



The Leadership Puzzle

Putting the Pieces Together

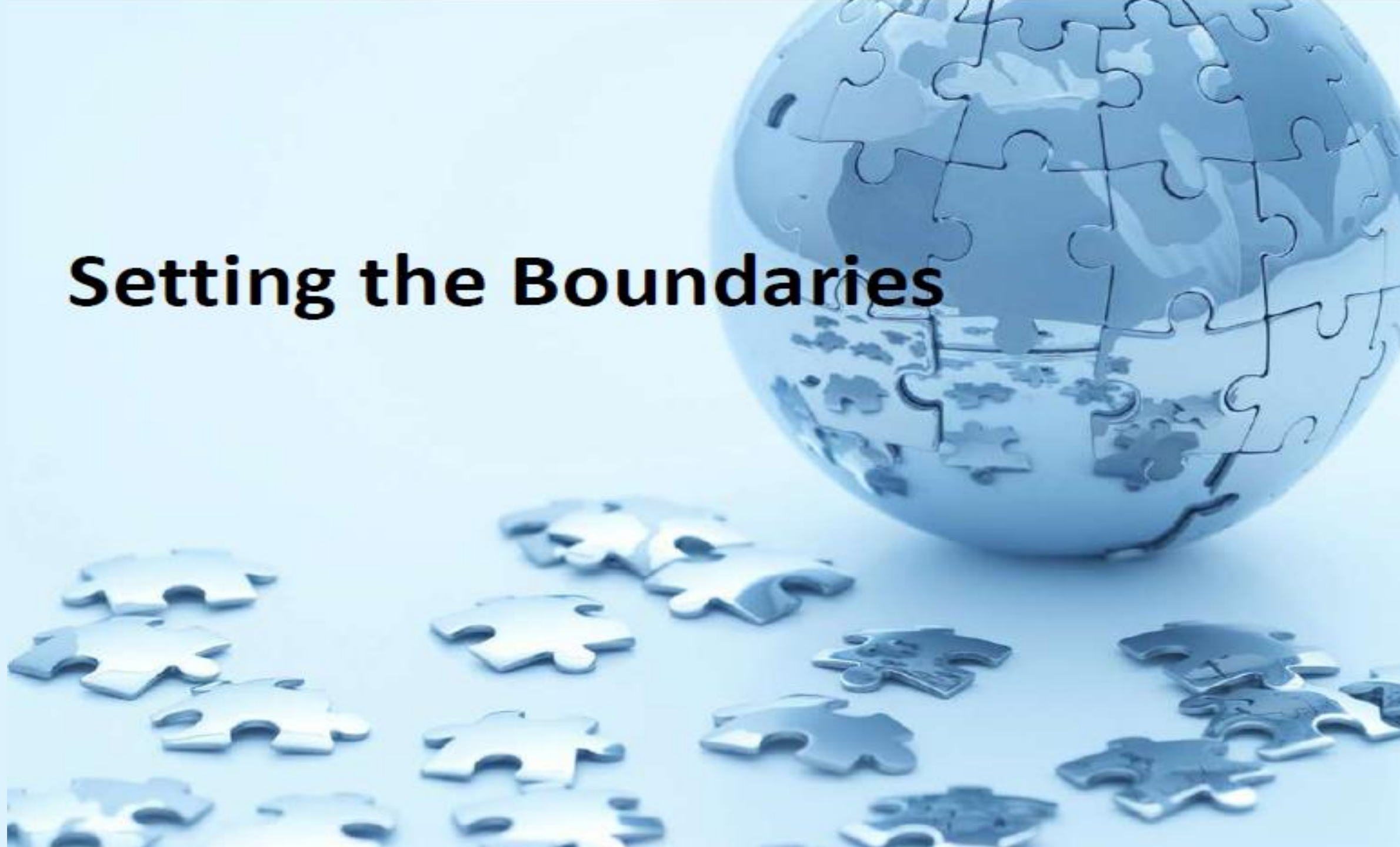
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Setting the Boundaries



Legal Duties and Other Issues



Agreement to Serve

Setting expectations and defining commitment

Fiduciary Duties to Association

Members must understand the impact, ramifications & liability if violated

Anti-Trust

In any meeting, gathering or interaction of members and must be handled

Harassment

Growing awareness needed since ramifications can be costly

Conflicts of Interest

Personal conflicts and/or agendas

Holding Local, State and/or National positions concurrently



Agreements to Serve

- Required document to be signed before being able to serve on BOD, on Finance, on specialized task forces, workgroups, most committees
- Detailed requirement in policy job descriptions and criteria to run for positions
- Includes agreement to – attendance requirements, fiduciaries, harassment policy, conflict of interest policy, social media and recording policy, peripheral device policies, whistleblower policy, substance abuse, etc
- Acknowledgement that the agreement is binding, non-negotiable and not subject to appeal before immediate removal from group

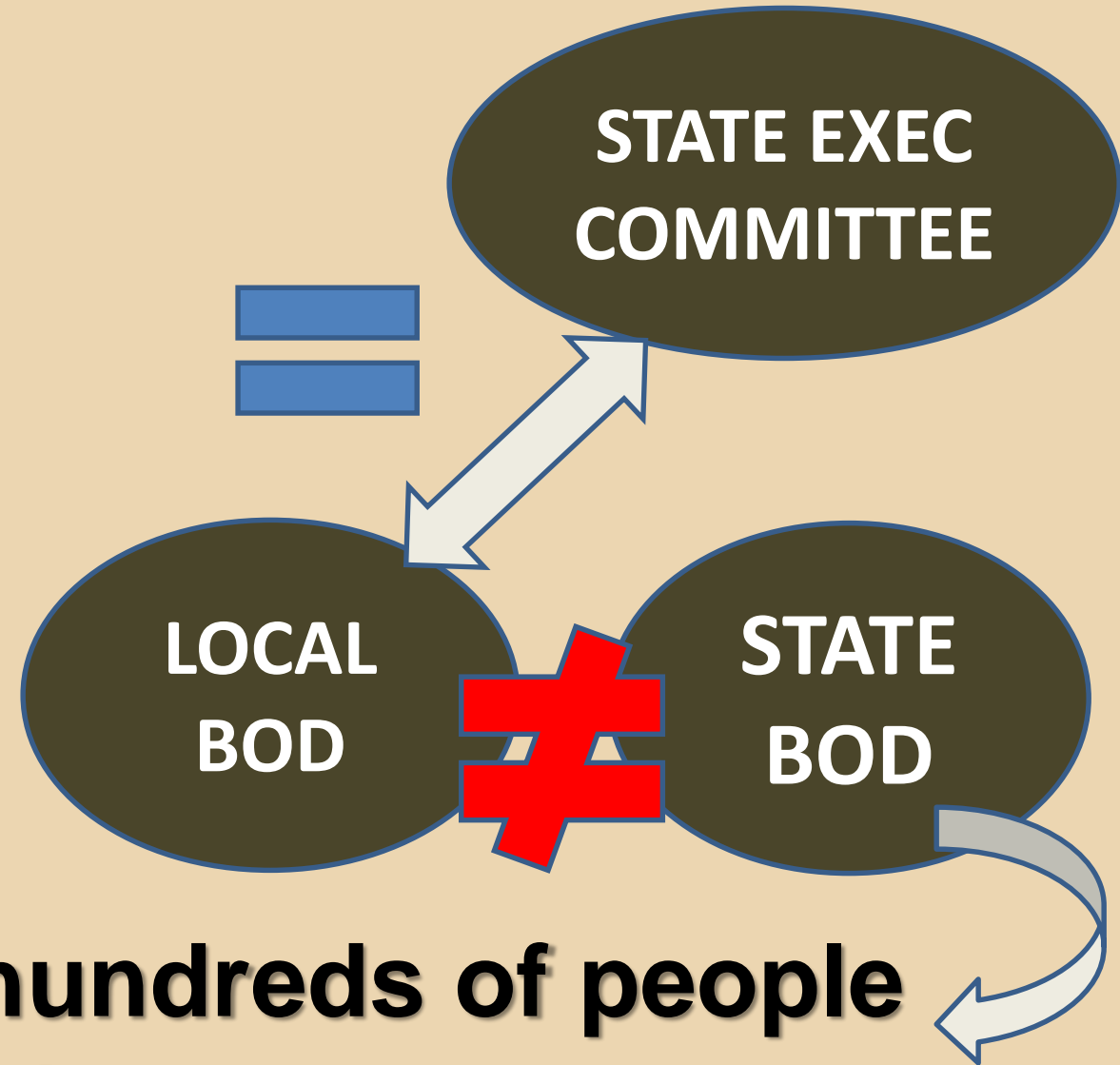
Fiduciary breach nullifies E&O Insurance; opens directors up to personal liability; allows for class action and general lawsuits against the board

REMINDER – CEO works for the corporation – not any person(s)



- **Obedience** to by-laws, policies, procedures, guidelines, BOD decisions
- **Loyalty** to the decisions of BOD whether you agree or voted for it
- **Disclosure** of facts, research, pros/cons of any issues to be voted on
- **Confidentiality** for all debates and votes; BOD could be expected to sign an “Agreement of Confidentiality” – ***there is no transparency!***
- **Accounting** for money and docs
- **Reasonable Care** knowledgeable prior to voting; engage in full debate; render an action in best interest of association

The Equality Equation



**No one expects hundreds of people
in a room to keep a secret**

Realtor® Leadership Decisions – On the Hotseat!

- Sally is a member of a local Association's Board of Directors. One day, she gets a call from a reporter for the local newspaper, who also has a website/blog for which the reporter regularly writes. The reporter, who Sally met at a local chamber of commerce meeting, remembered talking with her at the chamber meeting about the real estate market and the fact that she was on the Association's Board of Directors. The reporter explains that she (the reporter) heard about an event the Association would be having about the housing needs of the community into the future and she would like some comments from Sally about the event. Sally is flattered that the reporter remembered her and decided to ask her to comment about the Association's views. She (the reporter) proceeds to ask Sally several questions, which Sally answers, explaining how the idea for the event was started and the vigorous and energetic discussion it generated with the Board of Directors, concluding in what was a somewhat controversial decision. The reporter asked Sally if Sally had supported the decision and Sally responded that she (Sally) was proud to have been the deciding vote to put on the event. The reporter asked a few follow up questions and thanked Sally for her help.
- Sally was proud of herself that she was able to develop this contact with the reporter and thought that the reporter may call her again about real estate issues. Sally thought that would be an exciting and potentially beneficial development for her business if she could get regularly quoted in the press on real estate issues in the community.
- What does your group think of Sally's actions?

Anti Trust

3 Ways to go to
Federal Prison

Price Fixing
Boycotting
Restraint of Trade



ALLISON ACHAUER

Realtor® Leadership Decisions – On the Hotseat!

- Two Directors, Harry and Bob, are in a local Association Board of Directors meeting, across the table from each other. Because they have become friends as Directors, they regularly traded text messages “under the table” (literally) during Board of Directors meetings “just for fun”, making “comments” about people and issues within the meeting.
- One of the items on the agenda at this meeting was an appeal from an ethics hearing by a Stan, a broker-member who was found in violation of the Code of Ethics. Harry and Bob both knew Stan from their regular real estate dealings in the market. In fact, both Harry and Bob had experienced “issues” with Stan in the past, particularly since the Stan had a firm that used an “alternative” business model based on a flat fee commission.
- Stan had been fined \$10,000 as part of the disciplinary recommendation. Stan’s appeal was based on the grounds of misinterpretation/misapplication of the Code and that the amount of the fine was excessive.
- As the appeal hearing progressed, Harry sent Bob a text message that said “I am so glad they finally caught this guy. I wish they would have fined him the max - \$15,000.” Bob texted back “Boy are you right. Maybe this will send him the message he better reconsider his flat fee shenanigans. Geez, he is such a pain to deal with.”



Harassment

- Serious legal liability issue for today's associations
- As a business organization you have responsibilities to insure that your staff is protected from harassment
- Training is necessary for everyone who serves
- Can occur between members, staff and/or members and staff
- As a business employer the BOD is required to
 - Follow all state/federal employment laws
 - Approve and enforce a comprehensive Harassment Policy
- For a sample go to NAR's Realtor.org and review their policy - <http://bit.ly/1cwLLJA>

Definition of Harassment

Harassment - (either harris-meant or huh-rass-meant) n. the act of systematic and/or continued unwanted and annoying actions of one party or a group, including threats and demands.

- Purposes may vary, including racial prejudice, personal malice, an attempt to force someone to quit a job or grant sexual favors, apply illegal pressure to collect a bill or merely gain sadistic pleasure from making someone anxious or fearful.
- The victim may file a petition for a restraining order, intended to prevent contact by the offensive party.
- A systematic pattern of harassment by an employee against another worker may subject the employer to a lawsuit for failure to protect the worker





- Sexual harassment may be overt or subtle.
- It includes behavior that is not welcome, personally offensive, that fails to respect the rights of others, that lowers morale and that interferes with work
- Sexual harassment includes:
 - **Overt** – Demand or expectation for sexual favors
 - **Verbal** Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, threats
 - **Non-Verbal** Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, obscene gestures
 - **Physical** Unwanted physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault
- Appropriate legal and/or disciplinary action must be taken against anyone who engages in sexual harassment.



- **Complaint Procedure**
 - Anyone who believes they've suffered sexual harassment by any other, including supervisors and coworkers, or by any member of the Association or by any guest or visitor of the Association must bring the problem to the attention of the appropriate party
- **Complaint Investigation and Confidentiality**
 - All complaints will be investigated promptly and the identity of the person making the complaint as well as the identity of the individual accused will be kept strictly confidential unless they are a witness, a member of the investigatory team, or the CEO.
 - Upon completion of the investigation, the team will prepare a written report of its findings and recommendations
- **Discipline**
 - Any employee found to have engaged in such conduct is subject to severe discipline, including termination.
 - In the event a complaint is found to be without basis, appropriate disciplinary measures may be taken against the person who brought the complaint.
- **Follow-up**



CONFLICT

OF

INTEREST

When do they happen? What is your obligation?



Conflicts of Interest are Event-Driven

- Ownership interest or close relationship in a program, product, service or entity
- Employee of an entity or competitor
- Personal agendas/relationships;
Company policies
- Voting on more than one level of the association

1. Does the BOD/Group have a right to ask the person with a conflict questions?
2. Is the person with the conflict obligated to answer those questions?
3. May they stay in the room for the debate?
4. Can they vote?



General and Event-Driven Conflict of Interest Disclosure Situations

Disclosure Forms Available at
Every Meeting

Work Group, Task Force, Committee
Meeting, Executive Meeting or BOD

You can't participate on a decision/selection group if you, your family, your company or person with a close personal relationship to you can or intends to benefit

- **Awards** (Realtor of the Year, Humanitarian or Service Awards, etc not production awards which are a staff function) – if you want to be considered as a recipient or have a relationship with one of the possible recipients
- **Nominating** (not credentialing which is a staff function) – if you want to be one of the nominees
- **Charitable Giving Recipient Selection** – if you serve on an outside charity that is being considered as a recipient
- **Vendor Selection** – if you are an employee/competitor of a vendor or have any ownership/familial relationship with Vendors in that category
- **Arbitrations, Mediations, Sanction Decisions** – if the person is in the same company, if you have a negative bias or if you are related or have a team relationship
- **Professional Development Trainer/Course Selection** – if the trainer has intentions to be teach and/or be paid
- **Government Affairs** – only exception since everyone has a conflict; disclosure of party, campaign activity for another, financial support of another, public office holder, running for office

A close-up photograph of a hand with the index finger pointing upwards. The hand is positioned in the lower-left quadrant of the frame. In the upper-left quadrant, a small, round, silver coin is mounted on a dark, textured wooden surface. The lighting is dramatic, with strong highlights and deep shadows, creating a sense of focus and importance.

Serving On More Than One Level Of The Organization

When you serve on both the state and local associations at the same time –

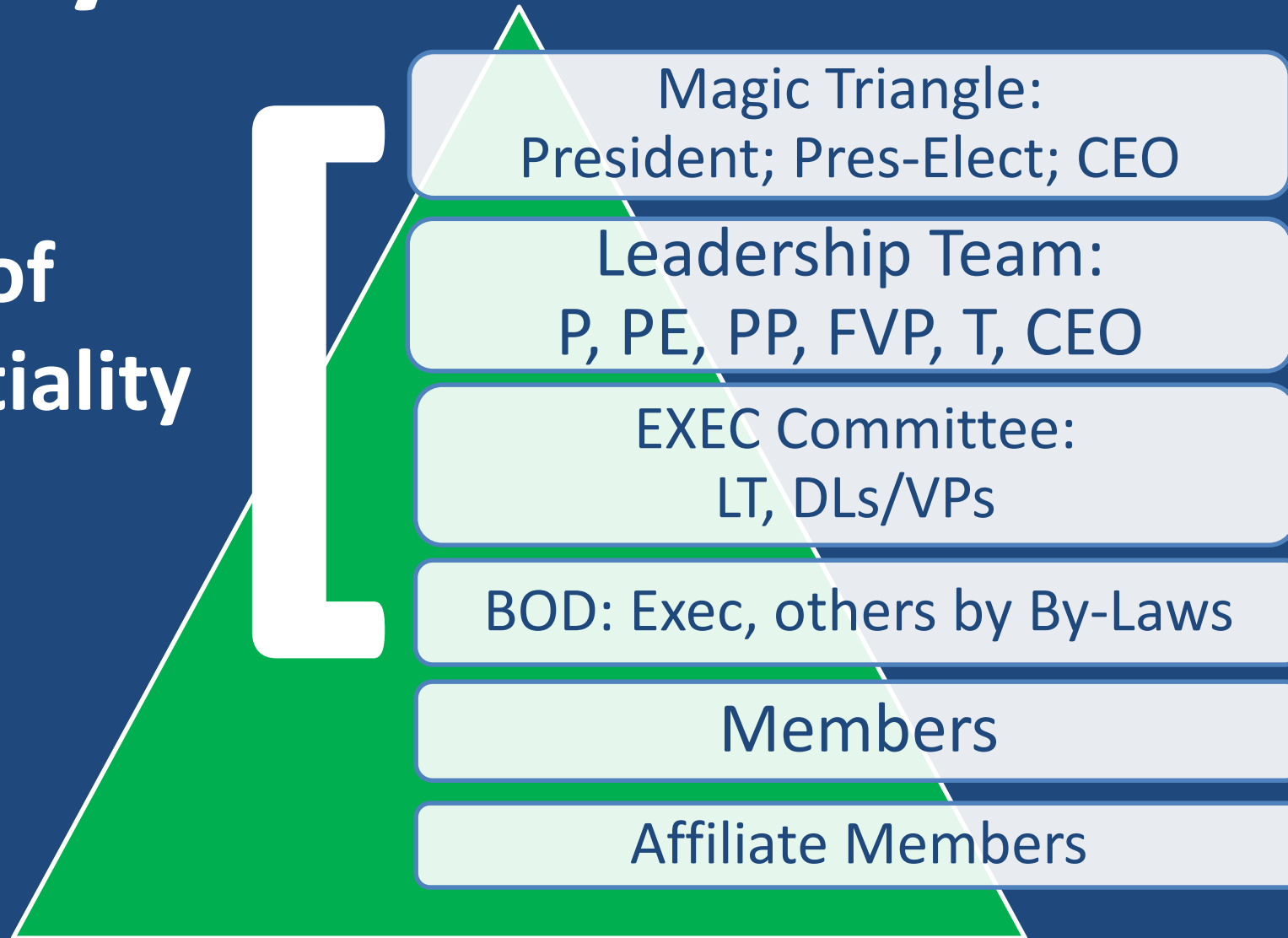
- Whose interest do you serve at each vote?
- Are you bound by the local association in any way when voting on the state level?
- What is your obligation to each if the local differs from the state on any issue?
- What is your obligation to the local after the state vote?

Every Person has a Role
Every Action has a Process



The Players

Duty of Confidentiality



The Ultimate Cheatsheet for Critical Thinking

Want to exercise critical thinking skills? Ask these questions whenever you discover or discuss new information. These are broad and versatile questions that have limitless applications!



Who

... benefits from this?
... is this harmful to?
... makes decisions about this?
... is most directly affected?

... have you also heard discuss this?
... would be the best person to consult?
... will be the key people in this?
... deserves recognition for this?

What

... are the strengths/weaknesses?
... is another perspective?
... is another alternative?
... would be a counter-argument?

... is the best/worst case scenario?
... is most/least important?
... can we do to make a positive change?
... is getting in the way of our action?

Where

... would we see this in the real world?
... are there similar concepts/situations?
... is there the most need for this?
... in the world would this be a problem?

... can we get more information?
... do we go for help with this?
... will this idea take us?
... are the areas for improvement?

When

... is this acceptable/unacceptable?
... would this benefit our society?
... would this cause a problem?
... is the best time to take action?

... will we know we've succeeded?
... has this played a part in our history?
... can we expect this to change?
... should we ask for help with this?

Why

... is this a problem/challenge?
... is it relevant to me/others?
... is this the best/worst scenario?
... are people influenced by this?

... should people know about this?
... has it been this way for so long?
... have we allowed this to happen?
... is there a need for this today?

How

... is this similar to _____?
... does this disrupt things?
... do we know the truth about this?
... will we approach this safely?

... does this benefit us/others?
... does this harm us/others?
... do we see this in the future?
... can we change this for our good?

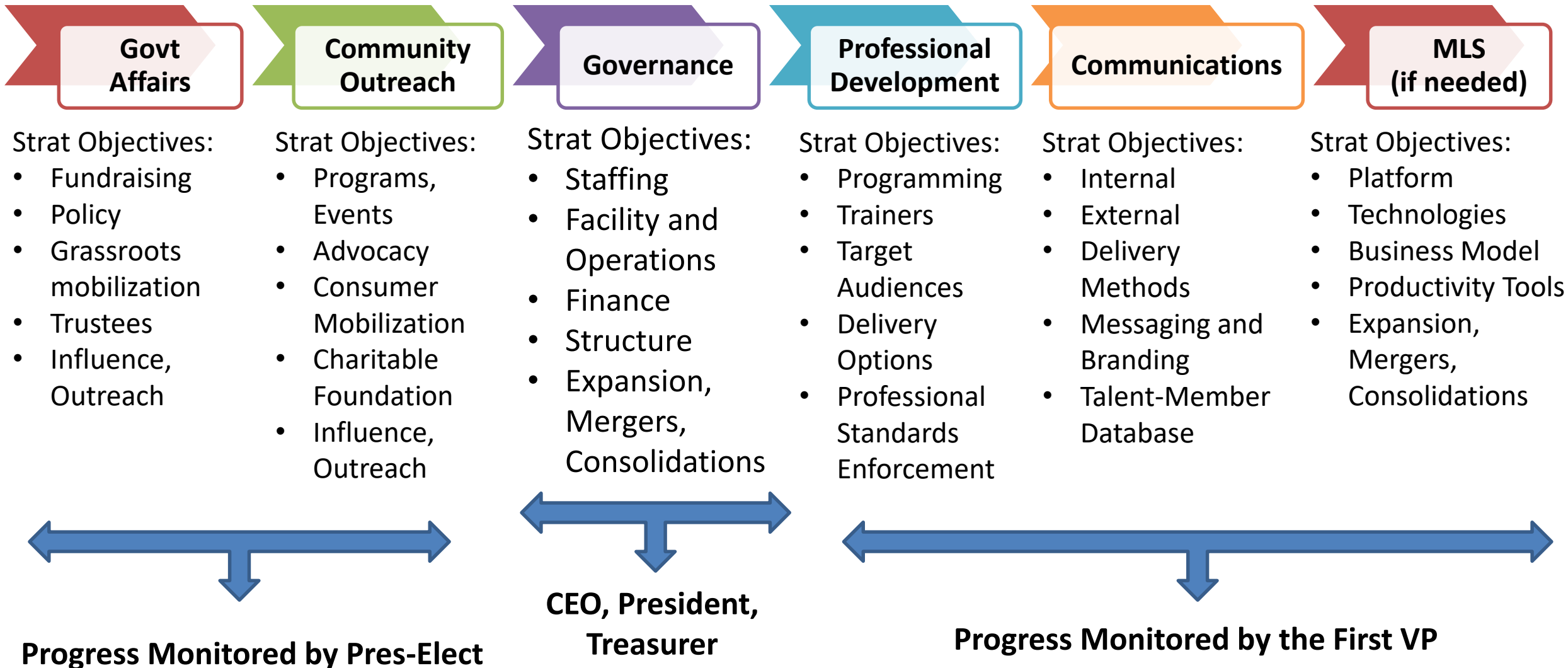
Critical Thinking is essential for members who serve on

- strategic planning
- Workgroups
- Taskforces
- committees
- the board of directors

Strategic Mapping and Project Areas

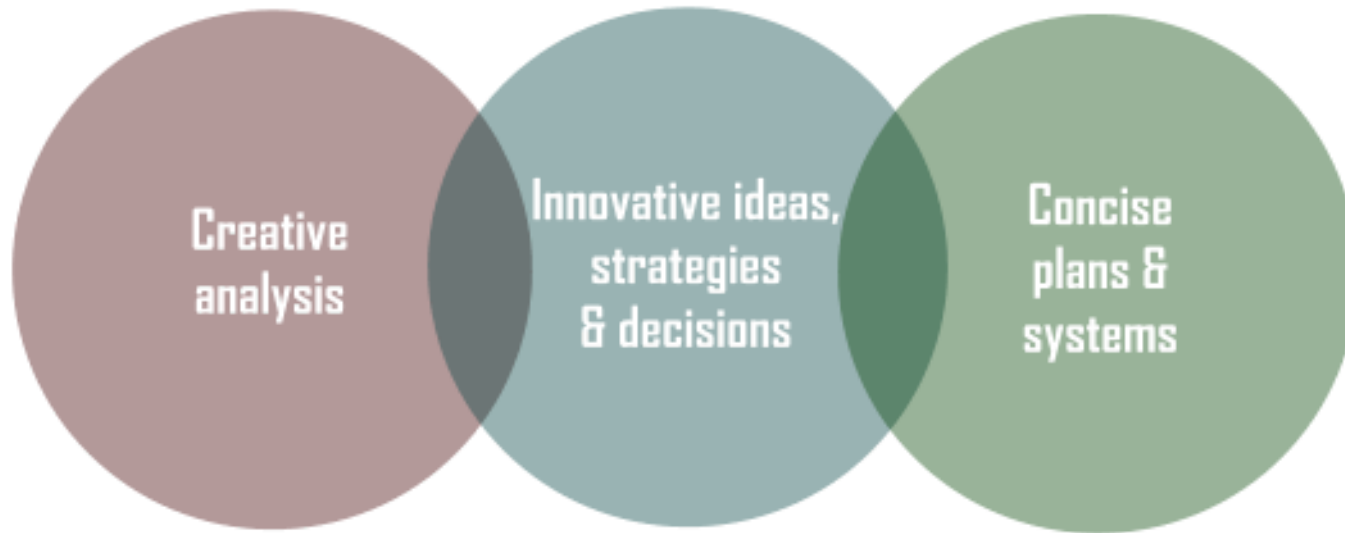
CEO plus Officers: President; P-Elect; First VP; Treasurer; Immediate Past President

Each of the Six Areas Has at least one Board of Director Liaison



Strategic Thinking - The Most Valuable Business and Personal Skill

The Three Key Outputs of Strategic Thinking



© Ben Bartlett

**Why Do It?
And
Who
Should
Participate
?**

How Things Get Done - Steps from Plan to Action

1

- Strat Goals Created; \$\$\$ & human resources applied; goes to BOD

2

- BOD reviews plan, prioritizes goals; ratifies plan; delegates objectives to committees; sets timeline; outlines budget if applies

3

- Committee receives objectives; Determines HOW to attain them

4

- Committee forwards actions with rationale thru DL and/or PE

5

- Actions filtered thru budget/legal for recommendations if needed

6

- LT discusses each action to determine if it makes this agenda

7

- LT makes recommendation on each agenda item

8

- BOD debates/acts on each agenda item considering recommendations from budget/legal and LT

9

- Action items provided to members with rationale

MEETINGS





Who is Robert?

... And why do we have to
listen to him?

Henry M. Robert

AKA Henry Martyn Robert

Born: 2-May-1837

Birthplace: Robertville, SC

Died: 11-May-1923

Location of death: Hornell, NY

Cause of death: unspecified

Remains: Buried, Arlington National Cemetery, Arlington, VA

Gender: Male

Religion: Baptist

Race or Ethnicity: White

Sexual orientation: Straight

Occupation: Administrator, Military, Engineer

Nationality: United States

Executive summary: *Robert's Rules of Order*

Military service: US Army Corps of Engineers (1857-1901, Brig. Gen.)

Active in civic and church groups, Brigadier General Henry M. Robert grew frustrated at meetings slowed down by interruptions and off-topic conversation. Unable to find a workable set of rules for meetings, he spent several years researching and writing his own rules. The first edition was self-published by Robert in 1876, and his *Robert's Rules of Order* remains the standard.

In his military career, Robert engaged in battle against Indians and Confederates, and in engineering he helped construct defenses against the British in the Pig War of 1859, Civil War defenses for Philadelphia Harbor and Washington DC, and a 17-foot sea wall protecting Galveston, Texas, after it was damaged by a 1900 tidal wave. He retired in 1901 as Chief of the US Army Corps of Engineers.

In 1940, seventeen years after his death, Robert's publisher presented his widow with the millionth copy of *Robert's Rules of Order*. His father, Joseph Thomas Robert, was a staunch abolitionist and served as the first President of the Augusta Institute, now known as Morehouse College, which was established to educate freed slaves.

University: [US Military Academy, West Point \(1857\)](#)

Teacher: [Philosophy, US Military Academy, West Point \(1857-58\)](#)

Teacher: [Practical Engineering, US Military Academy, West Point \(1865-66\)](#)

[Huguenot Ancestry](#)

Risk Factors: [Malaria](#)

Official Website:

<http://www.robertsrules.com/>

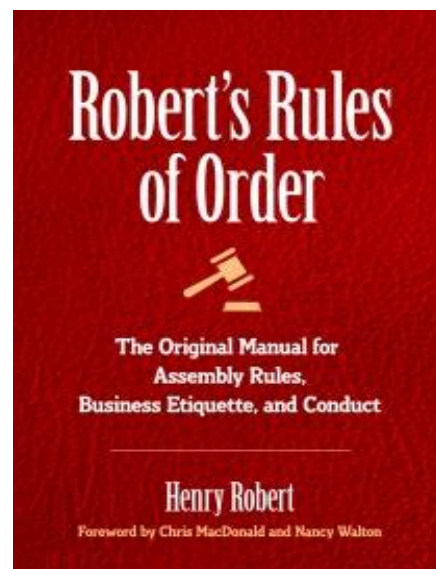
Author of books:

Robert's Rules of Order (1876)

The Water-Jet as An Aid to Engineering Construction (1881)

Parliamentary Practice: An Introduction to Parliamentary Law (1921)

Parliamentary Law (1923)

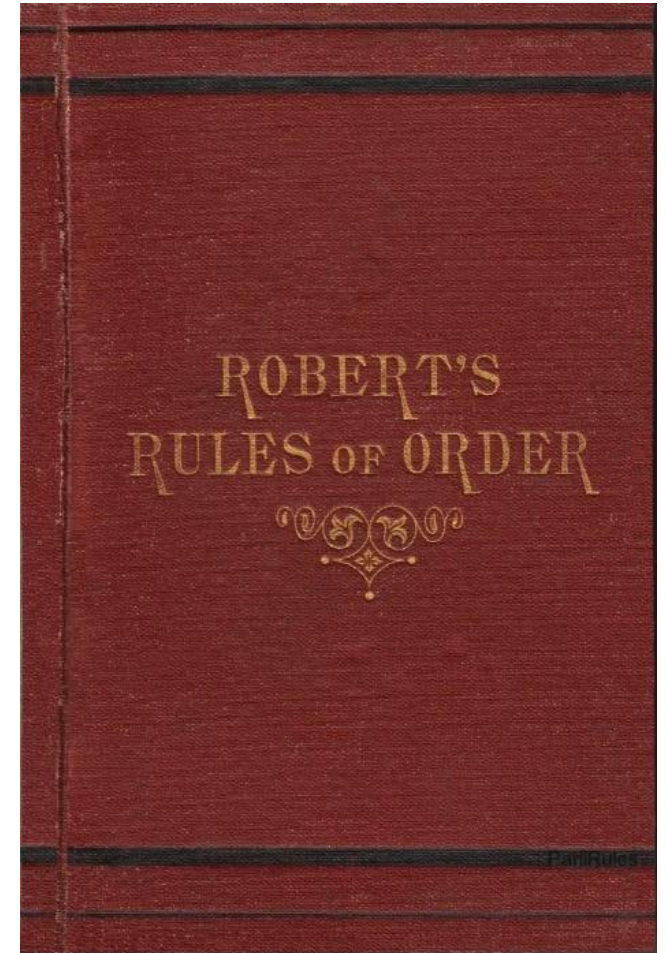


Concept of Roberts



- Provides common procedures for deliberation and debate
- The conduct of ALL business is controlled by the general will of the voting body
- Robert's Rules provides for constructive and democratic meetings to help, not hinder, business of the assembly.
- The fundamental right of deliberative bodies requires all questions to be thoroughly discussed before taking action!
- Silence means consent!
- Must be recognized by the Chair before speaking!

- After the second, the Member moving the "question" is entitled to the floor!
- No member can speak twice to the same issue until everyone else wishing to speak has spoken to it once!
- All remarks must be directed to Chair and must be courteous.
- Once the personal ballot is cast, the decision belongs to the body, not the individual
- Unless otherwise stated in bylaws, the president can choose to vote on all issues, not vote at all, vote to break a tie or vote to make a tie.



Meetings Basics



- Chair may NOT speak to issues without passing the gavel until after the vote
- For liability reasons - No meetings occur without CEO's knowledge
- All meeting start on time once a quorum is present – once quorum lost, meeting ends
- No 'Chit Chat' during meeting
- Agree to disagree - Batch action items
- Cancelled for lack of business
- Fiduciary Duties always in play
- Roberts takes over when your bylaws are silent – bylaws always take first priority

Minutes and More

- Minutes and notes can be subpoenaed –
 - Any video or audio recordings
 - Personal notes; Business done by Emails;
 - Texts in/out during meeting
- Only motions and status of votes are recorded
 - No recording of abstentions; No recording the debate
 - No names mentioned; No debate of pros/cons
 - No actual votes recorded unless it is a ballot vote
 - This is not a newsletter!
- Background materials are confidential
- How long should records be kept???



Standard Meeting Agenda



- Call to Order
- Consent Calendar
- Approval of Minutes
- Receipt of Treasurer's Report
- President's Report
- CEOs Report
- President-Elect's Report
 - Standing Committee Reports
 - Action items under 'New Business'
- Unfinished Business
- New Business
 - Committee Action Items
 - Others - Identified in advance
- Adjourn

BOD Meeting Template – Date

ITEM#	DONE	PASS	FAIL	GENERAL REPORTING
1				Attendance List if Required by By-Laws
2				Quorum Present
3				Meeting Called to Order
4				Consent Calendar – Identify Items *** 1. Committee Reports – Informational Only 2. Notes, Flyers of Upcoming Events 3. Non-actionable Correspondence 4. Other Non-Debatable, Information Only Items *** Items formerly under ‘Consent Calendar’ removed by group agreement move to the most appropriate section for resolution
5				Minutes of the Previous Meeting – Approval Required 1. Additions/Corrections as Follows;
6				Finance/Treasurer’s Report – Receive Report Only 1. Review Financial Statements; Assets/Liabilities including Reserves, Restricted Funds, Dedicated Funds 2. Budget – Actual versus Proposed/Forecasted 3. Communication/Reports from any Financial Advisors
				REPORTING to BOD and/or General Membership
7				President’s Report 1. Informational items only 2. Updates on Industry Meetings in Attendance 3. Personal Preference of the Chair
8				CEO’s Report 1. Update on Corporate Activities, Business Consultants 2. Information on Trends, Issues affecting the industry from State/National Meetings, Conferences or Symposiums 3. Other items that can affect the Association’s business dealings
9				President-Elect’s Report 1. Statement of all Committees, Workgroups, Task Forces that met and where their filed informational reports are 2. Statement of Committees, Workgroups and Task Forces that have action items recommendations under either unfinished or new business

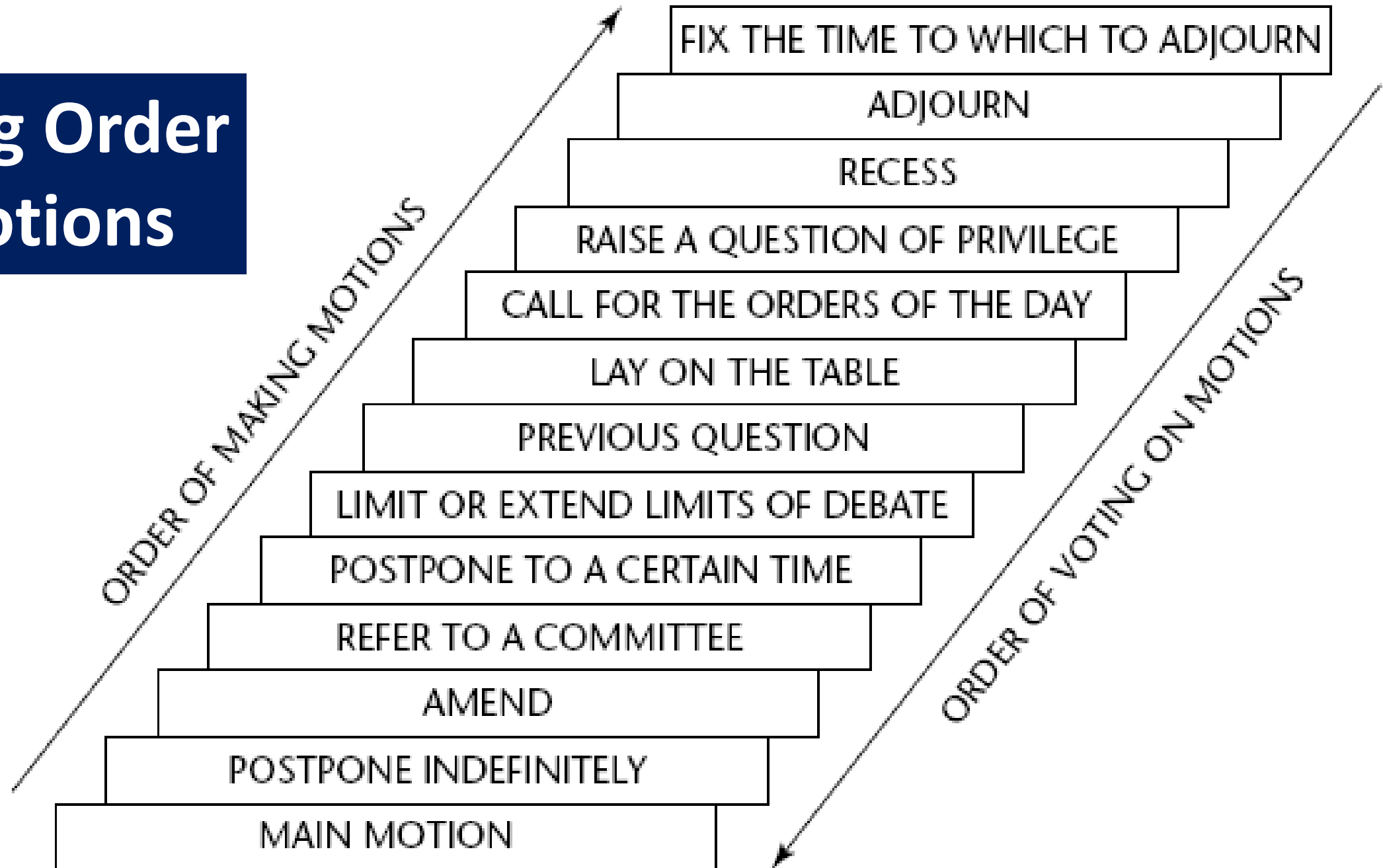
ITEM#	DONE	PASS	FAIL	
10				First Vice-President’s Report If there is a position – a suggestion is to have them responsible for all government affairs and community relations to share responsibilities with the President Elect
11				Committee/Workgroup/Task Force Reports Rather than filed reports, if desired, report can be made verbally by either the Chairs or the Director Liaisons to the groups
				BUSINESS MEETING for BOD Only
				1. Only those authorized by By-Laws may remain due to Fiduciary Duties and Corporate Responsibilities that must be adhered to and cannot be set aside 2. Consultants and Subject Matter Experts may be invited for input prior to debating and voting on issues
12				Unfinished Business – Process in Steps 1. Action item Stated in Motion Form on Agenda a. State why this motion has returned – Referred back to Committee; Postponed Date Specific b. Identify the item in the Strategic Plan that allowed it to be addressed by the BOD 2. Motion placed on Table by President-Elect or Director Liaison responsible for that like-kind grouping 3. Motion Seconded 4. Add Committee Rationale for Motion/Position 5. Add Leadership Team’s Rationale for Motion/Position 6. Add Finance’s Perspective (in budget or non-budgeted item) 7. Add any Legal Perspective/Opinion on Motion 8. Debate 9. Vote 10. Add rationale or talking points if desired
13				New Business – Same Steps are Unfinished Business 1. Motion Form – Indicate section of the Strategic Plan 2. Motion Form – indicate section of Strategic Plan
14				Adjourn Since no motions should be added arbitrarily to the agenda since it violates ‘Reasonable Skill and Care’ of the Fiduciary Duties and no prior research has been done, the meeting should conclude

Action Items Processed Efficiently

- When possible, all participants know
 - Actual motion prior to attending
 - Reviewed all the background material
 - Time to process the issue, ramifications and unintended consequences
 - Committees may not have actual motions to consider but the issue should be identified to allow for substantive discussion
- Motion placed on table by PE or DL
 - Chair receives a 2nd
 - Committee rationale, LT/Finance/Legal recommendations offered for consideration
 - Debate is then opened
 - Vote taken, recorded as pass/fail



Ranking Order of Motions

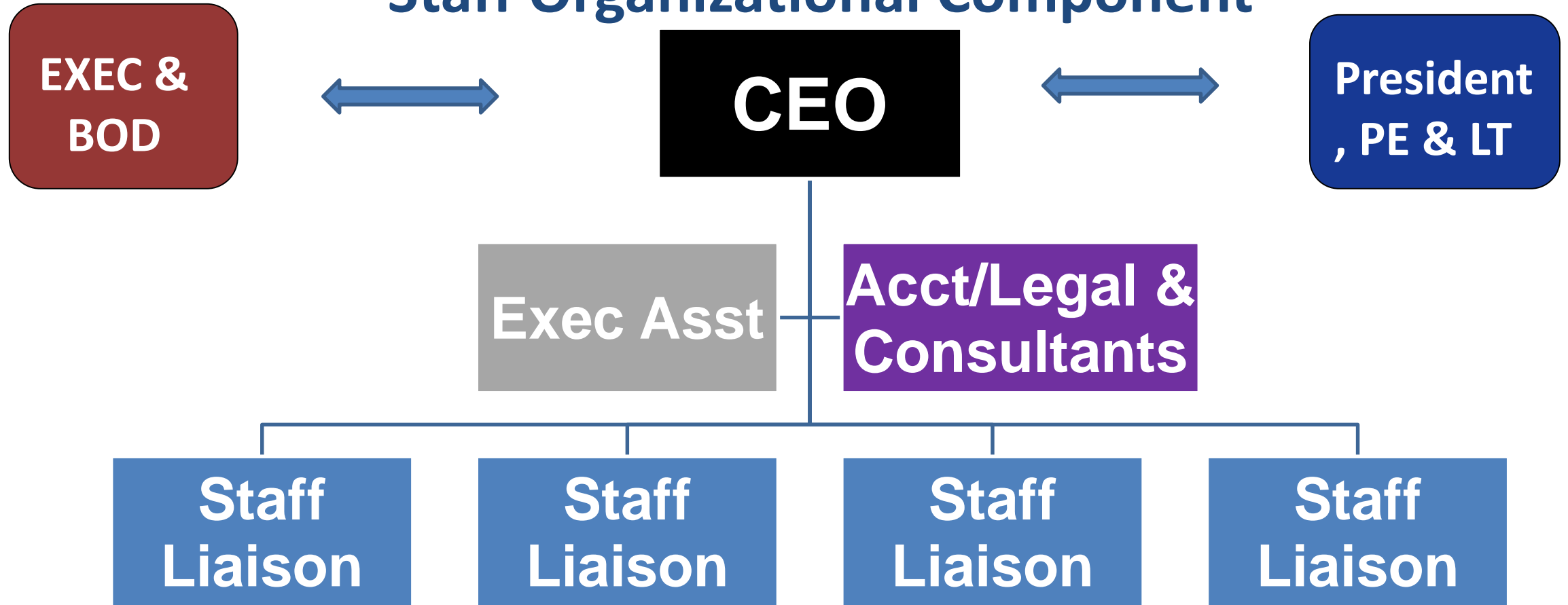


Job Descriptions

- CEO
- President
- President-Elect
- First Vice President
- Treasurer
- Past President
- Director Liaisons
- Board Of Directors
- Committee Chairs & VChairs



Staff Organizational Component



- Sole responsibility to manage staff – hires, fires, bonus, benefits, duties
- Responsible for budget and business plan
- Does not work for any one person; works for the corporation and follows instructions based on the BOD votes, policies, procedures, bylaws
- Leaders/Members do not circumvent the CEO to direct staff



<http://goo.gl/iilJ5S>

CEO Evaluation Process

- Huge legal liability issues when not properly done
- Boards should have HR training to mitigate risk
- Formal consistent process required to evaluate CEO
 - Eval team is group of leaders who work closely with CEO
 - Criteria should be consistent, understood and utilized
 - Allow time to CEO to make adjustments if expectations are not being met
 - Understand the importance of cost of living increases, raises and bonuses
 - Evaluation must be in writing

Link to AE Resources provided on REALTOR.org

- Chief Staff Performance Evaluations
- Getting Started
- Process Guidelines & Considerations
- Process Scenarios
- Sample Evaluation Forms

The Magic Triangle/Square – President, P-Elect, FVP, CEO

- Team collaborates for mutually agreeable decisions and results
- No conversation/direction occurs without all being a part of decision
- Chief Spokespersons for group
- Team leaders for Director Liaisons, Chairs and V-Chairs
- Implements strategic plan
- Delegates and supervises loosely
- Recruits others to get involved
- Prepares the next person to take over
- No one has offices in or access to the BOD office, member files, networks or otherwise confidential info – they are not employees





Others on 'Leadership Team'

Treasurer

- Chairs the Finance Committee evaluating current budgets, financial goals and policies
- Is not a 'rung on the ladder'
- Whether by appointment or election, is held by someone with financial background
- Delivers Financial Reports to BOD and members

Past President

- Is a point person for LT positions at BOD
- Recruits future leaders
- Chairs controversial workgroups
- Rises to other levels of service

Director Liaisons and Committee Chairs/VChairs



- DL Supervises a collection of like kind work
- Director Liaison is the bilateral conduit between BOD and committee working with Chairs and Vice Chairs
- Is the point person at the board for the committees perspective on issues before the board
- Does attend committee meetings
- Works with staff liaisons to help committee complete their objectives from the Strategic or Business Plan
- Informs the LT when the committee will be forwarding action items to the BOD
- Absent a DL all action items flow to the President Elect
- No automatic upward direction

Board of Directors



- Must follow Fiduciary Duties or BOD has an obligation to remove them
- Makes business decisions for members that are “engaged in the business” - not all members
- Credibility of organization tied to each person’s business reputation
- May hear procedural reviews
- Act and meet according to bylaws
 - Reviews & approves all budgets
 - Ratifies the Strategic plan
 - May elect officers
 - Debates/Votes on action items only



Signs You are NOT a Leader

Micromanagement –

You don't know your job so you screw up someone else's

Personality Clashes –

You don't have to like or love each other – you just have to work together so get over it

**Both are signs of a weak ego and
fragile personality**

1. What is your obligation if you have a conflict?

Disclose in writing prior to the event/item is discussed

2. Does the BOD/Group have a right to ask the person with a conflict questions?

Yes – the fiduciary duty of Reasonable Skill/Care and Due Diligence gives them the right to ask – should they or would they knowing the response may be skewed is a different question

3. Is the person with the conflict obligated to answer?

Yes because their fiduciary is to the BOD or Group unless they are bound by confidentiality on another board

4. May they stay in the room for the debate?

NO since their presence alone might influence, intimidate or restrain someone from providing an honest opinion

5. Can they vote – NO they are not even in the room to vote and it's not an abstention

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