board of trustees.” Board is responsible to fill ET positions in a timely manner. ET members report to board individually for their areas of responsibility and as a team for collaboration toward overall achievement of values, mission, vision, and ends.
  - 5: All other staff is responsible to ET. ET determines lines of reporting.
- Organizational chart (revised December 2012)
  - ET is comprised of co-ministers, DCL, and ED.

### Operations

- Policy II: ET Limitations
  - A: General: prohibits imprudent, unethical, and unlawful acts
  - B: Staff/Volunteer treatment: may not allow inhumane, unfair, or unprofessional conditions; may not discriminate or withhold due-process grievance procedure; may not prevent staff from grieving to Board when certain conditions met
  - H: Communication and Counsel to Board: May not cause or allow Board to be uninformed or misinformed; may not fail to submit required monitoring data; may not “fail to prepare, implement, and share with the Board within three months of the annual ET evaluation annual individual professional development plans that respond to the evaluation.”

### Relationship to Board

- Policy III: Governance Process
  - B: Board’s job is to write governing policies that address how power is delegated and its proper use monitored
  - F: Complaint procedures: three pages detailing process
- Policy IV: Board-ET Relationship
  - A: Delegation to ET: ET reports to board individually and as a team (same wording as in by-laws).
  - C: Monitoring ET Performance: purpose is monitoring organizational performance against policies on ends and limitations. Three methods are internal report (from ET to board via scheduled monitoring); external report (e.g. auditor, consultant, counsel); and direct board inspection (annual surveys, inspection of documents).
  - D: Disciplinary policy: outlines process to use in event of policy violation