



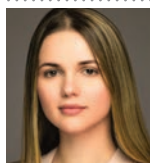
Uniting the Board of Directors

By Liron Daniels, RCM, and Kateryna Polek, RCM

The condominium industry is structured in a way where there is a constant rotation of new members governing the corporation. Due to the ebb and flow in governance, conflicts between personalities often arise, and these can hinder the effective operation of the property.



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When it comes to managing the board of directors' meetings, the board's first responsibility is finding the right CEO. Within the condominium context, this is an efficient property manager who will execute the directives effectively.

Orientation: bridging the gap for effective decision-making processes

Beyond the context of condominium governance, many boards fail to real-

ize their internal competencies and synergize them in a way that generates maximum value to the homeowner. Not doing so often results in complacency, sub-optimal performance, and failing to hold management accountable for results. Furthermore, it can breed internal resentment amongst board members, cyclical discussions, and overall dissent.

Internal structures can be implemented to help bridge this gap in governance. First, roles and responsibilities must be defined. Fortunately, many corporations already have these positions outlined within their governing documents. It is critical to have the board positions matched according to the core competencies within your elected directors.

Next, it is necessary to identify who is the chairman during the meeting. The chair has a role that influences multiple aspects of the board. He or she is responsible for managing meetings, liaising with management, and generat-

ing consensus. An effective chairperson will mediate disputes, verify information validity, frame projects for board decision or oversight, and even coach and orient new directors during turnover. This is someone who is required to have a high level of emotional intelligence and influence. This person establishes trust amongst the group and fosters an environment in which consensus can be reached.

Lack of orientation leads to dissatisfaction

No matter how effectively a board is structured, situations will always arise where disagreements will occur. There may be some dissatisfaction with the validity of the information provided, the framing of an issue, or maybe on a decision that is already made. Consider a situation where, just as a resolution is about to be made, a board member raises a seemingly minute issue and stalls a major project. This can cause significant frustration,

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As the sole professional association for condominium managers and management companies in Ontario, ACMO strongly encourages all its members to adhere to its Codes of Ethics. Each of the 14 codes was developed to instill public confidence in the condominium management profession and to ensure that confidence extends throughout the condominium communities that are managed by individuals and by management companies.

In addition to a code for managers, ACMO has developed two complementary codes for management companies and for associate members of the association.

You can find ACMO's Code of Professional Ethics, Code of Corporate Ethics, and Associate Code of Ethics at www.acmo.org

especially if this project has been in the planning stages for many months. To another person, it might seem like this director is refusing to cooperate, and is purposefully being contrarian. However, this may not necessarily be the case, and this director might have information that is crucial to the project at hand.

It is vital to realize that the viewpoints of individual board members vary - but no perspective is ever right or wrong. In fact, these hidden information sets can hold a lot of value. Unfortunately, we often fail to disclose and acknowledge those internal schemas early in the decision-making process - resulting in a long and arduous cycle where there is no resolution. A possible solution is to have the chairman fully disclose all facts of the matter, as well as forecasts, should a decision not be made. Once all known information is disclosed, it may be prudent for all directors to share their assessment of the information. Afterwards, directors express their criteria necessary to make a decision, and this criterion is organized by the chairman and management.

From our experience, this has proven to be the most effective way to manage boards who find themselves in a chronic state of dissatisfaction. After all, as Warren Buffett once said, "It is not easy to ask difficult questions in a boardroom populated by well mannered people who got on well." As such, information and criteria from these directors are often uncommunicated, resulting in a cycle of indecisiveness and inaction.

A progressive cycle of group development

What we have just explored are the formative stages of group development and the decision-making process: orientation, dissatisfaction, and resolution. These stages are followed by production and termination. All of these steps account for the five stages of the progressive cycle of group development, according to Roy Lacourssiere's theory. It facilitates a powerful approach of realizing fundamental dynamics that function between groups, and how to overcome the constraints associated with opinion diversity.

We've focused primarily on realizing key competencies of individual board members, how to utilize those competencies through synergy to prevent unrealistic expectations or frustration due to disorientation.

In conclusion, the effective management of a condominium corporation requires a united board of directors. Realizing the competencies of individual board members and synergizing them will help bridge the gap for communities that are in dissent. ■

Liron Daniels, RCM, is the president of Nadlan Harris Property Management Inc. and has his BES (Building Environmental Services). Liron believes in hands-on management and open channels of communication between all those involved in the management of a condominium.

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