

## Vol. 07 No. 05 The Dumb Things Boards Do

*to Mess Up their Lives (And everyone around them, as well as their communities)  
(With apologies to Dr. Laura)*

*by Julie Adamen*

Recently I asked a few dozen community management professionals across the country – managers, company owners, principals, on site managers and a few vendors - to answer this simple question:

“What are some of the dumb things Boards do to mess up their associations, the managers’ lives, their own lives or their ability to function effectively?” Apart from some general venting and ranting (many answers ended with “I could go on and on...!”), our collective experience points to the same issues over and over, year after year. (And may I say some of you seriously need some therapy....).

After struggling a few days trying to put all the information in to a cogent article, it dawned on me that the thread tying all of those “Dumb Things Boards Do” together was a general lack of **vision and leadership**. This lack of vision and leadership leads to decisions based more on the short-term satisfaction of the parties involved rather than the long-term good of the communities. This month, let’s talk about the issues – next month we’ll talk about managing those issues.

### THE DUMB THINGS BOARDS DO

#### **Micromanage.**

Almost to a person, every respondent said one of the most counter-productive things Boards do is micromanage the manager and/or staff. Sometimes it’s the whole Board, usually, it’s just one member of the Board. And when it is one member of the Board – the rest of the Board knows it’s going on but turns a convenient blind eye to the problem.

Let’s think for a moment. How many association dollars do management and subcontractors, in dealing with the micromanager, spend? The Board, in allowing the micromanager to continue, is in essence using the community’s assets to fund the micromanager’s hobby. Not putting an end to micromanagement is a lack of leadership on the part of the remainder of the Board.

#### **Failing to hold productive meetings.**

Picking apart the minutes of the last meeting. Not reading the board packets prior to the meeting. Drinking before the meeting (especially before those night meetings). Prolonging the meeting through meaningless debate over non-agenda issues. Putting management on the spot by bringing up issues at the meeting without any advance notice (“Gotcha!”). Failing to make decisions on the same issues month after month. My, my. Is it the Board of Directors, or is it the United States Congress?

Once again, how many hours are spent in an unproductive stupor at Board Meetings? And it’s not just management that suffers – all those Board members who have a clue sit there and suffer, too – not to mention the membership who is trusting the Board to be productive stewards of the corporation.

#### **Disregard for liabilities.**

For some reason, many Boards of Directors often think they are immune to employment and discrimination laws. As one respondent put it:

“Board members are famous for making statements and observations which (if they were common knowledge) would make

any discipline of the employee impossible as the employee would have grounds for a discrimination suit. Typical Example: 'Those people are inherently late.' "

When Board members work in their own businesses, they would never dream of saying or doing anything remotely close to the above. Yet, Boards consistently allow one or two members to expose them to serious liability by not putting a stop to what is clearly out of line. It is easier for the rest of the Board to look the other way because they won't confront the offender – but who suffers if the community is sued? The membership. Short-term thinking that could have long-term ramifications for the community.

### **Basing Action on Emotions = Inconsistent Decision Making**

Probably the biggest indicator of a lack of vision, Boards will many times base their actions on (emotional) reaction, not fact or history. Whether it's the loudest homeowner at the Annual Meeting, the pushiest homeowner who wants to extend their patio beyond the limits, or the gadfly who just wants to see what he can stir up for entertainment. Many a policy has been made just to shut these people up, right now. I understand the motivation, but it's not in the long-term interest of the community. Sooner or later, those emotional reactions – which lead to decisions that are inconsistent with normal procedures - have long-term ramifications. The upshot is the incredible difficulty management and Boards have in effective policy and rules enforcement for the long term good of the community.

### **Failing to appropriately acknowledge staff or volunteers**

All of us like to get a little pat on the back every now and then. Unfortunately, getting a Board to acknowledge what has been accomplished can sometimes take an act of God – we in management know that fact all too well. But many Boards fail to acknowledge achievements or manage the input of their appointed volunteers!

We all know that at times, committees are formed simply to give some crusading homeowners something to do in a manageable form. But even those committees and volunteers, as well as the more standard committees, should receive some acknowledgement. The input of these volunteers does not have to be implemented – but the Board must acknowledge it. A lack of this crucial feedback does not encourage volunteers – who are upcoming Board members.

### **Accepting low bids and expecting top-notch service.**

It's the industry conundrum. Boards wouldn't go to a Yugo dealership and expect to drive out a BMW. Yet, they expect the lowest bidder to provide the same quality of service as the high bidder. Without change orders!

Accepting the lowest bid can be an appropriate decision for the Board to make (hold your groans, managers); however, there is a direct cost to managing the low bid and getting top-notch service out of that bidder. We'll talk about that next month.

### **Failing to move on or release personal agendas for the betterment of the community.**

Many Board members obtain their positions because they campaigned – very publicly - with some specific agenda. Many of these agendas are unrealistic ("Lower dues by 20%!"). When the member is finally ensconced on the throne of power and realizes the folly of his/her campaign, they are emotionally unable to let go and move on for the betterment of the community.

This unresolved emotion often leads to the Board member acting out in several ways over a period of time – usually by finding a new cause to "win" since they "lost" the last one. It's salve to a wounded ego. Where the train goes off the track is when the crusade becomes personally directed at the manager (a VERY common occurrence since it probably fell to the manager to point out the futility of the crusade) or at another Board member. Boards need to realize that managing the wounded crusader costs the association a tremendous amount of time and money that would be better spent on real association issues.

### **Hiring a Board member (or homeowner) to be the manager.**

One of my personal favorites and quite a source of mirth and consternation for the industry, hiring a board member or homeowner to be the manager has to be one of the dumbest decisions made by Board members.

Of course, a non-professional manager who'll last only a few months costs the association in many ways, liability being number one, not to mention the thousands spent in an almost wasted salary. Is hiring that person the act of trusted fiduciaries who have a vision for the community? No. It's usually a quick fix based on 1) Cost (One recent example: "I'll do it for \$1.00 per month for the first 3 months!") or 2) Peer Pressure ("He can do the job, how hard can it be? After all, he used to be a Captain of Industry somewhere... has five degrees in engineering.... Retired military..."). It's misguided economy at best, and a complete breach of fiduciary duty at worst.



## **The Real Issue: Failing to have Vision and clearly defined and Goals and Objectives**

Through CAI, Boards of Directors can take classes giving them the basics of their functions. Although valuable, they are rudimentary. Boards need, and want, more. They need and want the tools to manage themselves in the larger sense. They need and want guidance in managing volunteers who happen to be their neighbors. They need and want direction in setting policy, defining their goals and creating Vision. Boards that have a clear vision of where they are going and what they want to achieve seldom make the mistakes we have listed above (and the numerous others we have not).

With more and more community associations coming on line, with statistics showing that the majority of us will live in a community association at some time in our lives — we need to work towards guidance and education for Boards on the macro management of their communities. Those “macros”, or “larger issues” of community management include assisting Boards in developing Vision for their communities, adopting or revamping Mission Statements, and naming Goals and Objectives that are real and obtainable. These “macros” are accomplished through the Strategic Planning Process – and that is the beginning of real Board education.

*Note: This article was originally published in June of 2002.*

*This topic is the centerpiece for a PowerPoint presentation by Julie Adamen. If you would like to know more about it, just email her at [julie@adamen-inc.com](mailto:julie@adamen-inc.com)*

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