

# Finding The Way Out ...from Between a Rock and a Hard Place!

**SOMETIMES THEY'RE BETWEEN A ROCK AND A HARD PLACE...OR MAYBE PLAYING "PIG IN THE MIDDLE."**

No matter how you look at it, it's not an entirely comfortable position and a not unusual position for a private club general manager.

The general manager or chief operating officer is that person in the middle as the buffer...the influencer...the point person between the members and the board of directors in the private club.

At the same time, the GM has to work with a volunteer board of directors to achieve the goals and objectives of the board and the membership...a relationship that's vital to a club's continued success.

Sometimes it just isn't easy to get out of the "middle."

What happens when some on the board of directors think the general manager is doing 'just fine', while others don't? What happens when budgets go out the window and deficits run up? When food and beverage just isn't paying its way? Who's responsible? Who should be responsible – the GM or the board?

There are many factors influencing the relationship between a board and the GM, not the least of which is the board's daily intrusion into the management of the club's operations.

When a board is not satisfied with establishing policy and giving the GM the tools to do the job, and the board, or its members continually inject themselves into micromanaging daily operations, it causes distress for general managers, boards, management and members alike. Why does it happen?

"The GM represents the club's institutional memory," says Harvey Weiner, president of the Dallas, Texas-based Search America, a private club management search and consulting firm.

"Reminding the board of its fiscal responsibility can make the GM unpopular. Show me the board that doesn't think its members must make their mark during their brief time in office even if it may leave their successors in debt!

"Few boards commission a capital reserve analysis then respect their club's long range capital improvement plan. New directors inherit reserves and think it's just fine to invade the coffers during their term, unmindful that the roof has four years of remaining life or the parking lot will need to be resurfaced in six years, or the HVAC has been patched so often that it will need replacement a year after their term expires," Weiner opined.

"Inadequate financial planning may drive the board to request unpopular membership assessments. The worst offenders are those directors who release



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reserves to subsidize operational inefficiencies. Nobody likes operating assessments," he emphasized.

"Capital improvements in the front of the house, locker rooms, or on the golf course are more readily accepted than a kitchen renovation, improved tennis court drainage or a new superintendent's barn. Overspending by boards on nice-to-haves versus a realistic evaluation of their members' capacity to fund, often leads to management turnover, not because the GM exercised faulty judgment but because the directors are still members while the GM may be perceived as an 'expendable lightning rod.'"

Yes, there's a need to articulate policies, roles and responsibilities but these must flow from a beneficial relationship between the GM and the board of directors. The question is: How can the board improve its relationship with the general manager to make it more productive?

It's a matter of trust, says Richard Kopplin, president of Kopplin Search Inc., based in Scottsdale, AZ. There may be a high turnover of many private club positions, but at the same

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time there are “some general managers who have served five to 10 years in every positions they’ve held,” he said.

“I believe the secret to any long tenure is the general manager’s ability to build trust with the board of directors.”

And there are many ways to develop that trust relationship.

“COMMUNICATE, COMMUNICATE, COMMUNICATE!” Wiener exclaims. “Define expectations, communicate those expectations, and monitor progress toward expectations. Intervene only when required to get progress back on track.

“The board establishes the club’s vision and mission. The manager, regardless of title, is the Chief Implementer,” he explained.

“Our surveys indicate that the single greatest reason for managers resigning or being terminated is: misconception, or even misrepresentation, of how the job’s authority and responsibility were initially defined. Be clear.

“Before initiating a search for a GM, define your club, the members’ expectations of their club and the directors’ expectations of their manager. Ask yourselves: *By what criteria will I know a year from now that we hired the right GM?*” Wiener queried.

“Boards turn over, as a rule, a third per year so that after three years or so all of those involved in hiring the GM are no longer in a leadership role. So, for the first year the new GM has 100 percent board support but, by the third year, the GM may have just one third of the directors’ support. Bi-annual board orientations alleviate this predicament,” he explained.

Role clarification is essential, emphasizes Tarun Kapoor, CEO of Kapoor and Kapoor, a hospitality consulting firm based in San Marino, CA. It’s a triple layer of clarification and accountability.

“The general manager, the executive committee and the board each must know what they’re responsible for, have the authority to do what is necessary, and know what they will be accountable for.” The lack of role clarification is where there is often confusion within the private club structure.

“Roles must be articulated and then enforced,” Kapoor said. “Problems invariably come up when volunteers feel they have the right to execute decisions affecting the club’s resources, yet they don’t have the authority to make the decision.”

What does Kapoor suggest? “The board and/or volunteers should be ones setting the strategic direction, establishing club operating guidelines then ensuring management and/or volunteers are operating within the guidelines, and supervising, auditing and managing the GM or COO.”

But what happens say, when some board members see weaknesses in the general manager’s performance, while other don’t? One thing’s for certain. A club with a hemorrhaging budget draws attention very quickly. There are assessments,

rising dues, a decline in member usage, and the club has difficulty retaining members let alone recruiting new members. It’s the start of the death spiral. Everyone’s looking for band-aids, for festering sores and at the same time missing the big picture about why the club’s members are unhappy.

In most cases, committees are a board resource...advisors to the board, not management. As a result, “micromanagement often occurs when committees lack clear guidelines as to their authority and responsibility,” Wiener adds. “The board, acting as a whole, has authority. Individual directors or committee members are not expected to act unilaterally.”

So how does this deal with a manager’s weaknesses if a club wants to avoid micromanagement?

“It is not the board’s responsibility to train the club’s manager,” Wiener stressed. “The skillful manager identifies and develops club leaders and imparts sufficient technical knowledge for them to feel effective, challenged, appreciated and productively engaged.

“The board must clearly define objectives, define success, review and approve budgets and provide the GM the necessary resources and support. Then, permit the manager to do the job without interference but with periodic board oversight and no micromanaging,” he stressed.

“If a board of directors finds itself having to compensate for ineffective management by micromanaging the manager then it may be time for intervention by a skilled consultant who can mitigate this situation.” A situation that likely occurs more frequently than we wish to admit.

In fact, the situation can be exacerbated by a micromanaging general manager...delving into the nitty-gritty of various departments better left as the domain of department heads. What’s good for the goose should be good for the gander...the board should set policy and let the GM implement. So the GM should give department heads their guidelines and let them implement.

For all this to happen it goes back to the point emphasized by Kopplin...TRUST, and there are eight strategies he feels are vitally important in developing a high level trust relationship between the board and the GM.

A better, more productive relationship, Kopplin suggests, revolves around these strategies:

- **Professional visibility:** As a young general manager I recall one hot and humid evening walking into the dining room with my tie loosened, sleeves rolled up and perspiration showing on my shirt. I was not aware of my slovenly appearance or maybe subconsciously wanted to demonstrate to the club members “how hard” I was working into the evening hours. After recognizing and greeting the club president, who was dining with guests, I visited a number of tables. I thought I had done a very good job of “being visible” until my club president met with me later in the week. He told me he was embarrassed to introduce me to

his guests because of my “disheveled appearance.” From that point on whenever I was visible in the dining rooms or for that matter any area of the club where I might encounter members or guests, I was appropriately groomed and attired. And so were all of the other department heads of our club.

- **Financial ability:** One of the most effective ways a manager can build trust with a private club board is to demonstrate the ability to run the “business” side of the operations. During our annual audit by an outside CPA company, I often asked more questions of the auditors than they asked of me. I wanted to understand the accounting principles that could improve the operations of our club and I viewed the auditors as our club partners in that process. At the end of the audit the CPA firm would write their report and after reading it I always took the opportunity to respond to the auditor’s comments in writing.

A trusted general manager will present the variance report to the club board, commenting where necessary and showing any trends that need to be watched. They will understand the balance sheet and the operating statement of the club better than any of the club’s board members.

- **BIG Guests:** This acronym stands for Board Invited Guests. When I was managing clubs, our golf professional would copy the tee sheet for the next day and yellow highlight any board members’ names that were bringing guests the next day. The dining room manager would do the same for board members making lunch and dinner reservations for the following day, preferably including the names of the guests accompanying the member.

I’d make sure I was available to greet board members and their guests by their names. Why? Because I truly believe that it is one of the few ways a general manager can recognize and thank club board members for the time and effort they have given in volunteering to serve their club.

- **Communicate:** The best club general managers understand that “the best surprise is no surprise.” They will communicate with their club president on a regular basis but certainly once every week.

Emails have allowed for easy, daily communication and there’s no excuse for a club president to not be aware of any major issues developing at the club, which may need their attention. The key to any communication is understanding and it is important that club managers clearly identify issues and their solutions in a manner that allows the club president to grasp the key points completely.

- **On Time Management:** The general manager needs to be a “clock leader.” They should set the example of beginning all meetings on time and limiting the length of committee and staff meetings to a pre-agreed period. There is no faster way to build credibility (or to lose it) than beginning a meeting exactly at the scheduled time, whether or not all of the participants are present.

In fact, it’s a disservice to those who were punctual when the start of the meeting is delayed only to benefit those who inconsiderately wander into the room at will.

- **Office visit:** Many successful general managers are in the habit of visiting the office of their club president rather than always meeting at the club. For some reason the dynamic of the general manager/club president relationship changes for the better when an occasional meeting can be held on the club president’s “home turf.” If the club president has retired then a visit to their home is a good substitute.

- **Action plans:** Like any other business, there is a certain amount of “process” that needs to happen in the private club. The best way to address issues and implement solutions is the use of “action plans.” These plans outline in writing what the appropriate club committee and the general manager are recommending to the board for their approval. They are typically developed from the committee agendas and will address the wide variety of issues in any club. The key is to make sure these action plans are in writing and become part of the board meeting agenda.

- **Educate:** Most club managers are interested in pursuing ongoing education in their profession and typically achieve that knowledge by their participation in the Club Managers Association of America educational offerings. It is vitally important that general managers share with their club president and club board members the significance of their participation in the CMAA educational programs.

## PUBLISHER’S FINAL THOUGHTS

For sure, opinions vary, but boards need to fully understand what a general manager’s roles and responsibilities are in the private club industry today. These roles must be clarified so the GM, the executive management and the volunteer board of directors each are fully aware of their responsibility and authority.

And if the club’s operation is dysfunctional for whatever reasons, a board and general manager must cast aside their differences to focus on the common good of the club – especially at a time when recruiting, retaining and encouraging use of clubs facilities should be the number one objective for any private club.

Ultimately meaning, there must be a firm trust relationship, as Richard Kopplin suggests. When this happens, general managers flourish, boards flourish, the club’s culture flourishes and that means continued success for the private club.

At least, that’s the way I see it! **BR**

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*If you have comments on this article or suggestions for other topics, please contact John Fornaro at (949) 376-8889, ext. 4 or via email: [johnf@apcd.com](mailto:johnf@apcd.com)*