

Getting governance right

**Good Governance
and Principled Leadership
for Housing Co-ops**



Contents

Introduction	1
Why a guide on governance and leadership?	1
Acknowledgements	1
1	
About this guide	3
What are governance and leadership?	3
What this guide won't do	3
2	
Good governance	5
An effective board – the cornerstone of your co-op	5
What do we mean by good governance?	5
3	
Principled leadership	9
Principled leadership in your co-op	10
The qualities of principled leaders in housing co-ops	10
Leadership and conflict of interest	10
Good governance and principled leadership – You can't have one without the other	11
<i>Ten signs that governance needs work at your co-op</i>	12
4	
The signs of good governance	13
The board is aware of its legal duties	13
The board has a strategic focus	14
Your board acts transparently	14
Your board is accountable	15
The board acts fairly	16
Your board is responsive to the members	16
Your board is effective in getting results	17
<i>Ten good governance tips</i>	18

5		
The role of your members in good governance		19
6		
The building blocks of good governance and principled leadership		21
Commitment to being a director	21	
The importance of board training	22	
The support of good management	23	
7		
A last word		25

Introduction

Why a guide on governance and leadership?

The CHF Canada guide *Getting Management Right* talks about how important good governance is if co-ops want to make sure they have sound management. In that guide we list some of the results co-ops are looking for from governance and management and we explain the important differences between the two. We also point out that although good governance and sound management are not the same thing, they are very closely linked. As we say in *Getting Management Right*, if one is weak, the other will be weakened.

Since *Getting Management Right* came out we've had a lot of good feedback on the link between governance and management. Co-op managers have told us that good governance is key for them if they are to do their jobs well. And members of co-op boards have asked us to tell them more about making governance better. That's why we've written this guide.

Acknowledgements

Nicholas Gazzard wrote this guide with valuable editorial advice from Thom Armstrong, Dale Reagan, Karla Skoutajan and Kim Weiman. Design and layout are by Stephanie Ballantyne of EGO Creative Solutions.

Getting Governance Right is a 2020 Vision project.

May 2006

Co-op managers have told us that good governance is key for them if they are to do their jobs well. And members of co-op boards have asked us to tell them more about making governance better. That's why we've written this guide.

About this guide

What are governance and leadership?

What do we mean when we talk about governance and leadership in a housing co-op? By governance we mean the guidance and safekeeping of your housing co-op by the board of directors. Leadership is about the directors themselves, and the qualities they need to do a good job on the board. This guide is all about these twin themes of governance and leadership.

The members of a housing co-op also have a governance role to play, and we'll be talking about that too. Mostly, though, this guide is about your board.

What this guide won't do

Even though good governance is about the role of the board in your co-op, this is not a board of directors' manual. We won't tell you what to look for on a financial statement, or how to run a good meeting. That ground is already well covered in publications from The Co-op Housing Bookstore and on CHF Canada's website.

Here we'll look at what it takes to be a good director rather than what the job involves on a day-to-day basis. You'll hear a lot about the importance of values for directors, and nothing at all about minute-taking or what the treasurer does.

By governance we mean the guidance and safekeeping of your housing co-op by the board of directors. Leadership is about the directors themselves, and the qualities they need to do a good job on the board. This guide is all about these twin themes of governance and leadership.

2

Good governance

Let's start our look at good governance by reminding ourselves how important it really is to have an effective board.

An effective board – the cornerstone of your co-op

The success of your housing co-op depends so much on your board of directors. You may have a good manager, a competent auditor, sound advice from the co-op housing sector and government agencies – and it can still all go wrong, if the board isn't doing its job properly. Because the board can make decisions and recommendations and take actions that have an enormous effect on the co-op – for better or for worse.

Fortunately it's not hard to have a board that is effective, that acts wisely and that makes good decisions for the co-op, if it holds itself to the standards of what we call *good governance*.

What do we mean by good governance?

Good governance is a phrase that's heard a lot these days. Not just in co-op housing but all over the place in the corporate world. It sounds great, but what does it really mean? Let's try to agree on what it means for a housing co-op. Here's a definition we can use:

Good governance is the ethical guidance and strong organizational framework your co-op needs from its board and membership to support its purposes and values and operate soundly as a business.

Good governance is the job of the board, supported by the decisions of the members who elect them. It is driven by

- a clear understanding of the board's role
- the skills to carry it out
- values that put the interests of the co-op and its members first

Good governance begins with ethics – standards of conduct that guide the way the board reaches decisions and whose interests they serve. You'll hear more about this throughout the guide.

Good governance is the ethical guidance and strong organizational framework your co-op needs from its board and membership to support its purposes and values and operate soundly as a business.

Good governance is the job of the board, supported by the decisions of the members who elect them. It is driven by a clear understanding of the board's role, the skills to carry it out, and values that put the interests of the co-op and its members first.

Note what our definition *doesn't* say: there's nothing there about managing the co-op.

The governance role is different from the job of managing and it's important that we're clear about that from the start. The role of the board in the co-op's management is to

- set the overall direction
- provide guidance to managers
- keep a careful eye on the results

Governance is about the ends – where you want to go. Your management takes care of the means – how to get there. Management takes care of the day-to-day running of the co-op. It's important that these two roles are well balanced in your co-op.

Many boards have made the mistake of thinking their job includes co-op management. If that happens, not only is your management going to suffer, but so will your governance. Good governance is a big enough challenge for volunteer housing co-op directors, and that's where their energies should be focused. Managing a co-op calls for a set of skills that are more technical and administrative. It is not a volunteer's job.

Of course the board needs to be sure that good management is in place, and it should look into things if it seems that the job isn't getting done. As one commentator has put it, it's okay for the directors to put their noses into the co-op's management, but not their hands. Although directors shouldn't carry out the work of managing the co-op, they should definitely make sure it is being done well.

You may find that your co-op act says that the board must manage the affairs of the association. It's important to be clear about what that means. What it *doesn't* mean is directors have to give up their day jobs to run the co-op's office. What it does mean is that the board is responsible for making sure that the co-op is properly run. Which is exactly our message in this guide.

What about my co-op? We use volunteers for management tasks.

Some co-ops have a long history of using their members, as volunteers, to carry out management tasks. Many small co-ops feel they cannot afford to pay for management, given their limited budgets. Other co-ops see volunteer management as part of their tradition. How does this fit with what we said about management not being a volunteer's job?

The answer is, it depends on what you're expecting the members to do. If you have a volunteer who is reliably collecting repair requests and work orders, and acting as liaison with tradespeople, that can work in a very small co-op. In a small co-op, volunteers can handle a number of tasks like these, though they quickly become big jobs in larger co-ops.

But in a small co-op the members still have the right to a skilled repair service. And no matter what size your co-op is, you should at least use the services of a trained bookkeeper to take care of your finances. We've seen too many co-ops get into financial hot water because they've used volunteers to do the books. The same goes for essential administration tasks, like meeting your annual reporting requirements to government. These kinds of services don't cost more, proportionately, for a small co-op than a large one. And the price of not paying for them can be heavy indeed.

Managing a co-op calls for a set of skills that are more technical and administrative. It is not a volunteer's job.

Although directors shouldn't carry out the work of managing the co-op, they should definitely make sure it is being done well.

3

Principled leadership

Good governance needs **leadership**, another word we're hearing a lot these days.

Leadership is about having a clear sense of the right direction for an organization and being able to guide others towards it. Co-op directors may not think of themselves as leaders, but they should. And they should understand what it means to be a leader.

Leadership is not about power or control. Good leaders are enablers and consensus builders who serve the interests of others, whether it's the members of a co-op or the citizens of a country. Leaders need to earn confidence and trust if they are to win support for the direction they want to set. We call this leadership by consent. It's the only kind that works in a housing co-op.

Leadership is a personal quality. In a co-op we look for leadership in the directors, individually and together.

Housing co-ops have begun to talk about *principled leadership*. Principled leadership means having a set of values that guide leaders' actions at all times. It means personal integrity – a commitment to do what is good and right, what is ethical. Here's a way to say what principled leadership means:

Principled leadership means modelling ethical behaviour and applying ethical standards to our decisions and actions, in a way that reflects our shared values

You can't get away from ethics and values when talking about this subject. Principled leadership is founded on these qualities.

Now let's see what that means in a housing co-op.

Leadership is about having a clear sense of the right direction for an organization and being able to guide others towards it.

Leadership is a personal quality. In a co-op we look for leadership in the directors, individually and together.

Principled leadership means modelling ethical behaviour and applying ethical standards to our decisions and actions, in a way that reflects our shared values.

Principled leadership begins with respect for shared values. In a housing co-op that means our founding purposes, our by-laws and policies that we have chosen together, and the values of our movement as a whole.

Principled leadership means putting the interests of the co-op and the membership before your own interests, every time.

Principled leadership in your co-op

Principled leadership begins with respect for shared values. In a housing co-op that means our founding purposes, our by-laws and policies that we have chosen together, and the values of our movement as a whole. Above all, our values are about the well-being of the co-op as a whole and the fair and even treatment of the members.

As principled leaders, directors measure what they do against these values.

Principled, values-based leadership doesn't mean there is only one answer to every question. Judgment plays a big part too. It does mean though that there is only one way to make a decision: by putting the values and interests of the co-op and the membership before anything else.

The qualities of principled leaders in housing co-ops

Let's look at the ways in which housing co-op directors show principled leadership. Principled leaders

- put their duty to the co-op and the members before their own interests
- make the right decisions for the co-op, not necessarily the popular ones
- help chart a course for the co-op that is in keeping with its purposes and values
- work to win the trust and confidence of the membership
- have respect for the members, and others involved with the co-op
- deal in good faith with fellow directors and others in the co-op
- lead by example, making sure they follow the co-op's rules themselves

Following these principles actually makes it easier to be a director because the experience will be more rewarding.

Leadership and conflict of interest

Principled leadership means putting the interests of the co-op and the membership before your own interests, every time. Nothing compromises leadership more than a conflict of interest – making a decision about a matter in which you have a personal interest that is not shared by all the members. It is important that directors learn about conflict of interest and that there are procedures in place to help directors avoid it.

Good governance and principled leadership – you can't have one without the other

It's not hard to see that good governance and principled leadership are different sides of the same coin. Good governance for your co-op needs principled leadership from the members of the board. You can look at principled leadership as one of the key ingredients that go into good governance. Good governance is the outcome.

Ten signs that governance needs work at your co-op

How can you tell if you need to work on governance at your co-op? Take a moment to test yourself!

1. **The board often changes its own decisions** because it is not taking care to make the right decision with the right information in the first place
2. **It seems like you have board meetings all the time** boards that are in turmoil or just plain inefficient find that they are constantly meeting, and still not getting results.
3. **There is frequent conflict between board and management** which can mean they are stepping on each other's toes because their roles aren't clear.
4. **It's hard to keep a full slate of directors** which can be a sign of a lot of problems, but it certainly means that being a director is neither inviting nor satisfying. It should be both.
5. **The members do not trust the board** the board is not open with the membership, or even-handed in its decisions.
6. **You lose good staff** a sure sign that there is a poor relationship between board and staff, and that working conditions are not good overall.
7. **There is a change of direction every time a new board is elected** always a sign of personalities and politics coming before the board's duty to the well-being of the co-op.
8. **You have directors that do not follow the co-op's rules and policies** how can directors talk about ethics when they are not leading by example?
9. **Your board doesn't take advantage of training opportunities for directors** you won't get governance right if your directors don't understand what is expected of them.
10. **Members' meetings are like question period in the House of Commons** enough said! You have serious work to do if things are this bad!

4

The signs of good governance

We've talked in a general way about good governance and principled leadership. Now we need to look at what these ideas mean in practice, and how we can recognize them in our co-ops.

So next we're going to talk about the indicators, or signs of good governance. After that we're going to look at what you can do to make good governance and leadership a reality in your co-op.

Here are seven different signs that your board practices good governance. The board

- is aware of its legal duties
- has a strategic focus
- acts transparently
- is accountable
- acts fairly
- is responsive to the members
- is effective in getting results

Let's look at each of these more closely

The board is aware of its legal duties

For the board to know its role and its duty to the co-op it must first know what is required of it by law. **Directors have a legal duty of care and must act prudently, in the co-op's best interests.**

That's not just advice. You'll find language like that in the laws that govern the conduct of directors of corporations – all kinds of corporations. There are many other statutes that can affect their actions – those having to do with employment conditions for example. Directors also have what are called common-law duties. Common law is law that's based on custom, usage and rulings by courts, not on acts or regulations made by governments.

For the board to know its role and its duty to the co-op, it must first know what is required of it by law. Directors have a legal duty of care and must act prudently, in the co-op's best interests.

Acting ethically as directors isn't just something we do voluntarily. The law requires it.

The board has to have a clear idea about its role before it can be effective. Good governance means the board has to keep its eye on the big picture, on the overall direction of the co-op.

Transparency in co-op governance means that the board conducts its affairs and makes decisions in a way that is open and visible to the members.

This isn't a legal guide so we won't go through all the legal requirements of co-op directors. Federation education programs will cover the legal duties of directors in their board training programs. And if you type *legal duties of directors* into your internet browser you'll get a lot of resources popping up. But we can say this here: acting ethically as directors isn't just something we do voluntarily. The law requires it.

The board has a strategic focus

The board has to have a clear idea about its role before it can be effective. Good governance means the board has to keep its eye on the big picture, on the overall direction of the co-op. That means concentrating on

- planning (including financial planning) and setting goals
- having the right policies and by-laws
- keeping up to date on the co-op's management
- watching the finances carefully
- making sure the co-op's legal requirements are met
- protecting the co-op from risk

These are all high-level tasks, and that's where the board's focus belongs: on the view from above the trees, so to speak. The board makes decisions on these big-picture issues. Then it's your manager's job to carry them out. This emphasis on a big-picture, or strategic, focus for the board, and not on the day-to-day operation of the co-op, is central to good governance.

The board does remain responsible for the operation of the co-op, though. It has to make sure that the co-op and its assets are not at risk and its plans and directions are being followed. That requires very good working relations with the co-op's management. We'll be talking more about this soon.

Your board acts transparently

Transparency in co-op governance means that the board conducts its affairs and makes decisions in a way that is open and visible to the members. **Transparent governance** means keeping the membership in the picture on what the board is doing

That doesn't mean members need to come and watch over the proceedings at board meetings like some sort of jury. You can easily make your board a transparent board by

- sharing minutes, financial statements and other reports
- keeping the members up to date at meetings and through your newsletter – or your website.

Some matters the board deals with are confidential, and you must take care to follow the laws that protect member privacy. But confidentiality can be overused. There has to be a good reason to keep information from the members. It shouldn't be just an excuse to avoid accountability, which we'll talk about in a moment.

It's particularly important to share information about decisions the board makes that affect the membership as a whole. You'll want their support for what you decide, so share the board's thinking with them and listen to what they have to say.

Your board is accountable

Good governance means the board is ready to answer to the members for what it does. The members place the safekeeping of the co-op in the board's hands, and **the board is accountable to the members for the job that it does on their behalf.**

An accountable board is one that

- takes seriously its duty for the guidance and well-being of the co-op
- stands by its actions and decisions and takes responsibility for them collectively.

An accountable board takes care to make good, fair decisions on the issues that come before it and keeps the overall interests of the co-op in mind at all times.

If it meets this test, the board should have no difficulty in standing behind its decisions, even if they are not always the most popular ones. This is an important point. The board needs to listen to members, but once it has made a decision that it believes is the right one for the co-op, it should keep to it, and all the directors need to support it.

Some matters the board deals with are confidential, and you must take care to follow the laws that protect member privacy. But confidentiality can be overused.

It's particularly important to share information about decisions the board makes that affect the membership as a whole.

An accountable board takes care to make good, fair decisions on the issues that come before it and keeps the overall interests of the co-op in mind at all times.

The board must make sure that the co-op's response is consistent and just. That includes the actions of managers in their direct dealings with the members. Whatever rights or privileges one member has, all members should have, as long as the circumstances are the same in each case.

The board's job is to serve the members and help meet their collective needs. For that you need a board that listens to the members and is responsive to the things that matter to them.

The board acts fairly

Have you ever heard members say that sometimes the Board seems to be making it up as it goes along? That it doesn't always follow the co-op's policies and by-laws? That it treats some members differently than others?

Applying the rules evenly and fairly is a key sign of good governance at any level. The same principle applies to housing co-ops. Good governance in a co-op means that the rules and procedures are applied evenly and fairly, every time.

This is particularly important when dealing with members in breach of the co-op's policies or by-laws. The board must make sure that the co-op's response is consistent and just. That includes the actions of managers in their direct dealings with the members.

Being even-handed means more than making sure that rules and by-laws are applied fairly. It applies to the board's relationship with the members generally. Whatever rights or privileges one member has, all members should have, as long as the circumstances are the same in each case.

Your board is responsive to the members

The board shouldn't seem like a distant planet, orbiting far from the members. The board's job is to serve the members and help meet their collective needs. For that you need a board that listens to the members and is responsive to the things that matter to them.

Responsive governance means the board

- has a service focus and listens to the members
- gives the members a chance to talk about the issues that matter to them
- pays attention to the changing needs of the members

At the same time you should be careful not to get dragged into the minor disputes and brushfires that are a common feature of any community. If you let that happen you'll never get anything else done. You need to encourage your members to sort things like that out for themselves, or use a mediation process if there are serious personal differences between members. It's the bigger picture that directors need to keep focused on – the things that matter to all your members, such as good housing services from the co-op.

Your board is effective in getting results

Your board needs to get the job done and get results if it is going to meet the members' needs. In other words it needs to be effective. **Effective governance means making sure the co-op's business is carried out – and looking down the road to see what lies ahead.**

Too many boards of all kinds – profit and non-profit alike – seem to snooze their way through the business of the organization, only to wake up to a crisis. This is one of the biggest weaknesses in governance as it's often practised: boards that are asleep at the wheel. Your board needs to do better than that.

Effective governance requires

- having a clear sense of what the board is trying to get done
- making sure that decisions and plans lead to action and results
- looking ahead – paying attention to what's on the horizon for your co-op
- ensuring that efficient management is in place for the co-op
- getting the relationships right between the board, managers and committees, so people aren't tripping over each other – or leaving their jobs to others

Effective governance isn't rocket science. It's basic stuff, like getting organized, having the information the board needs to get the job done and working in partnership with competent management. And as we'll see, training for directors really helps the board to be more effective.

Are you thinking that there's a big gap between the way things look at your co-op and these signs of good governance? It's actually not as hard to reach these standards as you might think.

You'll be well on the way to better governance if you take the job of being a director seriously, pay attention to good communications, and build a good working relationship with your co-op's management.

Effective governance isn't rocket science. It's basic stuff, like getting organized, having the information the board needs to get the job done and working in partnership with competent management.

Ten good governance tips

- 1. Have directors sign ethical conduct agreements, and keep to them.**
This is a great way for directors to put their commitment to ethics into practice.
- 2. Spend time on building good relations on the board.**
The board makes decisions together so get to know your fellow directors and what makes them tick.
- 3. Have good, well-chaired board meetings where things get done.**
That's where you'll do most of your work as directors, so make board meetings count.
- 4. Make sure you have sound management**
– good governance depends on it.
- 5. Listen to different views on the board, even if you don't agree with them. Once the board makes a decision, support it.**
- 6. Know your role.**
The directors have authority only as a governing body, acting together, not as roaming co-op police.
- 7. Plan your business cycle.**
Know ahead of time what you want to get done in the coming 12 months.
- 8. Act according to established by-laws and policies, don't make it up as you go along.**
If you find some policies aren't working you can propose new ones to the members.
- 9. Hold members' meetings regularly, but not more often than you really need.**
Don't waste your members' time.
- 10. If you have committees, make sure they know what their roles are.**

5

The role of your members in good governance

In this guide we talk mostly about the board of directors. But good governance is something all the members should be aware of, and, as we said at the beginning, they have a role to play in it as well. The members, of course, are not the board. They don't have the range of authority that the co-op acts give to the board to direct the co-op's affairs, and they shouldn't try to do (or undo) the board's work in general meetings. At the same time though, there are key governance decisions that only the members can make, such as

- choosing the directors
- amending the co-op's rules and by-laws
- making policies that are set by the members

In some cases – in Ontario for example – only the members can approve the annual budget. You should check the co-op act that applies to your co-op to find out which decisions must be made by the members.

Aside from meeting their legal requirements, the members support good governance by

- understanding what we mean by good governance
- learning about the values and principles of co-operation and co-op housing
- participating in members' meetings and speaking up
- applying the principles of good governance in any committee work they may be doing
- taking care to choose directors who will act ethically and put the co-op's interests first
- supporting education and training opportunities for members – and going to them

The board needs to help the members understand about good governance by giving them the chance to learn about it and by helping them prepare for the decisions they make. Make sure the members have the information they need in plenty of time to make good decisions at meetings. Try to use materials that are easy to read and follow.

Sharing this guide with your members would help as well.

The board needs to help the members understand about good governance by giving them the chance to learn about it and by helping them prepare for the decisions they make.

We've talked quite a lot now about different aspects of good governance and principled leadership. The big question is how do you get these outcomes in your co-op? Let's take a look.

6

The building blocks of good governance and principled leadership

You need to invest in governance and leadership to get them right. There are three key building blocks towards good governance:

1. The individual commitment of the directors
2. Board training
3. Support from good management

Commitment to being a director

There are lots of resources and support out there that can help you become a good director. But there's one ingredient that you have to bring to the table yourself, and that's your personal undertaking. **The first ingredient of good governance is the commitment of the individual director to do the best job possible.** And that's equally important whether you were pressed into putting your name forward to fill a vacant seat or you won a hotly contested election.

As a committed director you take your role seriously:

- You understand that together with your fellow board members you have a responsibility for the well-being of your co-op and you are ready to meet that responsibility on behalf of the members.
- You prepare for meetings and think carefully about the decisions you will be asked to make.
- You accept the importance of ethics in the role of a director.
- You are ready to meet the standard for directors set out in the various co-operative acts in Canada. These acts usually say that directors must act honestly and in good faith in the best interest of the co-op, and that they must be prudent – in other words, as we said earlier, they have a duty of care.

You need to invest in governance and leadership to get them right. There are lots of resources and support out there that can help you become a good director.

The first ingredient of good governance is the commitment of the individual director to do the best job possible.

Good leaders are made, not born. No matter how keen your board members are to do a good job, they won't get too far without the learned skills co-op directors need.

Begin with the basics of board training, which all federations offer in their education programs.

- You ask questions. You look for the information you need to make sound decisions. Being a director is not a passive role where you sit back and wait for things to go wrong. A committed director is not a spectator.

If you fit this picture then clearly you're making the commitment to good governance that a co-op needs from its directors. And you're ready to put the next good governance building block in place – training for the directors.

The importance of board training

Good leaders are made, not born.

No matter how keen your board members are to do a good job, they won't get too far without the learned skills co-op directors need. As a famous president of the United States once said, leadership and learning are indispensable to each other.

As we said earlier, this is not a how-to guide for co-op directors. But good, skilled training is available throughout the co-op housing sector, from CHF Canada and regional federations, through workshops, manuals, guides and internet resources.

Begin with the basics of board training, which all federations offer in their education programs. There are more advanced courses available as well. And there is lots of general information available on the internet for directors of all kinds of corporations – for-profit and not-for-profit alike. You'd be surprised how little difference there is between the general and legal duties for directors of a large corporation and for housing co-op directors.

It's hard to overstate the importance of training to good governance. A lot of careful thought has gone into the co-op housing sector's training materials, which draw on 30 years of experience – the good, the bad and the ugly – to offer you the best possible advice on governance. Make use of it!

The support of good management

The third building block of good governance is your co-op's management. First, let's say what we mean here by management. We mean the management staff you hire or the management services you contract for. Either way, we are talking about professional, trained management.

Just as governments can't function without effective, professional public servants, boards will struggle without the support of strong management. Your management gives the board the information and expertise it needs to make good, sound decisions – decisions that your manager then carries out on your behalf. And remember: making sound, informed decisions is the basis of good governance.

While the roles of management and governance are different, they support each other, so it's important that they work together well. And because directors come and go with elections, stability and strength in your management are vital.

How successful you are at having a strong stable partnership with your co-op's management depends on you. Here are some tips to help you get the management-governance relationship right.

1. Choose sound management to start with.

Whether you hire your own staff or contract with a management company, make sure they understand co-ops and co-op programs and have the skills needed to manage the different functions of your co-op's operations and offer your members good service.

2. Management is not in competition with you, so don't battle with your staff or management company.

They are there to help, so let them do that. As we said, the two roles are complementary. Try not to work against that by doing the management job yourselves, and count on your managers not to play the governance role that belongs to the board.

3. Recognize that co-op management is an expert field.

Make sure your managers have an opportunity for training and professional development, so they can keep up with the skills they need to do the job. If you employ your own staff, invest in training for them – it will pay off for your co-op.

Just as governments can't function without effective, professional public servants, boards will struggle without the support of strong management. Your management gives the board the information and expertise it needs to make good, sound decisions – decisions that your manager then carries out on your behalf.

4. You want a professional standard of management; offer a professional employment environment.

Offer fair salaries and benefits and a method of supervision that doesn't leave the manager taking directions from every member of the board. And offer a professional working environment too – a proper, well-equipped office that's free from unnecessary distraction.

5. Make co-op management a stable career that's worth choosing.

Many good people leave co-op management because they see it as a field that lacks stability. They see boards coming and going, each with an agenda to "fix" the management of the co-op. That creates uncertainty and distrust in managers and can send them off in search of different career options. The best advice for new boards? Don't assume your management needs fixing until you're sure it's broken. Chances are it isn't. Otherwise, fit your co-op's office with a revolving door. You're going to need it.

It's not a one-way street. If you follow these few guidelines you can expect to attract and keep good people and have accountable, responsible management that works to support the board in its governance role.

7

A last word

Co-op housing is a force for good, a people-first housing option founded on community values of social justice and mutual self-help.

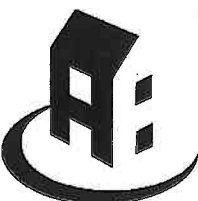
These are ethical values and the way we conduct ourselves as co-op directors should reflect them. Of course ethics are expected from directors of any corporation, but we've all seen how often self-interest has come before ethics in corporate boardrooms. In the co-op housing sector we hold ourselves to a higher standard. We need directors who commit themselves to good governance and principled leadership. Fortunately, they'll be the richer for it if they do, and so will their co-ops.



© CHF Canada, 2006. Members of CHF Canada may copy and use this guide. This material is not to be used or copied by others without the written consent of the Co-operative Housing Federation of Canada.

This publication is made possible through the dues paid by CHF Canada's members.

Printed on Rolland Enviro 100 Smooth
100% P.C.
100% C.F.P.A.
Archival / Acid Free
88 Brightness



National Office

311-225 Metcalfe Street
Ottawa, ON K2P 1P9
Tel (613) 230-2201
Fax (613) 230-2231
Toll-free 1-800-465-2752

Ontario Region

313-720 Spadina Avenue
Toronto, ON M5S 2T9
Tel (416) 366-1711
Fax (416) 366-3876
Toll-free 1-800-268-2537

Vancouver Office

204-5550 Fraser Street
Vancouver, BC V5W 2Z4
Tel (604) 879-4116
Fax (604) 879-4186
Toll-free 1-877-533-2667

Manitoba Office

Suite 192
162-2025 Corydon Avenue
Winnipeg, MB R3P 0N5
Tel (204) 989-5963
Fax (204) 487-6407
Toll-free 1-888-591-3301

Nova Scotia Office

201-1099 Marginal Road
Halifax, NS B3H 4P7
Tel (902) 423-7119
Fax (902) 423-7058
Toll-free 1-866-213-2667

www.chfc.coop