

1 MinSer&StrcComm to LCC-07AC

2
3 COMMISSION ON MINISTRIES, SERVICES, AND STRUCTURES – REPORT AND
4 RECOMMENDATIONS ON ORGANIZATIONAL FLEXIBILITY

5
6 RECOMMENDED, To receive the following report from the Commission on Ministries,
7 Services, and Structures.

8
9 **Principles and Practices in Organizational Flexibility**
10 **for**
11 **Seventh-day Adventist Denominational Structure**

12
13 ***Introduction***

14
15 The General Conference Executive Committee, in October 2005, appointed the
16 Commission on Ministries, Services, and Structures. The Commission's terms of reference
17 included the following responsibilities relating to structure:

- 18
19 1. Research and evaluate, in light of denominational mission and unity, the necessity,
20 efficiency, and effectiveness of current denominational structure.
21 2. If a need for structural change is indicated, define a rationale for adjusting
22 denominational structure and propose structural revision(s) that enhance the mission-
23 focus and global unity of the world Church.

24
25 The Commission chose first to address several issues relating to organizational structure.
26 The following report¹ presents the Commission's thought and recommendations on how to
27 maintain a global identity in organization while making room for variations in the configuration
28 of coordinating and administrative units that link local church units with the world church (i.e.
29 the General Conference and its divisions).

30
31
32 ***Historical Development of Seventh-day Adventist Church Structure***

33
34 Several church historians² have studied the development of Seventh-day Adventist
35 organizational structure. The Seventh-day Adventist movement transitioned from an anti-
36 organizational posture in its early days to a highly structured organization today. Pivotal
37 moments occurred when the Church was organized in 1863 followed by a major restructuring in

¹ Documents reviewed by the Commission for the preparation of this report may be viewed online at
http://www.adventist.org/world_church/commission-ministries-services-structures/.

² See, for example, Barry D. Oliver, *SDA Organizational Structure: Past, Present and Future*. Berrien Springs, MI: Andrews University Press, 1989; Andrew Mustard, *James White and Organization*. Berrien Springs, MI: Andrews University Press, 1985; George Knight, *Organizing to Beat the Devil: The Development of Adventist Church Structure*. Review and Herald Publishing Association, 2001; George Knight, *Organizing for Mission: The Development of Seventh-day Adventist Organizational Structure*. Unpublished manuscript of a presentation to the Commission on Ministries, Services and Structures, Loma Linda, CA, April 2006, accessible on the internet at http://www.adventist.org/world_church/commission-ministries-services-structures/.

1 1901-1903. The following principles of organizational structure are summarized from research
2 on this topic by George Knight, Andrew Mustard, and Barry Oliver.

3
4 **1. Organizational structure is necessary to fulfil the mission of the Church.**

5 “Together we can do more” is a fundamental principle in Seventh-day Adventist
6 Church structure. This denomination is sometimes described as being very
7 hierarchical with multiple levels of organization exercising various degrees of control
8 over subsidiary units. This is an unfair caricature. From an operational standpoint
9 the various levels of Church structure fulfil collaborative and oversight functions
10 entrusted to them by their member units. While it is often necessary, for descriptive
11 purposes, to speak of different levels of Church structure, such terms must be viewed
12 in the context of collaboration and cooperation rather than a unidirectional (top-
13 down) chain of command and control.

14
15 **2. The Bible contains principles rather than prescriptions for organization.** A study

16 of Seventh-day Adventist history reveals that both James White and Joseph Bates
17 initially claimed that organizational design should be patterned after the “perfect
18 system of order, set forth in the New Testament.”³ (RH, Jan 23, 1855, 164).
19 However, by 1859 White argued that “we should *not be afraid of that system which is*
20 *not opposed by the Bible, and is approved by sound sense.*” He moved, from a
21 principle of Bible interpretation that said the only things Scripture allows are those
22 things it explicitly approves, to a hermeneutic that allowed anything that was
23 reasonable and did not contradict the Bible. Ideas concerning organization and
24 structure had shifted from biblical literalism to biblical principle and common sense
25 in the light of the church’s needs and mission.

26
27 The concept of flexibility is not foreign to the Bible. The history of God’s people
28 reveals the presence of various organizational structures over the course of time.
29 Examples include: the patriarchal model, judges, kings, prophets, and apostles.
30 Classic illustrations of different organizational patterns are found in Exodus 18:14-19;
31 1 Samuel 8:4-7, 9; and Acts 6:1-4.

32
33 **3. Commitment to mission is the primary determinant of structural form.** Neither

34 James nor Ellen White had an exact organizational plan in mind when they began
35 calling for church order in 1853. In fact, Ellen White was not included among the
36 nine persons appointed to draw up proposals for organization in 1861. James White
37 provided the key influence but he did not have a clear picture to start with. Only as
38 the group faced the developing needs of the church did it gain insight regarding
39 suitable structure. A broader vision of the mission of the church led to a more
40 extensive recognition for organizational structure to facilitate that mission.

41
42 **4. Organizational structure must maintain a balance between centralization and**
43 **decentralization, between control and empowerment.** On the one hand, too much
44 responsibility and authority must not be placed on one person or upon a small group
45 of persons. There is need for more localized decision-making in the far-flung mission

³ Review and Herald, July 21, 1859, p68, emphasis supplied.

1 fields. On the other hand, unity and concerted action are preserved through a
2 structure that provides for consultation and resource sharing. The purpose of
3 centralization was more for coordination than for control. The purpose of
4 decentralization was more for responsiveness to local situations than for
5 independence.
6

- 7 **5. The design of organizational structure must provide for diversity while**
8 **preserving unity.** Structure must always remain responsive to the interrelationships
9 of circumstances, needs, and core values. Preserving a structural design or insisting
10 on a rigid worldwide application of organizational pattern has no merit in itself. The
11 Seventh-day Adventist Church has demonstrated openness to change and
12 development when success in mission demanded a shift in approach or procedure.
13 This was the view advanced by M C Wilcox:
14

15 “If we will get this thing deep in our souls...we will not bind ourselves about with red
16 tape and feel that everything must go in just the same way. There are different fields
17 sometimes that demand different organizations, and I hope that when that field
18 comes, and when that time comes, and that place comes, that God will have men that
19 will be willing to break the red tape, if necessary, and form the organization in
20 harmony with the field, and according to the demands of the occasion.”⁴
21

22 In 1902, following the changes that were made in 1901, General Conference
23 President, A.G. Daniells stated that:
24

25 “We see many things differently from what we did ten years ago, and I expect that we
26 shall see still more. As new light comes, we ought to advance with it, and not hold
27 rigidly to old forms and old methods. Because a thing is done a certain way in one
28 place is not reason why it should be done in the same way in another place, or even in
29 the same place at the same time.”⁵
30

31 Daniells’ successor, W. A. Spicer, was probably the most vocal advocate of the
32 importance of allowing adaptability in the form that organization took in the Seventh-
33 day Adventist Church. It was Spicer, an experienced missionary, who was
34 responsible as much as anyone for the success of the missionary enterprise of the
35 church in the early years of the twentieth century. With his wide exposure to
36 different cultures and situations, he repeatedly said:
37

38 “*The details of organization may vary according to conditions and work, but ever as*
39 *God has called his church together there has appeared in it the spiritual gift of order*
40 *and of government, the spirit that rules in heaven.”⁶ (Emphasis supplied.)
41*

⁴ M C Wilcox (Sten 1903, April 9, a903, 20, 20a, cited in Barry Oliver, *SDA Organizational Structure*, p. 302)

⁵ European Conference Bulletin, 2.

⁶ W. A. Spicer, "The Divine Principle of Organization," *Review and Herald*, 25 March 1909, 5. See also, idem, "The Divine Principle of Organization," *Review and Herald*, 27 July 1916, 4; idem, "The Second Advent Movement: An Organized Movement," *Review and Herald*, 24 April 1930, 6.

- 1 6. **Flexibility in structure must not sacrifice unity and collective action.** For
2 Seventh-day Adventists, mission (evangelism) and church organization are not
3 separate issues but are united, with organization providing the delivery system for
4 effective mission.⁷ Seventh-day Adventists believe that the whole church must be
5 engaged in sharing the whole gospel with the whole world.
6

7 It is therefore impossible to adequately and accurately describe Seventh-day
8 Adventist Church structure and operations apart from the Church's understanding of
9 its primary task—creating a global awareness of the kingdom of Jesus Christ and
10 preparing the world for His soon return. While the Church has adopted elements of
11 structure from various models of organization, these elements were selected as
12 instruments of mission.
13

- 14 7. **Changed circumstances warrant new or altered structures.** Bert Haloviak's
15 paper, "Approaches to Church Reorganization"⁸ traces the history of organizational
16 changes or adjustments from 1901 to the early 1990's. His paper was presented to a
17 meeting of the Commission on World Church Organization, established in 1993 to
18 review denominational structure in light of realities in the 1990's. One of several
19 changes resulting from this Commission's work was a substantive adjustment in the
20 membership of the General Conference Executive Committee, the frequency of its
21 meetings, and the attendance patterns at such meetings.
22

23 *Rationale for Flexibility in Denominational Structure*

24 There is some attractiveness about the idea that a global organization, such as the
25 Seventh-day Adventist Church, should have a single system of uniform structure and procedures.
26 At least in theory, a single organizational pattern facilitates global identity and unity. This ideal
27 is much more difficult to achieve in reality because of vast differences in cultural and political
28 environments, in the availability and use of technology, and in the needs or expectations that
29 various areas and groups of members have from organizational structure.
30

31 The present structural design for organization involves an inter-related set of five
32 categories or classifications. Four of these are constituency-based:⁹ local church, local
33 conference, union conference and General Conference. Each constituency-based unit of
34 conference, union conference and General Conference. Each constituency-based unit of
35

⁷ George Knight, *Organizing for Mission*, 48.

⁸ A broad summary of proposals and/or actions regarding denominational structure is provided in "Approaches to Church Reorganization" by Bert Haloviak, Director of the General Conference Office of Archives and Statistics. The text of his paper, presented to the Commission on World Church Organization in March 1993 may be viewed online at web site www.adventistarchives.org. Click on "Adventist Archives—Search Historical Documents." The item is filed in the folder "Archives and Statistics Research Papers" and entitled "Approaches to Church Reorganization."

⁹ The term "constituency-based" means that decision-making is exercised by the membership of the organization or is entrusted by the membership to a body such as an executive committee. Thus, the authority that is assumed to reside in various units of denominational structure is derived from the membership. Decision-making bodies established by the membership are accountable to the membership (or constituency) on a regular frequency of membership meetings.

1 organization holds membership in a larger unit of organization. For example, local churches
2 hold membership in the local conference, local conferences hold membership in the union
3 conference, and the union conference holds membership in the General Conference. These
4 interrelationships provide for communication, collaboration, and unity of action among all units
5 of organization. Local missions and union missions have several similarities to local conferences
6 and union conferences but are not entirely constituency-based as per the definition in footnote 9.

7
8 The fifth category of organization is that of a division—an administrative unit serving as
9 a regional office of the General Conference. The staffing pattern for each category of
10 organization, other than the local church, calls for a set of three officers assisted by associate
11 officers, as needed, and a group of department directors. Thus a similar structure and staffing
12 model is seen throughout the organization.

13
14 This pattern¹⁰ for denominational organization developed over several decades and at a
15 time of relatively small membership, limited cultural and socio-economic diversity, and less
16 varied geopolitical environments. Much has changed. The Church has a global membership, its
17 teachings and practices are firmly rooted, it displays wide cultural diversity, and has a presence
18 in almost every political, geographic, and religious environment. Technological advances,
19 though not present to the same extent everywhere, have radically altered organizational
20 processes and global communications. The dissimilarity in circumstances coupled with the
21 opportunities available with new technology calls for adaptability of structure.

22
23 Simply stated, there is need for flexibility in denominational structure—a flexibility that
24 permits effective response to a particular set of conditions while at the same time maintaining the
25 global values and identity of the Seventh-day Adventist Church. The reasons for increased
26 flexibility rather than increased uniformity in structures and procedures may be summarized as
27 follows:

- 28
29 1. **Diversity of geographical environment.** The Church is present in densely populated
30 urban areas as well as in vast areas of territory with a very small and widely scattered
31 population.
- 32
33 2. **Differences in political, legal, and cultural environments.** In some political
34 climates the visibility and operation of a multi-layered denominational structure
35 invites a higher, and not necessarily helpful, level of external scrutiny. There is wide
36 variation in cultural environments and in the degree to which people work easily and
37 well within a highly structured model of organization. Dissimilarities in national
38 legislation among countries places limitations on the degree to which similar
39 organizational structure can be used everywhere.
- 40
41 3. **Geographical and cultural variations in receptivity to mission activities.** Some
42 areas of the world field are growing so rapidly that the Church is stretched to keep up
43 with appropriate leadership and nurture structures. A large portion of the
44 membership in these areas has a relatively short experience in Church membership.
45 Familiarity with procedures and the maturity of local church systems is limited. A

¹⁰ See illustration of standard denominational organization on page 22.

1 significant level of resources is needed to provide for coordination, servicing, and
 2 leadership. In other areas of the world, membership growth happens at a slower pace.
 3 On average, members have a much longer period of experience in the Church. Well-
 4 established systems are in place, thus reducing the level of energy and resources
 5 required for coordination, servicing, and general oversight.
 6

- 7 **4. Differentiation in local capacity, resources, and the need for coordinating and**
 8 **linking structures.** The degree to which regional services in support of the local
 9 church are needed depends on many different factors. The following table presents,
 10 from a statistical viewpoint, the diversity that already exists within organizational
 11 structures having the same type classification.
 12

Type of organization	Count of these organizations	Church membership Range (From - To)	# of Local Churches Range (From - To)
Attached Units			
Region (attached to Unions)	41	76 - 36,090	0 - 250
Mission (attached to Divisions)	4	209 - 147,707	3 - 803
Conference (attached to Divisions)	2	3,628 - 4,991	61 - 73
Local Mission	267	175 - 179,574	2 - 942
Local Conference	263	213 - 170,828	10 - 658
Union of Churches	6	2,649 - 11,742	47 - 114
Union Mission	50	9,338 - 693,548	67 - 3,324
Union Conference	52	2,751 - 483,828	42 - 1,753
Division	13	99,998 - 2,608,127	1,348 - 9,210
General Conference	1	14,256,252	58,919

- 13
- 14 **5. The need for representation to be based on more than one model or classification**
 15 **of organization.** A single worldwide pattern for organization has been the
 16 foundation for the current system of representation in decision-making forums of
 17 Church life. A simple formula enables organizations with similar classification and
 18 status to have similar representation in the larger forums of denominational decision-
 19 making. In some instances the decision to establish units of organization may satisfy
 20 the interests of representation more than the interests of efficiency in mission. If a
 21 range of organizational choices were available and other patterns for fair
 22 representation were developed, the choice as to what structures to create could be
 23 made in light of localized needs and circumstances.
 24
- 25 **6. Advances in technology open possibilities for new organizational patterns with**
 26 **increased efficiencies and effectiveness.** Rapid advances in technology have
 27 changed the way in which information is created, packaged, and shared. Travel over

1 long distances is relatively inexpensive. The combination of new technology and
2 ease of travel provides new opportunities for consolidating organizational units and
3 reducing the requirement for levels or layers of infrastructure in large organizations.
4 These opportunities are not equally available everywhere. Flexibility in
5 organizational templates would allow for choices in structure to be designed in light
6 of available technology.

7
8
9 ***Definition for Organizational Flexibility in Seventh-day Adventist Church Structure***

10
11 For the purposes of this report, the discussion of organizational flexibility pertains to the
12 constituency-based organizations, including local and union missions, and unions of churches. A
13 proposed operating definition of organizational flexibility follows:

14
15 Flexibility in Seventh-day Adventist organizational structure is the application to
16 new or existing organizational structures of specific organizational patterns and
17 procedural principles in light of prevailing circumstances and environments within the
18 territory of a division of the General Conference. The application of such patterns and
19 principles, after appropriate constituency and/or executive committee approvals, may
20 result in:

21
22 a) Modification of structural designs as compared with the historical pattern of
23 local conference/local mission, union conference/union mission organizations, and unions
24 of churches;

25
26 b) Modification of staffing patterns (as compared to historical practice at local
27 conferences/local missions, union conferences/union missions, and unions of churches) at
28 larger units of organization between the local church and the General
29 Conference/division;

30
31 c) Realignment of how services are provided between the various existing or new
32 organizations;

33
34 d) Establishment of new regional structures as a result of the consolidation of
35 existing organizational units, the reclassification of entities or the reduction of
36 constituency-based units of organization.

37
38 Decisions to implement flexibility in organizational structures, procedures and
39 relationships shall preserve dynamic and formal linkage to the world church and sister
40 organizations in harmony with denominational policies. Accordingly, such decisions will
41 involve consultation and consent from larger units of organization. Specific policies may
42 prescribe approval processes that involve approval from division and/or General
43 Conference executive committees. Flexibility in organizational structure does not mean
44 that the design of organizational structure or staffing is self-determined or that an infinite
45 number of alternatives is available.

46
47 General Conference *Working Policy* already allows for limited flexibility or alternatives
48 in organizational structure.

1 *B 10 30 Variations in Administrative Relationships— 1. For the purpose of fulfilling*
 2 *the mission of the Church, division administrations are authorized to recommend*
 3 *modified organizational structures and/or administrative relationships in situations*
 4 *which do not involve the resizing of unions, as outlined below in paragraphs a. through*
 5 *c., or to experiment with further modifications in territories where unusual economic,*
 6 *political, geographic, religious, or demographic circumstances, or strategic purposes*
 7 *make normal church organizational and administrative structures impractical or*
 8 *inefficient. In all cases where alternative arrangements are implemented, the four*
 9 *constituent levels of Church organization shall be maintained, and the following*
 10 *fundamental principles for Seventh-day Adventist organizational structure and*
 11 *relationships shall be preserved:*

- 12
- 13 *a. All basic administrative units shall have a constituency voice (regular*
 14 *constituency sessions).*
- 15 *b. All administrative relationships shall be clearly defined (responsibility is*
 16 *ultimately held by an elected/appointed officer[s] who is accountable to an executive*
 17 *committee).*
- 18 *c. Constitutions and bylaws may be amended to provide for alternative*
 19 *administrative arrangements and the process by which such arrangements are*
 20 *continued or suspended.*

21

22 *2. Innovations in organizational structure and administrative relationships must be*
 23 *approved by the respective division committees and the General Conference Executive*
 24 *Committee and will be reviewed periodically by division administrations to determine the*
 25 *strengths and weaknesses of each arrangement. Division committees may grant*
 26 *constituencies the option to continue or discontinue the alternative administrative*
 27 *arrangements.*

30 ***Recommended Range of Flexibility in Seventh-day Adventist Church Structure***

31

32 The Commission considered several models of organization with each model exhibiting
 33 denominational structure in three territorial classifications, local, regional, and global (see chart
 34 below). Each of the models assumes that the local and global structures (i.e. local church and
 35 General Conference with its divisions) remain in place. Organizational comparisons for five
 36 models are shown on pages 15 and 16.

Territorial classification	Official structural units within this classification
Local	Local church
Regional	Local conference or mission, Union of churches, Union conference or mission
Global	General Conference and its divisions

37

38

39 The structural flexibility proposed in this report is accommodated within the territorial
 40 classification designated as ‘regional.’ Units of organization in this middle classification
 41 facilitate the concept that “together we can do more” and also function as the primary connectors
 42 between the local church and the global church.

1
2 The models of organizational structure are summarized as follows:
3

- 4 1. **The standard model.** This is the dominant model at present. It has four
5 constituency-based units of organization. The regional and global organizations
6 in this model generally have similar staffing patterns. Its widespread use makes
7 this the standard model of structure. However, in the Commission’s view, the
8 standard model should not automatically be considered as preferred above others.
9
- 10 2. **Complementary staffing model.** This model retains the four constituency-based
11 units of organization. It is different from the standard model in that the staffing
12 pattern at local mission/conference is not the same as at the union
13 mission/conference. Each organization in this model has a multiple officer
14 leadership team (typically three officers). Department directors may be located at
15 either or both the local mission/conference and the union mission/conference.
16 However, a department director at the local mission/conference may not have a
17 full-time counterpart at the union. Similarly, the union department director may
18 not have a counterpart at the local conference/mission.
19
- 20 3. **Shared administration and/or administrative services model.** This model
21 introduces differentiation from the standard model in the staffing of
22 administration. At the local mission/conference there is only one full-time
23 officer, the president. The union treasurer serves simultaneously as the local
24 mission/conference treasurer in such situations. Unless someone is elected to
25 serve as the secretary this role may be assigned by election to either the president
26 or the treasurer. (The Norwegian Union and the Japan Union are current
27 examples of this organizational pattern.) Department staffing in this model may
28 be configured as in #2 above. The result is that the local mission/conference has
29 fewer employees in administration since officers of the union mission/conference
30 also hold administrative assignments in the local mission/conference and/or care
31 for certain administrative services.
32
- 33 4. **Three constituency-based model.** This model has three constituency-based units
34 of organization compared to four in the standard model. In this model the
35 regional unit of organization is identified as a “Union of Churches.” Currently
36 there are six unions of churches in the world Church. Unions of churches were
37 established to address the need for structures in the context of national
38 boundaries. In each case the Seventh-day Adventist membership was too small to
39 require additional levels of structure. Unions of churches have been considered as
40 exceptions to the pattern of denominational organization and thus have been
41 approved only in situations where the standard model of organization was deemed
42 unworkable and not financially viable. The Commission proposes that the union
43 of churches structure become an acceptable alternative to the four-constituency-
44 based model.
45

- 1 5. **Three constituency-based model with delegated roles to district leaders.** This
2 model continues the three constituency-based pattern described above. It differs
3 from the previous model in that a non-constituency-based coordinating function is
4 inserted for a group or district of local churches. The role of the district director
5 (in some places designated as a field secretary) is advisory and consultative rather
6 than administrative. The district director serves as a representative of
7 administration. This person may also have some departmental leadership
8 functions assigned by the regional organization (i.e., union of churches or local
9 mission/conference).
- 10
- 11 6. **Special Alternative Organizations.** The General Conference Executive
12 Committee (April 2006) adopted guidelines¹¹ for establishing alternative
13 structures to initiate Seventh-day Adventist mission in areas where traditional
14 church structures are not present and/or not permitted.
- 15

16 The Commission recommends that the models #2 through #6 be acceptable alternatives to
17 the standard model. In other words, the Seventh-day Adventist Church will have multiple
18 models of organizational structure rather than only one. These multiple models may co-exist in
19 the sense that denominational structure in one area may illustrate one of the models while an
20 adjacent area may reflect another of the available models.

21

22

23 *Other types of organizational flexibility*

24

25 This report deals primarily with flexibility in patterns of denominational structure. There
26 are other types of organizational flexibility that should also be considered and utilized in
27 situations where doing so would increase effectiveness and efficiency. These include:

28

- 29 1. **Mergers, realignment, or reclassification of territory.** In the interest of futhering
30 mission, growth, and unity it may be advisable to merge, realign, or reclassify existing
31 organizations. These mergers, realignments, and reclassifications may not result in
32 new patterns of organizational structure but they should be seen among the options
33 available to constituencies and executive committees when evaluating the current
34 status and future need for efficient and effective structures.
- 35

36 The presence of various institutions (schools, colleges, clinics, hospitals, etc.) may be
37 a complicating factor in the proposed merger of organizations. Careful consideration
38 will need to be given to the impact of organizational mergers upon the need for and
39 viability of multiple institutions providing similar services.

40

- 41 2. **Consolidation of services.** Several organizations, without changing their
42 constituency-based identity, may choose to consolidate various services out of one

¹¹ Guidelines on Alternative Organization Structures and Administrative Relationships are applicable in circumstances where formal denominational structures are inadvisable or impossible due to external circumstances. A copy of these guidelines is available from the office of the Vice-President having oversight of Adventist Mission at the General Conference of Seventh-day Adventists.

1 location. For example: In countries with advanced communication technologies it
2 may be possible to centralize much of the accounting, payroll, and human resource
3 functions for several organizations thus reducing staff, space, and software
4 requirements.

- 5
6 3. **Outsourcing.** Certain services required by denominational entities may be more
7 effectively provided through outsourcing arrangements, either with local providers or
8 with other denominational entities at a distant location.
9

10 General Conference *Working Policy* outlines specific approval procedures for changes to
11 organizational structure. Such changes usually require approval from division and/or General
12 Conference executive committees. Two elements of flexibility described above (consolidation of
13 services and outsourcing) represent operational changes rather than structural change. Because
14 these may have considerable impact on more than one organization it is appropriate that division
15 administrations be consulted in advance regarding such arrangements. Division officers shall
16 advise the entities involved regarding any approval process that may be necessary. In the case of
17 divisions considering these flexibility alternatives for themselves, the consultation and approval
18 process shall involve, at a minimum, the General Conference officers and administrative
19 committee.
20

21 ***Guiding Principles for Implementing Options in Structural Flexibility***

22

23 The following principles will serve as reference points in the consideration of what kinds
24 of new organizations should be established or in determining how existing organizations might
25 transition to an alternative form of structure.
26

- 27 1. **Increased efficiency and/or effectiveness in mission.** In the opinion of the relevant
28 constituency introducing a modification to structure, staffing, or services within the
29 territory of a regional organization (local conference, local mission, union conference,
30 union mission, union of churches) the proposed change will enhance effectiveness
31 and efficiency in mission and strengthen the bond of global unity.
32
- 33 2. **Preservation of key leadership values and governance practices.** The introduction
34 of any alternative to standard structure and procedures will preserve the following
35 leadership values and governance practices:
36
- 37 a. Leaders are accountable to an executive committee and a defined
38 constituency.
 - 39 b. The organization is clearly identified as a Seventh-day Adventist organization
40 and is formally acknowledged by Church infrastructure as part of
41 denominational organization.
 - 42 c. Interconnectivity and functional relations with denominational structure are
43 maintained.
 - 44 d. The organization operates in compliance with denominational policies.
 - 45 e. The decision to adopt alternative structures or procedures is not self-
46 determined by the unit in question.

- 1 f. A process is adopted for evaluating the advantages of any alternative structure
2 and for choosing/implementing organizational change.
3 g. The new organization is represented in one or more larger forums of
4 denominational decision-making.
5

- 6 3. **Organizational status can be changed.** Adjustments in organizational status or
7 classification can be changed in either direction. It can no longer be assumed that
8 organizational development is in one direction, from mission status to conference
9 status, and that conference status is permanent. The 2005 Annual Council amended
10 General Conference *Working Policy* (see B 75 30) to provide a process for the non-
11 disciplinary review and amendment of an organization's status. The principle of
12 flexibility in structure allows for an organization's status to change in response to the
13 core values of effective engagement in mission and in maintaining Church unity.
14
- 15 4. **Decisions to adjust, for operational reasons, the organizational structure of one
16 or more territories shall require consideration by at least two categories of
17 denominational structure: that of the unit involved plus the next larger unit of
18 denominational organization.** In addition, division and/or General Conference
19 executive committees shall grant/withhold approval of a structural change in a unit
20 whose officer(s) serves as a regular member of the division and/or General
21 Conference executive committee.
22
- 23 5. **Justification for creating new structures or for modification/consolidation of
24 existing structures may vary from place to place.** Many aspects must be taken into
25 consideration. The decision regarding structural organization within a given territory
26 is basically a collective judgment made after examining the interrelationship of
27 factors such as: legal constraints, size of membership, extent of territory that can be
28 served by a regional organization, national boundaries, cultural identities, elimination
29 of unnecessary structures, financial viability, and whether or not a new/modified
30 structure brings greater effectiveness and impetus to mission. No single factor,
31 except perhaps for legal constraints, and national or geographic boundaries, is
32 overwhelmingly determinative in the formation of new organizations. (For example:
33 reaching the threshold of 100,000 members is not alone sufficient justification for
34 dividing a territory into two or more units.)
35

36 Since denominational organization is also a way in which Seventh-day Adventists
37 give witness to the Gospel and its implications for community the option to create
38 new or modified structures should not be used to isolate or favor particular groups of
39 members on the basis of ethnicity, language, culture or economic circumstance.
40 Further, it is expected that large constituency-based units in a given geographic
41 territory shall embrace the entire family of organizational units in that territory. (For
42 example: A local church shall be a member of the conference or union of churches in
43 whose geographic territory it resides. A local mission or local conference shall be a
44 member of the union in whose territory it resides. Except in cases where an
45 organization has been directly attached to a division or to the General Conference, a
46 unit of church organization shall not be granted membership in another entity whose

1 territory, by division or General Conference executive committee action, does not
2 include the unit in question. This does not prevent the periodic bifurcation of
3 territory or the realignment of territorial boundaries among entities as per policy.)
4

- 5 **6. The official designation and establishment of organizational units and their**
6 **territories define the lines of formal communication and representation.** In the
7 course of addressing mission challenges and opportunities there may be need for ad
8 hoc and informal structures that facilitate communication, resource mobilization,
9 training and implementation of special projects among local, regional and global
10 levels of organization. Approval should be requested from the next larger unit of
11 organization when such informal structures (whether single events or on-going in
12 nature) involve entities outside the territory of the organization that is proposing the
13 ad hoc or informal structure..
14
15

16 ***Principles for representation in denominational organization.***
17

18 The number of members on an executive committee is a practical consideration. In
19 general, smaller groups tend to be more productive and efficient than larger groups; therefore a
20 system of fair representation is necessary. A precise calibration of fairness in representation is
21 not always possible. Factors of membership size, resources, organizational units, laity, and
22 employees will need to be considered. The following principles will help to establish a workable
23 and equitable system:
24

- 25 **1. The membership of executive committees will broadly reflect the constituency**
26 **being served and will include gender, age, ethnic, and cultural diversity.** When
27 the full range of diversity cannot be reflected, due to limits of committee size, it may
28 be necessary to adopt numerical formulas for various groups or to arrange for a
29 rotational pattern of representation. Provision might also be made for invitee status
30 with voice but not vote.
31
- 32 **2. In order to achieve a balance in the composition of an executive committee, it**
33 **may be helpful to create a membership template where a portion of the executive**
34 **committee's members are selected:**
35
- 36 a. in proportion to size (membership) of participating organizations.
 - 37 b. as representatives of organizational units (e.g. churches, in the case of a local
38 mission/conference or union of churches OR missions, conferences, and
39 institutions, in the case of a union mission or conference).
 - 40 c. on an at-large basis without the requirement to qualify as representing a
41 segment of membership or a particular unit of organization.
42
- 43 **3. To facilitate effective two-way communication and accountability, provision**
44 **should be made for officers of larger units of organization to have voting rights,**
45 **when present, at a meeting of the executive committee.** The number of such

1 persons with voting rights shall be limited to a maximum of not more than 10% of the
2 executive committee membership present.

3
4 **4. Opportunity will be provided for members (in the case of local church boards) or**
5 **member units (in the case of mission, conference, union, division, General**
6 **Conference executive committees) to be informed, and to comment when and**
7 **where appropriate, even if they do not have an official representative on the**
8 **executive committee.**
9

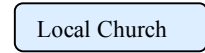
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The Pattern of Current Denominational Structure

Standard
Seventh-day
Adventist
Denominational
Structure

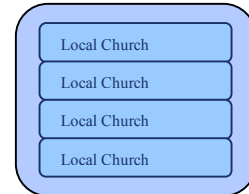
Constituency-based unit 1

Local Church—A group of Seventh-day Adventist members in a defined location that has been granted, by the constituency of a local conference/mission, in session, official status as a local church.



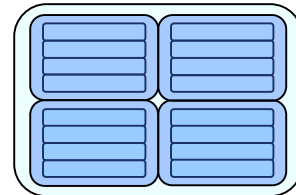
Constituency-based unit 2

Local Conference—A group of local churches, within a defined geographic area, that has been granted, by the constituency of a union conference/mission and/or a division executive committee, official status as a Seventh-day Adventist local conference or mission. However, a local mission does not exercise the same level of self-governance as a conference.



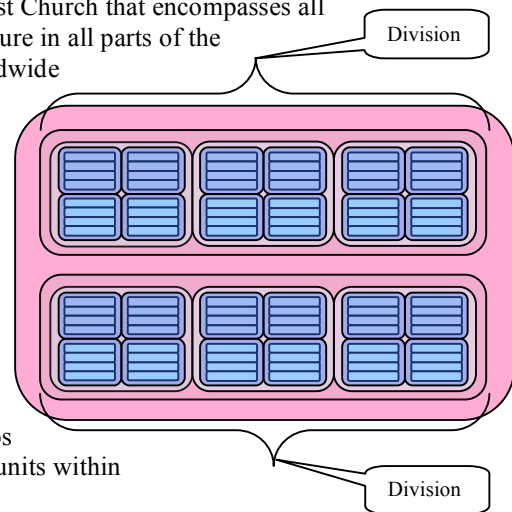
Constituency-based unit 3

Union Conference—A specific group of local conferences/missions, within a defined geographic area, that has been granted, by a General Conference Session, official status as a Seventh-day Adventist union conference/mission. However, a union mission does not exercise the same level of self-governance as a union conference.



Constituency-based unit 4

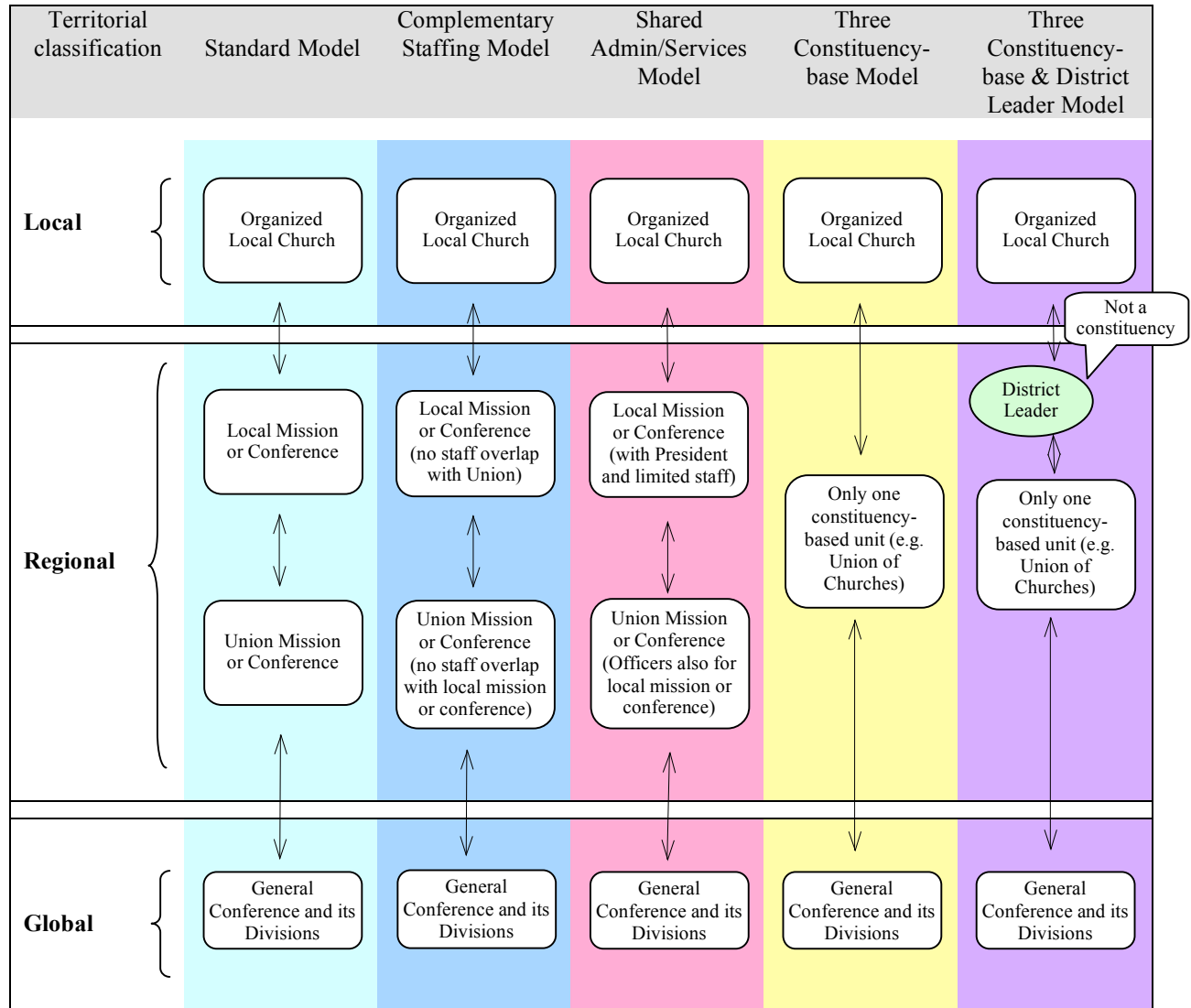
General Conference—The General Conference is the unit of organization of the Seventh-day Adventist Church that encompasses all church organizational structure in all parts of the world. To facilitate its worldwide activity, the General Conference has established regional offices, known as divisions of the General Conference, which have been assigned, by action of the General Conference Executive Committee at Annual Councils, general administrative responsibilities for designated groups of unions and other church units within specific geographic areas.



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Illustration of Structural Design Alternatives #1 - #5



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1 **RECOMMENDATION #1**

2
3 GENERAL CONFERENCE *WORKING POLICY* AMENDMENT—STRUCTURAL
4 FLEXIBILITY

5
6 Recommended: To approve, as General Conference *Working Policy*, the following
7 statement on structural flexibility.

8
9 **B 10 27 Structural Flexibility**—Flexibility in Seventh-day Adventist
10 organizational structure is the application to new or existing organizational structures of
11 specific alternative organizational patterns and procedural principles in light of prevailing
12 circumstances and environments within the territory of a division of the General
13 Conference. The application of such patterns and principles, after appropriate approvals,
14 may result in:

15
16 a) Modification of structural designs as compared with the historical pattern of
17 local conference/local mission, union conference/union mission organizations, and unions
18 of churches;

19
20 b) Modification of staffing patterns (as compared to historical practice at local
21 conferences/local missions, union conferences/union missions, and unions of churches) at
22 larger units of organization between the local church and the General
23 Conference/division;

24
25 c) Realignment of how services are provided between the various existing or
26 new organizations;

27
28 d) Establishment of new regional structures as a result of the consolidation of
29 existing organizational units, the reclassification of entities or the reduction of
30 constituency-based units of organization.

31
32 Decisions to implement flexibility in organizational structures, procedures and
33 relationships shall preserve dynamic and formal linkage to the world church and sister
34 organizations in harmony with denominational policies. Accordingly, such decisions will
35 involve consultation and consent from larger member units of organization. Policies
36 define the various approval processes that apply to organizational changes. Flexibility in
37 organizational structure does not mean that the design of organizational structure or
38 staffing is self-determined or that an infinite number of alternatives is available.

39
40

1 **RECOMMENDATION #2**

2
3 GENERAL CONFERENCE *WORKING POLICY* AMENDMENT—ALTERNATIVES IN
4 ORGANIZATIONAL STRUCTURE

5
6 Recommended: To approve the following range of organizational models for
7 denominational structures with the understanding that multiple models may co-exist within a
8 division territory. Denominational structure in one geographic area may illustrate one model
9 while organization in an adjacent territory may reflect another of the available models.

- 10
11 1. **Standard model.** This model has four constituency-based units of organization. The
12 regional and global organizations in this model generally have similar staffing
13 patterns. Its widespread use makes this the standard model of structure. However,
14 the standard model should not automatically be considered as preferred above others.
15
16 2. **Complementary staffing model.** This model retains the four constituency-based
17 units of organization. It is different from the standard model in that the staffing
18 pattern at local mission/conference does not parallel that of the union
19 mission/conference. Each organization in this model has a multiple officer leadership
20 team (typically three officers). Department directors may be located at either or both
21 the local mission/conference and the union mission/conference. However, a
22 department director at the local mission/conference may not have a full-time
23 counterpart at the union. Similarly, the union department director may not have a
24 counterpart at the local conference/mission. The department staffing pattern at both
25 local and union organizations serve to complement (complete rather than duplicate)
26 the range of services required in the territory.
27
28 3. **Shared administration and/or administrative services model.** This model
29 introduces differentiation from the standard model in the staffing of administration.
30 At the local mission/conference there may be only one full-time officer, the president.
31 The union treasurer may serve simultaneously as the local mission/conference
32 treasurer in such situations. Unless someone is elected to serve as the secretary this
33 role may be assigned by election to either the president or the treasurer. Department
34 staffing in this model may be configured as in #2 above. The result is that the local
35 mission/conference has fewer employees in administration since officers of the union
36 mission/conference also hold administrative assignments in the local
37 mission/conference and/or care for certain administrative services.
38
39 4. **Three constituency-base model.** This model has three constituency-based units of
40 organization compared to four in the standard model. In this model the regional unit
41 of organization is identified as a “Union of Churches.”
42
43 5. **Three constituency-base model with delegated roles to district leaders.** This
44 model continues the three constituency-base model described above. It differs from
45 the previous model in that a non-constituency-based coordinating function is inserted
46 for a group or district of local churches. The role of the district director (in some

1 places designated as a field secretary) is advisory and consultative rather than
2 administrative. The district director serves as a representative of administration. This
3 person may also have some departmental leadership functions assigned by the
4 regional organization.
5

- 6 **6. Special Alternative Organizations.** The General Conference Executive Committee
7 (April 2006) adopted guidelines¹² for establishing alternative structures to initiate
8 Seventh-day Adventist mission in areas where traditional church structures are not
9 present and/or not permitted.

11 **RECOMMENDATION #3**

14 **NON-STRUCTURAL TYPES OF ORGANIZATIONAL FLEXIBILITY**

16 **Recommended** To encourage denominational entities to consider, in the interest of
17 effectiveness in mission and efficiency in resources, the advantages and disadvantages of the
18 following types of non-structural flexibility.
19

- 20 1. **Mergers, realignment, or reclassification of territory:** In the interest of furthering
21 mission, growth, and unity it may be advisable to merge, realign, or reclassify existing
22 organizations. These mergers, realignments, and reclassifications may not result in
23 new patterns of organizational structure but they should be seen among the options
24 available to constituencies and executive committees when evaluating the current
25 status and future need for efficient and effective structures.
26

27 The presence of various institutions (schools, colleges, clinics, hospitals, etc.) may be
28 a complicating factor in the proposed merger of organizations. Careful consideration
29 will need to be given to the impact of organizational mergers upon the need for and
30 viability of multiple institutions providing similar services.
31

- 32 2. **Consolidation of services:** Several organizations, without changing their
33 constituency-based identity, may choose to consolidate various services out of one
34 location. For example: In countries with advanced communication technologies it
35 may be possible to centralize much of the accounting, payroll, and human resource
36 functions for several organizations thus reducing staff, space, and software
37 requirements.
38
- 39 3. **Outsourcing:** Certain services required by denominational entities may be more
40 effectively provided through outsourcing arrangements, either with local providers or
41 with other denominational entities at a distant location.
42

¹² Guidelines on Alternative Organization Structures and Administrative Relationships are applicable in circumstances where formal denominational structures are inadvisable or impossible due to external circumstances. A copy of these guidelines is available from the office of the Vice-President having oversight of Adventist Mission at the General Conference of Seventh-day Adventists.

1 General Conference *Working Policy* outlines specific approval procedures for changes to
2 organizational structure. Such changes usually require approval from division and/or General
3 Conference executive committees. Two elements of flexibility described above (consolidation of
4 services and outsourcing) represent operational changes rather than structural change. Because
5 these may have considerable impact on more than one organization, division administrations
6 shall be consulted in advance regarding such arrangements. Division officers shall advise the
7 entities involved regarding any approval process that may be necessary. In the case of divisions
8 considering these flexibility alternatives for themselves, the consultation and approval process
9 shall involve, at a minimum, the General Conference officers and administrative committee.

11 **RECOMMENDATION #4**

14 **GUIDELINES FOR DECISIONS ON ORGANIZATIONAL STRUCTURE**

16 Recommended: To approve the following statement of guiding principles for decisions on
17 organizational structure.

18
19 The following principles serve as reference points in the consideration of what kinds of
20 new organizations should be established or in determining how existing organizations might
21 transition to an alternative form of structure.

- 23 1. **Increased efficiency and/or effectiveness in mission.** In the opinion of the relevant
24 constituency introducing a modification to structure, staffing, or services within the
25 territory of a regional organization (local conference, local mission, union conference,
26 union mission, union of churches) the proposed change will enhance effectiveness
27 and efficiency in mission and strengthen the bond of global unity.
- 28
29 2. **Preservation of key leadership values and governance practices.** The introduction
30 of any alternative to standard structure and procedures will preserve the following
31 leadership values and governance practices already in use:
 - 33 a. Leaders are accountable to an executive committee and a defined
34 constituency.
 - 35 b. The organization is clearly identified as a Seventh-day Adventist organization
36 and is formally acknowledged by Church infrastructure as part of
37 denominational organization.
 - 38 c. Interconnectivity and functional relations with denominational structure are
39 maintained.
 - 40 d. The organization operates in compliance with denominational policies.
 - 41 e. The decision to adopt alternative structures or procedures is not self-
42 determined by the unit in question.
 - 43 f. A process is adopted for evaluating the advantages of any alternative structure
44 and for choosing/implementing organizational change.
 - 45 g. The new organization is represented in one or more larger forums of
46 denominational decision-making.

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3. **Organizational status can be changed.** Adjustments in organizational status or classification can be changed in either direction. It is no longer assumed that organizational development is in one direction, from mission status to conference status, and that conference status is permanent. The 2005 Annual Council amended *GC Working Policy* (see B 75 30) to provide a process for the non-disciplinary review and amendment of an organization's status. The principle of flexibility in structure allows for an organization's status to change in response to the core values of effective engagement in mission and in maintaining Church unity.
 4. **Decisions to adjust, for operational reasons, the organizational structure of one or more territories shall require consideration on at least two categories of denominational structure: that of the units involved plus the next larger membership unit of denominational organization.** In addition, division and/or General Conference executive committees shall grant/withhold approval of a structural change in a unit whose officer(s) serves as a regular member of the division and/or General Conference executive committee.
 5. **Justification for creating new structures or for modification/consolidation of existing structures may vary from place to place.** Many aspects must be taken into consideration. The decision regarding structural organization within a given territory is basically a collective judgment made after considering the interrelationship of factors such as: legal constraints, size of membership, extent of territory that can be served by a regional organization, national boundaries, cultural identities, elimination of unnecessary structures, financial viability, and whether or not a new/modified structure brings greater effectiveness and impetus to mission. No single factor is overwhelmingly determinative in the formation of new organizations. (For example: reaching a particular membership threshold is not sufficient justification by itself for dividing a territory into two or more units.)

Since denominational organization is also a way in which Seventh-day Adventists give witness to the Gospel and its implications for community the option to create new or modified structures should not be used to isolate or favor particular groups of members on the basis of ethnicity, language, culture or economic circumstance. Further, it is expected that large constituency-based units in a given geographic territory shall embrace the entire family of organizational units in that territory. (For example: A local church shall be a member of the conference or union of churches in whose geographic territory it resides. A local mission or local conference shall be a member of the union in whose territory it resides. A unit of church organization shall not usually be granted membership in another entity whose territory, by division or General Conference executive committee action, does not include the unit in question. This does not prevent the periodic bifurcation of territory or the realignment of territorial boundaries among entities as per policy.)
 6. **The official designation and establishment of organizational units and their territories define the lines of formal communication and representation.** In the

1 course of addressing mission challenges and opportunities there may be need for ad
2 hoc and informal structures that facilitate communication, resource mobilization,
3 training and implementation of special projects among local, regional and global
4 levels of organization. Approval should be requested from the next larger unit of
5 organization when such informal structures (whether single events or on-going in
6 nature) involve entities outside the territory of the organization that is proposing the
7 ad hoc or informal structure.
8
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10 **RECOMMENDATION #5**

11 **GUIDELINES FOR IMPLEMENTATION OF ALTERNATIVES IN ORGANIZATIONAL** 12 **STRUCTURE**

13
14
15 Recommended: To approve the following statement of guidelines for the implementation
16 of alternatives in organizational structure.
17

- 18 1. **Decisions based on careful study and broad participation of entities affected.**
19 The basic idea is that, within certain parameters, the selection of a design for
20 organizational structure shall be the result of a choice based upon careful study and
21 participation by a broad representation of members and organizations affected by a
22 potential change in structure.
23
- 24 2. **Conducting a study does not signal inevitable structural change.** The initiative to
25 undertake a study of organizational structure and the strengths or weaknesses of
26 adopting an alternative structure may come from a division or from any unit of
27 organization potentially affected by a change. The fact of conducting a study and
28 evaluation does not in itself create a requirement for change. The purpose of study
29 and evaluation is to determine the merits of a potential change and to develop and
30 refine, through broad participation, a rationale for retaining existing structure or
31 adopting alternative forms of structure.
32
- 33 3. **Approval process for structural change.** In order to ensure that appropriate time
34 and attention have been given to a proposal regarding adjustment to structure, every
35 constituency unit affected by a proposed change shall have an opportunity to express
36 its opinion, whether or not the opinion arose from the constituency itself. In the spirit
37 of being an international family no single entity or constituency group is entitled to
38 make a final decision regarding its own organizational structure. One of the operating
39 principles in Seventh-day Adventist Church life is that membership and status in
40 organizational structure is neither self-determined nor perpetual. Membership and
41 organizational status is entrusted to an organization by action of a formally
42 constituted body representing a larger territory and church membership than that of
43 the organization in question. In principle, final approval of decisions affecting
44 organizational restructuring of a local mission/conference should be made by a
45 division executive committee. Final decisions affecting the restructuring of a union
46 should be made by the General Conference executive committee.

- 1
2 4. **Consent and collaboration vital to successful implementation of structural**
3 **change.** It is expected¹³ that the decision-making processes concerning potential
4 organizational changes will be such as to elicit the consent and cooperation of all
5 organizations involved. If and when this is not possible, a division executive
6 committee may implement organizational change in organizations having mission
7 status. A directive for organizational change, based on mission effectiveness, should
8 not be implemented against the constituency decision of an organization having
9 conference status.

10
11
12 **RECOMMENDATION #6**

13
14 **GUIDELINES FOR REPRESENTATION IN ORGANIZATIONAL STRUCTURES**

15
16 Recommended: To approve the following guidelines for representation in organizational
17 structure.

18
19 ***Principles for representation in denominational organization.***

20
21 The number of members on an executive committee is a practical consideration. In
22 general, smaller groups tend to be more productive and efficient than larger groups; therefore a
23 system of fair representation is necessary. A precise calibration of fairness in representation is
24 not always possible. Factors of membership size, variety of nationalities, available resources, the
25 number of organizational units, and representation from laity and employees will need to be
26 considered. The following principles will help to establish a workable and equitable system:

- 27
28 1. **The membership of executive committees will broadly reflect the constituency**
29 **being served and will include gender, age, ethnic, and cultural diversity.** When a
30 broad range of diversity cannot be reflected, due to limits of committee size, it may
31 be necessary to adopt numerical formulas for various groups or to arrange for a
32 rotational pattern of representation. Provision might also be made for invitee status
33 with voice but not vote.
34
35 2. **In order to achieve a balance in the composition of an executive committee, it**
36 **may be helpful to create a membership template where a portion of the executive**
37 **committee's members are selected:**
38
39 a. in proportion to size (membership) of participating organizations.

¹³ The concepts outlined in this paragraph pertain to structural adjustments contemplated for heightened effectiveness in mission or for greater operational efficiencies. Decisions regarding structural changes that are considered necessary for other reasons (i.e. theological or disciplinary) may be implemented as a result of a mandate, as outlined in General Conference *Working Policy* and in keeping with the spirit of fair representation and the right of appeal by the appropriate concerned party/parties.

- b. as representatives of organizational units (e.g. churches, in the case of a local mission/conference or union of churches OR missions, conferences, and institutions, in the case of a union mission or conference).
- c. on an at-large basis without the requirement to qualify as representing a segment of membership or a particular unit of organization.

- 3. To facilitate effective two-way communication and accountability, provision shall be made for officer of larger units of organization to have voting rights, when present, at a meeting of the executive committee.** The number of such persons with voting rights shall be limited to a maximum of not more than 10% of the executive committee membership present.
- 4. Opportunity will be provided for members (in the case of local church boards) or member units (in the case of mission, conference, union, division, General Conference executive committees) to be informed, and to comment when and where appropriate, even if they do not have an official representative on the executive committee.**

Related actions

Commission recommendations thus far, if approved, provide a platform for significant adjustments in the structure and operations of various denominational entities. The Commission proposes that the organizational structure, union of churches, be approved as one expression of the organizational alternatives available. Several related actions are necessary in order to complete the arrangements for unions of churches to be established and for present unions of churches to transition fully to the operational model envisioned. These actions include:

1. Amendments to the General Conference Constitution and Bylaws that recognize the role and representation privileges of unions of churches.
2. Amendments to General Conference *Working Policy* regarding the status of unions of churches.
3. Adoption, in General Conference *Working Policy*, of model constitution and bylaws for unions of churches.
4. Clarification in General Conference *Working Policy* regarding the application of financial policies to unions of churches.

These matters are addressed in a subsequent series of recommendations by the Commission.