



Private Club Performance Management



Professional Development
Readings in Leadership & Management 1

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Leadership

It all starts with leadership. Strong and stable leadership is the single most important requirement to successful club operations. While there are many styles of leadership suited to any industry or endeavor, experience over many years in the club business makes it clear that a service-based approach to leadership works best in the service industry. This style of leadership, variously called “servant leadership” or “enlightened leadership,” has as its primary motivation service to others – to members, to the owners of the club, and to the employees.

This leadership style differs from others in its focus on serving the needs of employees to provide them with the proper tools, training, resources, motivation, and empowerment to serve the club’s members. In simplest terms, when leaders serve the club’s employees, they will serve the members, who by their continuing enthusiastic patronage will serve the bottom line of the club and its owners. An understanding of the importance of this style of leadership can be summed up by the simple saying,

“How can employees provide quality service if they are not properly served by the leadership and example of their managers?”

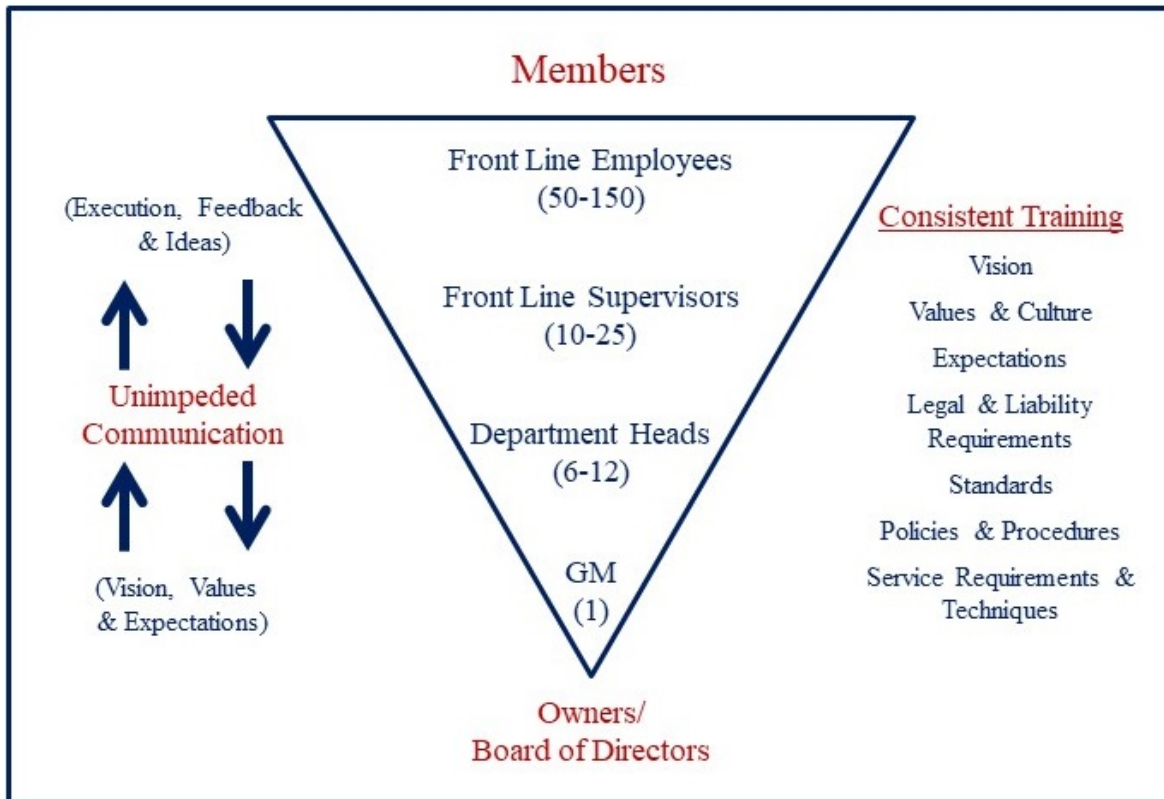
Being a serviced-based leader requires many different skills, but two are so important to providing quality service that they bear special mention. First is the will to make it happen. Building a Remarkable Service Infrastructure (see *PCPM, Insights and Ideas, Remarkable Service Infrastructure - An Overarching Plan for Club Excellence*) is not a one-time event or a single set of instructions to employees. It is a challenging and ongoing endeavor that may take years to fully implement.

This is so because, at its root, building a Remarkable Service Infrastructure is about changing people’s attitudes and behaviors. Even in a start-up operation where there is no tradition or ingrained institutional habits to overcome, newly hired managers and employees bring their own service experiences with them. Given the inconsistent and relatively poor state of service throughout most of the service industry, they simply bring bad habits or those they practiced in their previous jobs. This multitude of experiences and habits must then be forged into an integrated system that fosters a consistent understanding and application of service and quality.

The second necessary skill is communication. To build the infrastructure the leader must communicate organizational values at every opportunity and continually reinforce the club’s culture of service. The leader must be both patient and persistent. Instructions and reinforcement will have to be given repeatedly. Training and implementation must be repeated at intervals until every employee gets the message and provides consistent quality service in every situation.



The Necessity of Unimpeded Communication and Consistency of Training in Club Operations



Quality and Service are both detail- and people-intensive requiring that all employees understand what they must do in all situations. Such complexity can only be mastered through unimpeded communication and consistent training. Unimpeded communication flows naturally from Service-Based Leaders, while written values, expectations, standards, policies, and procedures promote consistent training.

While it is recognized that the general manager must be a strong leader, it is also critical that the club's subordinate managers and supervisors are also trained to be strong service-based leaders. While some degree of a leader's skill set seems to be inborn, such as personality and an analytical mind, and others (confidence, judgment, and communication skills) are developed early in life, the great majority of a leader's skills are learned. Unless junior managers are systematically trained to develop the skills, which have to do with building and sustaining meaningful work relationships, their leadership development will be haphazard and the general manager's vision and message of service will not be communicated faithfully and consistently to line employees.



Managers' Code of Ethics

1. As a representative of my club, I understand that my actions and behavior, both at and away from work, reflect on the organization that provides my employment. I will, therefore, do everything in my power to represent them faithfully and professionally in all my dealings with members, guests, employees, vendors, and the community at large.
2. I will organize the work areas for which I am responsible and thoroughly train the employees I supervise to ensure the most efficient operation with the highest levels of service possible.
3. I will not use or remove club property for personal use and will protect the assets and resources of the club as if they were my own. My vigilance and example will ensure the employees I supervise do likewise.
4. I understand that my leadership and example set the standard for my employees. I understand that a manager who shirks responsibilities, cuts corner, fails to give an honest time commitment, pilfers food and supplies, fails to secure inventories, or is not personally productive in time or commitment, can expect his or her employees to do the same.
5. I will not exchange club goods or services for personal favors or services from members, non-members, or vendors. Further, I will not accept personal favors, gifts, or rebates from vendors in any form. Such items benefit me at my employer's expense and are appropriately considered kickbacks. My only interest is to get the best price for my place of business and will make every effort to do so by seeking competitive pricing from several vendors.
6. While I may direct employees' work, their productive effort and well-being serve the interest of the club. Therefore, I must work hard to ensure their maximum contribution to the mission and goals of the club. I can only do this if I value each employee as an individual whose contribution to the collective effort is directly dependent upon my leadership, as well as the tools, training, resources, and support I provide them.
7. I will never use my position or authority to request or require personal services or favors, sexual or otherwise, from employees.
8. I will never enter personal or intimate relations with any employee who works under my direction or is directly or indirectly supervised by me. Such an inappropriate relationship damages the organization by implications of favoritism and clouded judgment. Ultimately, it irretrievably harms both my ability to lead and my personal and professional reputation.
9. While maintaining a positive interest in and influence over the efforts of my employees, I recognize the importance of maintaining a professional distance from them. I will not socialize or party with those I supervise, except while attending club-organized social events or in the furtherance of club business.
10. Finally, I recognize that my integrity is at the core of my personal and professional standing. It is the most important ingredient of my leadership and is the foundation for any success I will achieve in my career and life. I will never be tempted to squander this most precious possession for the sake of expediency or inappropriate gain.



Management Professionalism

Certain actions on the part of managers and supervisors will cause problems for you and the club. The following basic guidelines will help you avoid problems and set the proper example for those you lead.

Consistency in all personnel actions

In today's litigious society it is essential that all personnel actions from screening interviews, to hiring, to providing opportunities for training and promotion, to counseling, disciplining, and terminating be consistent, fair, and professional.

No retaliation

Employees have a right to come forward with their problems and concerns. While you may expect that they will come to you first, they may feel that you are part of the problem.

Should employees go over your head or file complaints against you, do not retaliate against them. The best way to avoid this is to have open communications with employees and be approachable for their problems and concerns.

No sexual harassment

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual, or
- Such conduct has the purpose or the effect of interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.
- Sexual harassment is against the law, and it is the policy the club that any incident of alleged sexual harassment be reported to management immediately. Allegations must be quickly and thoroughly investigated.

No discriminatory practices

Biases, prejudice, disparaging remarks or jokes based on race, creed, religion, gender, national origin, ethnic group, age, handicap, or sexual orientation cannot be tolerated. There is no place for bigotry or personal and cultural insensitivity in the workplace. While each person has his or her own biases and prejudices, do not let them interfere with your conduct and decisions as a leader. There are two good reasons for this:

- Senior management will deal swiftly with leaders who exhibit such behavior, and
- This behavior demeans people. It demeans those who do it and those who are subjected to it. Since the club is the sum of its parts, words or actions that attack the self-esteem of any employee damage the club's efforts.



No favoritism

Scrupulously avoid any appearance of favoritism. The fact or perception of favoritism creates serious problems among employees. Many employee complaints stem from perceptions of unfairness on the part of leaders. Time, money, and energy are spent responding to these complaints, which take away from the club's focus on member service, planning, and improving operations.

In addition to the problems created for the organization, the perception of unfairness creates dissension, poor morale, and destroys motivation within your work team.

No fraternization with employees

As a leader you must not, under any circumstances, enter into personal, intimate relations with employees under your direction.

Should you feel drawn to such a relationship, you must take steps to ensure that one or the other party in the relationship resigns his or her position. Just as nepotism creates problems in an organization, personal relationships can interfere with the performance of your official duties.

No fraternization with members

Leaders should avoid fraternization with members beyond the bounds of their jobs. It is always necessary to have some professional distance from any person or group to whom you have work-related obligations. While you should always treat members with friendliness and courtesy, avoid socializing with them. Such personal relationships may create subtle obligations on your part and will certainly create the appearance of favoritism and/or compromised judgment among other members. These will ultimately lead to resentments and antagonisms, further complicating an already challenging position.

Except for club-sponsored events, activities, trips, or the normal socializing as part of the job, invitations from members to private dinners, cocktail parties, card games, and other social activities should be courteously declined. Managers must always remember that they are not members of their clubs, nor do they have equal social standing with their members within the context of the club.

No waste, fraud, or abuse

Abide by the highest ethical standards. If you cut corners and bend the rules when it comes to safeguarding the assets of the club, you can expect your employees will do likewise.

This is particularly important regarding your personal productivity. Don't expect your employees to work hard if you don't set the example. Abuse any privilege associated with your position and risk the loss of your employees' respect.

Ethical standards are at the very heart of what you do – your personal and professional integrity. Often the appearance of wrongdoing can be as damaging as the reality. Follow the spirit as well as the letter of ethical requirements and set an unassailable example of conduct for those you lead and serve.



No disclosing confidential information

Never share confidential personnel or disciplinary information. What happens at the workplace should stay there. While it is impossible to control rumors and gossip circulating among staff, you can maintain confidentiality and not engage in this activity yourself.

Information about the club, such as financial statements, operating statistics, and internal problems should not be disclosed to persons or organizations external to the business. If a request for information seems legitimate, pass it on to your general manager who will make the appropriate determination.

No complaining to employees

Leaders shoulder the burden of many responsibilities. When things are not going well, it is all too easy to seek out someone with whom to share the burden. This someone should never be one of your employees.

A major requirement of leaders is to possess the maturity to understand the potential negative consequences of confiding anxieties, doubts, and grievances to subordinates.

No favors from vendors

Frequently, managers will be offered favors and gifts by vendors. These may be in the form of seemingly small personal items, free products for personal use, gifts at holidays or on birthdays, tickets to concerts or sporting events, or invitations to parties to thank you for your patronage. While these may be genuine expressions of appreciation, they create problems for the leader.

Even in subtle ways they cloud your judgment, making it difficult to be truly objective in your purchasing decisions. Accepting even small favors starts you down a slippery path. At what point do you say no, when you have repeatedly said yes?

Principles of Employee Relations

It is the intention of the club to create and sustain a work environment that promotes happy and satisfied employees, thereby ensuring positive member and guest experiences. Therefore:

1. All employees will be treated with dignity and respect. We will not tolerate discrimination or harassment in any form, or any conduct that is unseemly, unprofessional, or reflects poorly on the club.
2. Rules, regulations, and policies will be applied uniformly and fairly to all employees. We will not play favorites. We pledge to conduct our employee relations in an honest and straightforward way. Any necessary criticism or counseling will be conducted in private in a constructive manner with the intention of instructing and correcting rather than blaming.
3. Every employee contributes to the overall success of the operation. The only difference among employees is their level of authority and responsibility. Every employee is important.
4. The great majority of people want to do their jobs well and they take pride in their work. When an employee fails, it is often a failure of management to properly train or communicate performance expectations. In other words, we can't expect employees to do something properly unless we have properly shown them how to do it.



5. Employees have no idea what goals management has for them unless those goals are communicated. They have a need and the right to know how their performance is contributing to the achievement of those goals. Continuous feedback is essential.
6. Management must make every practical effort to keep employees informed on matters concerning policy, procedures, long range plans, projects, work conditions, compensation, and benefits. An informed employee is a better employee. Supervisors should be available at reasonable times to answer questions and hear employee concerns.
7. Recognition is important to all of us. If we have the authority to correct, we also have the responsibility to praise. We cannot have one without the other.
8. Every one of us has a responsibility to help our fellow employees. We do not work alone. Rather we work together for a common purpose. We owe it to ourselves and everyone we work with to be personally pleasant and mutually supportive. One unpleasant personality or negative, non-cooperative attitude can ruin the workplace for all of us.
9. We must empower our employees through meaningful contribution, while striving to make our workplace interesting, challenging, and rewarding. We can do this by involving employees in decision-making and continual process improvement. The ideas, energy, and enthusiasm of our employees are truly the driving force behind any success we may achieve as an organization.
10. Our workplace must also be pleasant, enjoyable, and even fun. Too much of our lives are given to work for it to be viewed as a necessary drudgery. Each employee is challenged to do everything possible within good taste and reason to make their workplace a more enjoyable experience for us all.

Authority, Responsibility, and Accountability

“Authority,” “Responsibility,” and “Accountability” are three terms that are used frequently to describe positions of leadership. What exactly do these terms mean and how are they related?

Authority is defined as “a power or right, delegated or given.” In this sense, the person or club that hires a manager **vests him or her with the authority to manage or direct the operation.** It is expected that this individual will exercise the full scope of his authority to properly, profitably, and professionally manage the club.

Responsibility is defined as “a particular burden of obligation upon a person who is responsible.” Responsible is defined as “answerable or accountable, as for something within one’s power or control.” Therefore, **a manager is responsible and has responsibility for the operation for which he or she has been given authority.**

Accountability is defined as “subject to the obligation to report, explain, or justify something; responsible; answerable.” **A manager is answerable for the performance of the operation for which he or she has authority and is responsible.**

Authority may be delegated to subordinates. For example, a general manager may delegate the authority to collect delinquent accounts to the club controller. The club controller then has the right to perform tasks associated with collection, such as sending past due notices, charging finance charges on delinquent accounts, and suspending membership privileges for seriously



overdue accounts. However, even though the general manager delegated the authority, he or she still has the responsibility to ensure that collections are done properly. As the saying goes, “You can delegate authority, but not responsibility.” As the delegating manager, you are ultimately responsible for your organization’s performance.

As a manager, you are accountable for those functions and tasks that have been delegated to you. Likewise, should you delegate any functions or tasks to subordinates; you must ensure that they are held accountable for properly performing them. This requires that you properly explain your expectations to that subordinate. This is most easily done when performance parameters are objective, say telling a football coach that he must win six games or else he’ll be replaced. More often, performance parameters are more complex and involve subjective evaluations. Regardless of the difficulties in defining these parameters, it must be done. Otherwise, there is no way to hold a subordinate accountable for results. It is for this reason that performance expectations and standards must be defined.

Two Important Leadership Lessons

When I first joined the military, I was drilled repeatedly that the proper answer for any questioned failure was “No excuse, Sir!” While this response seemed to be a martinet-like reply when being chewed out for poorly-shined shoes, an unpolished belt buckle, or for failing to accomplish some impossible task, the underlying message was an important one – that there is no excuse for failure.

Properly understood it means that there is always more that I, as a leader, could have done to succeed – I could have paid closer attention, devoted more resources, better juggled the demands upon my time and attention, done a better job of planning or preparing, selected better teammates or subordinates, delegated more or better, supervised closer, or any other more appropriate action or initiative that would have ensured success.

The concept of no excuse for failure is an important one in fighting wars, running companies, or any other important endeavor. Further, the concept of no excuses implies that you cannot blame others for your failures – there is always something more you could have done. Wouldn’t such a sense of personal responsibility be a breath of fresh air in past economic crises where highly paid executives and CEOs took little or no responsibility for their organization’s failures?

The second lesson the military taught is that a leader is responsible for everything his or her unit does or fails to do. While this lesson is closely tied to “no excuse for failure,” it brings some important distinctions with it – that no matter what role others are supposed to play in the endeavor – it is the leader who is ultimately responsible for the outcome.

Some examples to illustrate the point: Too often, managers wash their hands of personnel issues because they have a Human Resource department. The same is true when the club has a training department or is provided training materials. Suddenly, the manager is no longer responsible for the training outcome because “someone else has that covered.” Such attitudes set the manager up for failure.

Remembering that “you can delegate authority, but not responsibility,” the manager must take personal responsibility to ensure that not only she is knowledgeable about HR issues and labor laws, but that all subordinate managers are as well. Likewise, the manager must be intimately



familiar with training materials and whether subordinate managers are properly training front line employees. To do otherwise is to avoid the very responsibilities for which a manager is hired.

While these leadership lessons from the military may seem overly stringent, even harsh, they are, in fact, the essence of leadership – taking personal responsibility. If anyone doubts this, just ask any National Football League coach what leadership standard he is held to.

Leadership: Respect, Not Like!

One of the basic tenets of leadership is that being a leader is not a popularity contest. Leaders sometime need to make tough, often unpopular, decisions and can't be swayed by group opinions. It is often said that followers don't have to like their leader; they just must respect her.

There is truth in these maxims which are wonderfully dramatized in the classic World War II movie, *Twelve O'Clock High*, a film widely used to teach leadership principles. Gregory Peck, in the starring role, plays General Frank Savage, an Army Air Corps officer sent to take temporary command of an underperforming and demoralized bomber squadron.

In a telling scene that clearly demonstrates the "role playing" element of leadership, Savage enjoys a last, quiet cigarette with his driver just outside the gate of the air base before putting on the mantle of demanding leadership to whip the squadron into shape. His tough, heavy-handed approach to the exhausted and battle-weary flight crews creates a backlash of resentment, leading all the crews to put in for transfers out of the unit. The unit's adjutant, a peacetime lawyer played by Dean Jagger, realizes that the new commander is trying to shake the men out of their self-pity and stalls for time – just enough time for Savage to begin rebuilding the men's pride and fighting spirit.

Another movie that touches on the same themes is *Hoosiers*, in which Gene Hackman plays a disgraced college basketball coach, Norman Dale, who comes to small town Indiana to coach a high school basketball team. His focus on the fundamentals of the game, unorthodox style, and early season losses turn the town against him, but he ultimately prevails by winning the state championship, becoming the smallest school ever to win the title.

The lead characters in both these movies followed leaders who were popular with their subordinates, but both Frank Savage and Norman Dale were more interested in eventual success, not whether they were popular or liked.

Yet there are many things that a successful leader does to ensure success that are both appreciated and liked by their followers. Consider that most people prefer to:

- Do a good job and take pride in their work.
- Know that what they do contributes.
- Receive feedback on their efforts.
- Know the major decisions that affect their organization, their work, and their jobs.
- Understand the big picture.
- Be treated with dignity and respect.
- Work for a competent and dynamic boss.



- Be properly trained to do their job.
- Have an interest taken in them as individuals.
- Work for a successful and efficiently operated enterprise.
- Have a tough, but fair and consistent boss; one who demands excellence of himself and others.

So, workers may not like their boss in the sense of being a buddy, but they certainly respect a boss who by the exercise of strong leadership improves their work life, recognizes their efforts, and makes their enterprise successful.

Do the right things as a leader and your followers will respect and admire you – which, in the final analysis, is far more important and satisfying than being liked!!

Leadership and the Bully Pulpit

According to Wikipedia “A bully pulpit is a public office of sufficiently high rank that provides the holder with an opportunity to speak out and be listened to on any matter. The bully pulpit can bring issues to the fore that were not initially in debate, due to the office's stature and publicity.”

The term was coined by President Teddy Roosevelt who frequently used the word “bully” to mean “superb” or “wonderful” and who recognized the power of his position in advancing causes or promoting ideas such as the expansion of the National Park System.

While club leaders from general managers to front-line supervisors do not hold public office, the concept of a “bully pulpit” for leaders is just as real and can be just as effective in swaying the minds of employees. This is particularly so when the leader is respected by her employees.

Some topics or areas where leaders can use the bully pulpit with their employees include:

- Creating and fostering a club culture of service.
- Building and sustaining a sense of commitment and teamwork.
- Encouraging and advising employees on education and advancement opportunities.
- Instilling a sense of ethics and professional behavior through the example of word and deed.

Using the bully pulpit is usually not a one-time event. An important idea or issue often requires ongoing promotion to make an impact on employees. Take the case of President Gerald Ford's Whip Inflation Now campaign. After immediate ridicule of the idea and the “Win Buttons” in the press, the plan was dropped, never to be mentioned again. It never went anywhere despite the pressing nature of the issue.

On the other hand, take the example of Al Gore's persistence in advocating green energy alternatives, even in the face of withering long-term criticism. Whether you agree with his politics or not, it ultimately won him the Nobel Prize and green issues are now on everyone's mind.

Leaders, especially those who are effective and respected, have a wonderful opportunity to use the power of their positions to influence employees for their own good and the good of the



organization. Don't miss an opportunity to make a difference by failing to recognize the power of your own "Bully Pulpit."

Morale Matters

In 1951 General Dwight David Eisenhower was tasked with the nearly overwhelming challenge of rallying the European democracies to the need for a common defense force – NATO – to counter the threat of the Soviet Union and its 175 Division Red Army. The mood in the European capitals was one of deep pessimism. Having seen two world wars on their continent in three decades, having suffered death and destruction on a massive scale, facing home populations with deep distrust and antagonisms toward their neighbors – especially Germany – the situation was not promising for the necessary cooperation and effort to confront the Soviet menace.

While Eisenhower knew that the rearmament of Europe would be costly and take time, he saw as his greatest challenge the need to rebuild European morale and confidence. At the time he told diplomat Averell Harriman, "The last thing that a leader may be is pessimistic if he is to achieve success." In his diary he wrote, "Civilian leaders talk about the state of morale in a given country as if it were a sort of uncontrollable event or phenomenon, like a thunderstorm or a cold winter . . . (while) the soldier leader looks on morale as the greatest of all his problems, but also as one about which he can and must do something."

Morale has always been, and will always be, an important concern to military leaders. The effectiveness of their fighting force demands it. But it is not just in armies that morale is important. Athletic coaches know that dissension, bad attitudes, and pessimism will destroy all chances for victory and work hard to build the confidence and morale of their teams. The same is true in business or any group endeavor. Morale matters!

One dictionary defines morale as "the moral or mental condition of a person or group with respect to cheerfulness, confidence, etc." Another says, "the mental and emotional condition (as of enthusiasm, confidence, or loyalty) of an individual or group regarding the function or tasks at hand; a sense of common purpose with respect to a group" and "the level of individual psychological well-being based on such factors as a sense of purpose and confidence in the future." A synonym is listed as *esprit de corps* – a French term dating from 1780 meaning, "the common spirit existing in the members of a group and inspiring enthusiasm, devotion, and strong regard for the honor of the group."

Attitude and morale are also important ingredients in hospitality operations where friendliness, good cheer, and enthusiasm are bedrock requirements for success. While hiring the right people with the right personal qualities has always been a safe bet when building service teams, the very act of creating teams brings its own challenges. As we explain in *Passively Creating a Hostile Work Environment* (see below), the group dynamic often creates its own problems and can interfere with the smooth functioning of the work team.

So, how does a leader go about ensuring good morale within his or her team? First and foremost, are the requirements of service-based leadership – of the need to communicate well with the team; of interacting daily with team members and providing direction; listening to and addressing their concerns; providing the tools, resources, training, and support for employees to do their jobs well. Beyond that is the need to recognize the ultimate value of people and act on



that principle; to be an active and engaged manager; to treat all employees with dignity and respect; to lead by example and address concerns promptly; to ensure closure on issues; and to be open and approachable to employees.

When all these things are done conscientiously and consistently by the leader, good morale is a natural by-product. By focusing on being the best service-based leader you can be, morale and its attendant group enthusiasm and good cheer will come naturally.

Freedom to Fail

Pete Dawkins (West Point class of 1959, Heisman Trophy winner, First Captain of the Corps of Cadets, in the top of his class in academics, with a distinguished military career) as a Captain wrote a seminal article entitled “Freedom to Fail” which was published in Infantry Magazine.

In this article Dawkins said that the Army’s Officer Efficiency Report (OER) system that demanded perfection of officers who wished to advance their careers, was damaging the effectiveness of the officer corps. Any officer who did not repeatedly score either 98 or 99 out of 100 on his OER could not expect choice assignments or rapid promotion. This commonly known fact, he argued, ran the danger of creating a system that favored the advancement of timid officers whose fear of failure kept them from bold, innovative actions and decisions – just the opposite of what the Army would want in combat leaders.

As Dawkins aptly pointed out, failure can be the greatest teacher we have. It fosters critical review of the actions leading to the failure, while success breeds complacency and acceptance of the status quo.

Another military example: in July 1863, Confederate General James Longstreet watched two of his divisions severely repulsed in the disastrous Pickett’s Charge at Gettysburg. Longstreet had been opposed to Lee’s plan for a multi-division assault on a broad front but was overruled by his superior.

Several months later, Longstreet used the lesson learned from that defeat to launch a successful attack against Union lines at Chickamauga. This time he formed his attacking force into columns of divisions to deal a sharp and irresistible blow that shattered the Union line and routed nearly a third of Rosecrans’s Army of the Cumberland.

So, what does this lesson from military history have to do with hospitality management? Plenty! Leadership is leadership no matter what the enterprise or situation. Any leader who creates an organization where leaders are not given the freedom to fail, risks the larger failure of mediocrity.

Leaders should give their subordinates plenty of latitude to figure out how to solve problems or plan projects without being micro-managed by their bosses. Subordinates should be encouraged to formulate and execute bold and innovative ideas. Certainly, failure will occur, but rather than blaming those responsible, encourage subordinates to conduct rigorous in-depth reviews of what went wrong and how things might have been done differently. The critical review process is the opportunity to learn and grow. Serious and sincere soul-searching for answers will inevitably lead to understandings that will improve future performance.

Having extolled the upside of mistakes let me also add that some errors are so egregious and obviously foolish that they call into question the subordinate’s judgment. While no leader can



ensure that all subordinates have basic common sense and good judgment, she can monitor their work to avoid the worst mistakes.

Such monitoring is made much easier when there is good, open communication between the leader and subordinates. Conversely, an uncommunicative leader helps create the environment where subordinates acting on their own are afraid to approach the leader to seek advice and guidance. In this situation the failure is the leader's.

Things every leader/manager should consider:

- Do not micro-manage. Give subordinates broad directions and desired outcomes but allow them to formulate and execute the details.
- Foster good two-way communications so that subordinates keep you informed of progress and are unafraid to seek advice.
- When giving guidance, explain the why's as well as the how's so that subordinates gain a broader understanding of your thought processes.
- When mistakes are inevitably made, do not get angry. Instead, be supportive and require subordinates to conduct a *postmortem* to determine what went wrong and what might have been done differently.
- Don't be afraid to give the failing subordinate new opportunities to prove his or her abilities. In other words, when she gets thrown from her horse, make sure she gets back on it again.

Failing is an inherent and useful part of human growth. Make sure your subordinates have the "freedom to fail."

Active and Engaged Management: Adding Value to Your Organization

If you are interested in advancing your career, the easiest and quickest way to do so is to add value to your employer. When you consistently demonstrate your ability to take initiative, solve problems, and make your boss' job easier, you will be recognized as one who adds value to the organization. The following principles, embodied in the concept of "Active and Engaged Management," will allow you to stand head and shoulders above your peers and will ultimately lead to greater and greater successes in life.

Reject the Status Quo

Every organization has its way of doing things. Often its methods are a result of stopgap measures implemented over time to deal with various problems that arose. Seldom are its policies and procedures formalized in writing; and even less often are they well-thought out from a big picture standpoint. Despite the haphazard nature of most methods, they are considered sacred and untouchable by employees because "we've always done it that way."

An Active and Engaged Manager, however, does not accept this status quo. He or she shines the fresh light of reason on the organization; continually asking questions – Is there a better way to do this? Does this make sense? Does this really serve our members' interests? Can we do this more efficiently another way?



This willingness to look for new ways to do things allows the Active and Engaged Manager to realize the next principle . . .

Seek Continual Improvement

Every aspect of an operation – from product and services to standards, policies, procedures, work methods, and training material – should be analyzed for ways to do them better, faster, more efficiently, and with higher levels of service.

When a manager is dedicated to continual improvement and seeks the input of his or her employees, the entire department becomes energized with ideas, innovation, and enthusiasm. And while the organization as a whole and its members benefit from the improvements, the employees gain the greatest benefit – knowing that their efforts contribute in a meaningful way to the success of the organization.

Be Proactive

Managers should also be looking ahead to ensure his or her department is ready for any contingency. While most businesses have a seasonal routine, the Active and Engaged Manager reviews past activity for ways to improve and continually seeks new ideas, events, and activities to keep the club interesting and fresh for its members.

By looking ahead – at least three months for routine operations, and further for major club activities, events, or projects, this continually advancing planning horizon allows all planning requirements to be completed in a timely manner. This allows enough time to order all supplies and materials while putting advance notice of the activity in the club newsletter.

Have a Plan

Every event, activity, project, or initiative demands a plan. Without a proper plan you approach everything helter-skelter, waste valuable resources and time, and subject your employees to your own disorganization and lack of discipline.

By putting your plan in writing – even as simple as a one-page outline of timing and responsibilities – you are better able to communicate your plan to your employees and to other affected departments. Such a written plan also broadcasts your competence and abilities to everyone who sees it.

The Army had a phrase to express the need for planning. The sanitized version of the six P's is:

“Prior Planning Prevents P. . .-Poor Performance”

Follow Through and Follow Up

Whatever he or she undertakes, the Active and Engaged Manager will follow through to ensure that all details are covered, and all actions completed. Often follow through requires modification in the original plan when unexpected situations arise.

Lastly, the Active and Engaged Manager will follow up on all completed actions or projects to learn from mistakes and to ensure that the initiative met the expectations of members, other managers, and employees.

In Closing



Being an Active and Engaged Manager is more of a mindset than possessing specific skills. It involves the willingness to tackle any problem, the understanding that every problem has a solution, and the realization that problems are opportunities in disguise.

The choice to be an Active and Engaged Manager is up to you. On the one hand, you'll add value to your organization and ensure your future success; on the other, you'll tread water and wonder why your career isn't going anywhere.

Managers' Financial Responsibilities

Managers are responsible for the financial performance of their areas of responsibility. There are many specific elements associated with this responsibility, which we have broken down into the following broad categories:

Budgeting. Budgeting is the process of establishing a financial operating and capital plan for a future fiscal year. Budgets are formulated using history, benchmarks, knowledge of upcoming events or trends, and one's best professional judgment.

Comparing Actual Performance to Budget. Once approved, budgets are the financial plan for the year. Managers are responsible for comparing actual performance to budgets on a monthly basis and intervening as necessary to achieve budget goals.

Achieving Revenues. Achieving revenue projections is one of the two primary means of meeting budgets (the other being controlling expenses). Managers are responsible for monitoring revenues daily and aggressively intervening when revenues fall short.

Controlling Cost of Goods Sold. Departments with retail operations (Golf, Food, Beverage, and Tennis) must also control the cost of goods sold and investigate high cost of goods sold by Cost of Goods Sold Analysis. Managers can do this by ensuring accurate Monthly Resale Inventories, carefully tracking Departmental Transfers and Adjustments, and using an Annual Retail Buying Plan.

Controlling Payroll Costs. Payroll is the single largest expense in club operations. Payroll costs are the most significant expense that managers must control. The Pay Period Summary Report and the Departmental Payroll Summary Analysis, *PCPM, Operational Resources, Club Forms – PCPM Form 229 and 230*, are effective tools to compare actual to budgeted payroll costs.

In order to control payroll costs, it is essential that managers have timely and accurate data regarding their departmental payroll cost. Essential to getting this data is correctly following timekeeping procedures, setting schedules to meet forecasted levels of business, and the dogged determination to track payroll expenses closely to ensure that budgets are not exceeded.

Controlling Other Expenses. Other Expenses comprise all the other departmental operating expenses. Managers can control these expenses by carefully reviewing expenditures on a monthly basis, using Tools to Beat Budget to monitor expenses by expense category, and by periodic in-depth reviews of significant expense accounts (see *PCPM, Insights and Ideas, Real Time Accounting – A Proven Program for Club Performance* for more information).



Benchmarking. Benchmarking is the act of measuring operating performance. Each Department Head is required to track detailed benchmarks for his area of the operation. For more information, see *Club Benchmarking Resources* on the PCPM Marketplace store.

Pricing. The starting point for meeting revenue projections is proper pricing of products and services to ensure a sufficient markup to cover associated expenses. Pricing should be reviewed on a periodic basis to ensure that budgeted margins are being maintained.

Purchasing. Managers are responsible for purchasing materials, supplies, and inventories for their departments. Managers must be familiar with all club purchasing policies to properly fulfill these responsibilities. See *PCPM, Operational Resources, Club Accounting Standards, Policies, and Procedures* on the PCPM Marketplace store for more information.

Expense Coding. Managers are responsible for ensuring that invoices for all purchased items are coded to appropriate expense accounts in a timely, accurate, and consistent manner.

Inventory Management and Security. Given that high inventory levels tie up capital that might be put to better use elsewhere, managers must use common sense and good business judgment to maintain inventories at levels that balance business demands, lower pricing for bulk purchases, perishability of stock, and available warehousing space.

Inventories must be kept secured with access limited to as few individuals as possible. Storerooms must be kept neat, clean, and organized to facilitate physical inventory counts and minimize damage and spoilage.

Merchandise inventories should be purchased using an Annual Retail Buying Plan and be benchmarked thoroughly, thereby continually monitoring inventory levels and product mix while minimizing markdowns. All special sales of merchandise during the year should be noted and marked down items analyzed in comparison with the Annual Retail Buying Plan (described in greater detail in the *Club Accounting Standards, Policies, and Procedures* on the PCPM Marketplace store) to ensure that lessons are learned from buying mistakes.

Asset Management. Managers are responsible for protecting and maintaining the assets (furniture, fixtures, and equipment) assigned to their departments and in their care.

Inventories. Periodic inventories are required for various assets:

- Resale inventories – monthly to determine cost of goods sold.
- Supply inventories, such as linens, china, glassware – quarterly to ensure you have enough stock on hand. Some consumable items, such as ware washing chemicals, cleaning supplies, and paper products should be done more frequently.
- Furniture, Fixtures, and Equipment inventories – annually to ensure accountability.

Internal Control. Internal Control is defined as the systems and procedures established and maintained to safeguard a business' assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Internal control, while often considered an accounting function, is a function of management. The ultimate responsibility for good internal controls rests squarely with managers. For greater detail see *Internal Control for Private Clubs* on the PCPM Marketplace store.



Point of Sale Transactions. The initial entry for all revenue data is through point-of-sale systems. Managers are responsible for training their employees to correctly use the POS system and to retrain as necessary when a pattern of errors is evident in their departments.

Accounting Standards, Policies, and Procedures. Managers should be familiar with all aspects of *Club Accounting Standards, Policies, and Procedures*. Managers are expected to follow all Accounting Standards, Policies, and Procedures and recommend changes as necessary.

Summary. The thoroughness and professionalism with which you meet these financial requirements will have much to do with your success. Consider which ones you currently do well, and which ones could stand improvement. Then get to work improving your performance in those areas where you are weak.

Legal Compliance and Liability Issues

Managers at all levels of the club must be familiar with quite a few legal compliance and liability issues. Some that are directly related to employment and staff (such as the Fair Labor Standards Act, hiring/firing, workers' compensation, sexual harassment, and youth employment) are made more challenging by the sheer number of employees, the youthful nature of the workforce, and the typical levels of turnover in the industry.

State Alcohol Laws. Individual states establish and enforce laws pertaining to the licensing and sale of alcoholic beverages. In addition to adhering to these laws that govern on and off premise sales, the hours alcohol may be served, the age of servers, purchasing, and disposal of empty bottles, there are strict requirements and penalties for over-serving patrons and serving underage persons.

In recent years there have been a few highly publicized cases involving liability for the deaths of individuals killed by drunk drivers. The courts have held that both the serving establishment and the server may be held liable when they over-served an individual who then got behind the wheel and killed someone.

Youth Employment. The federal and state governments have laws regarding youth employment. These laws specify industries and professions in which youth employment is banned or restricted. Further, they specify the hours that youths of certain ages may work and require youths to obtain a work permit before beginning work. A recent high-profile lawsuit against Wal-Mart resulted in a large fine for allowing underage persons to work with cardboard baling equipment.

Sexual Harassment. Sexual harassment is a significant concern in the hospitality industry because of the youthful, mixed-gender workforce, the sale and service of alcohol, and the late hours of operation.

Hostile Work Environment. Often, but not always related to sexual harassment and/or discrimination, ensuring that the workplace does not become a hostile environment for any employee requires the continual vigilance on the part of club management.

EEO/Discrimination. The Civil Rights Act of 1964, commonly referred to as Equal Employment Opportunity, requires employers to provide equal employment opportunities and bans discrimination based on race, color, religion, age, gender, national origin, disability, or veteran



status. This law covers all aspects of the employment relationship, including hiring, training, promotion, job assignments, compensation, discipline, termination and application of all the club's policies, procedures, and benefits. Recent cultural developments have also led so jurisdictions to pass laws providing protections to sexual orientation and gender identities.

Americans with Disabilities Act (ADA). The Americans with Disabilities Act provides civil rights protections to individuals with disabilities like those provided to individuals based on race, color, gender, national origin and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services, and telecommunications. While private clubs are exempt from some of its provisions, managers should be aware of how and when it does apply to their operations.

Occupational Safety and Health Act (OSHA). The Occupational Safety and Health Act of 1970 establishes standards and enforcement mechanisms for ensuring safe workplaces. This legislation and the federal and state agencies established to implement and enforce it have created a comprehensive array of requirements affecting the small business. At the core of a business' responsibilities are ensuring a safe workplace, reporting and investigating all accidents and incidents, and training of staff in safe work practices, as well as the importance of recordkeeping to protect against claims of negligence.

Uniformed Services Employment and Reemployment Rights Act (USERRA). Certain requirements are placed upon employers whose employees are members of the Armed Forces Reserves or National Guard called to active duty or meeting their annual service requirements.

Fair Labor Standards Act (FLSA). The Fair Labor Standards Act addresses compliance issues associated with payroll recordkeeping, overtime, exempt and non-exempt status, and various other compensation-related requirements.

Family Medical Leave Act (FMLA). The Family and Medical Leave Act (FMLA) provides certain employees with up to 12 workweeks of unpaid, job-protected leave a year, and requires group health benefits to be maintained at the employee's discretion during the leave. The details of this act require careful administration.

Hiring/Firing/Wrongful Termination. Hiring, counseling, dealing with misconduct and work performance, and terminations are fraught with legal issues and can become a major headache for the club that does not take reasonable and appropriate steps to train its management staff.

Workers' Compensation. Employees injured on the job are entitled to Workers Compensation. This state-administered program is specific in accident reporting procedures and level and length of benefits. Employers with high incidence of Workers' Comp claims can expect to pay higher insurance premiums.

Unemployment. This federally mandated, but state administered protection for employees who become unemployed through no fault of their own, can become an expensive program for employers who are lax in documenting employee discharges or who do not consistently challenge unmerited claims. The higher an employer's unemployment experience, the higher the tax rate.

Hazardous Material Handling & Storage. Clubs utilize a wide variety of hazardous materials such as the pesticides, herbicides, and fertilizers used in turfgrass management; chemicals to test, treat, and balance the water in swimming pools; and various cleaning compounds used in



housekeeping, maintenance, and kitchen ware washing. In addition to training employees in the correct handling, cleanup, and storage of these chemicals, each facility is required to maintain up-to-date Material Safety Data Sheets (MSDS) for each hazardous material and to disclose the presence of such materials to employees.

Food Sanitation. Food sanitation is sometimes taken for granted by diners but ensuring food safety requires careful training of staff and constant vigilance on the part of food service managers. Not only can food-borne illness open the club to liability issues, but the damage caused by an outbreak can ruin the club's reputation, as well as causing significant damage to its bottom line.

Public Health – Aquatics. There are significant safety, public health, hazardous material, and liability issues associated with operating aquatics facilities. Without prepared operating standards, policies, and procedures, as well as a thoroughly trained staff and carefully documented testing and treatment of water quality throughout each day, clubs are exposing themselves to water-borne contaminants, injuries due to toxic chemicals, and death by drowning.

Summary. The legal compliance and liability issues involved in club management are significant, requiring a general manager who is alert to all the ramifications and subordinate managers who are thoroughly and consistently trained. Even with enough initial training, there is always the need for ongoing refresher training to ensure that all concerned are up-to-date and fully aware of their responsibilities.

Passively Creating a Hostile Work Environment – Leadership and a Failure of Engagement

Most leaders readily understand the negative impact of a hostile work environment on employees. Employees who aren't properly trained, who aren't given the tools and resources to do their jobs, and who are demeaned by the abusive actions of supervisors or other employees, cannot contribute effectively to the team effort and the success of their organization.

Often the hostile work environment is created by bullying, teasing, or insensitive remarks or actions that center on:

- Gender – sexually suggestive remarks, posting inappropriate pictures in the workplace.
- Race or ethnicity – “Polish” jokes, making fun of accents or racial and ethnic stereotypes.
- Religious beliefs – not respecting a person's religious or moral values by telling “dirty” jokes or making fun of another's religious symbols or practices.
- Age – “over the hill” comments to elderly workers or pranks centered on the young, inexperienced “rookie.”
- Sexual orientation – using disparaging words to characterize someone with a different orientation.
- Disabilities – mimicking a person's stutter or limp.



- Differentiation – drawing attention in a demeaning way to anything that isolates and mocks someone who is different from the norm in any way.

When a club is trying to build a team focused on a common vision and shared goals it cannot afford for any team member to be demeaned, handicapped, or marginalized by words or actions that exclude. Leaders at all levels are expected to intervene to ensure that this does not happen. If they don't get actively involved to stop such behavior, they are abetting it and allowing a hostile work environment.

A more subtle factor in creating a hostile work environment is the supervisor who does not communicate well or often with his or her team or who doesn't pay attention to what is going on in his or her section or department. Consider that:

- Individuals in any group setting rarely have neutral feelings toward or about the others in the group. They like some and dislike others, usually for their own sometimes hard to grasp reasons.
- People are naturally attracted to and spend time with those they like and avoid those they don't. This results in cliques of the included and, outside the cliques – the excluded.
- The excluded often feel jealous, resentful, and fearful because of their exclusion.
- In the absence of ongoing timely and accurate information, fearful people assume the worst. Fearful people can be paranoid and perceive discrimination and favoritism where it may not exist.
- A fragmented work team cannot perform effectively.

When a supervisor does not engage daily with team members, give specific directions regarding who is to do what, and communicate thoroughly about all matters affecting the team, the fragmented team will gossip, backbite, and bicker among themselves. Seldom will they work together and often their antagonisms affect members, guests, and co-workers. Sometimes their behavior is passive-aggressive – trying to sabotage the efforts of others, while acting helpful and friendly.

If all this seems outlandish or too much like Psych 101, let me say that several times in my career I have taken jobs in dysfunctional organizations – operations that were failing for a host of obvious reasons, but underlying each one was a previous manager who did not communicate well with his or her staff. In the absence of communication employees vying for advantage or position continually fought and intrigued among themselves, even to the exclusion of properly doing their jobs. In every case, the problems went away quickly by building trust based upon daily direction, constant communication, and forcefully putting an immediate stop to inappropriate behavior.

If a manager doesn't understand this important point and fails to communicate and interact daily with all employees, he or she may be responsible for passively creating a hostile work environment. Such inattention to the daily functioning of the organization is just as destructive as a supervisor who actively engages in demeaning, disparaging, and abusive behaviors.



Managing Your Boss: Five Easy Steps to Positive Perceptions

Just as a leader must manage available human, capital, and material resources to accomplish the mission, to be truly successful you must also manage the perceptions of superiors, specifically your immediate boss.

Why is this important? Shouldn't the boss be able to clearly recognize a subordinate's performance and progress? Not necessarily so. The boss:

- May work in another building, city, or state and may not have many first-hand impressions.
- Is certainly busy with her own priorities.
- May have other direct reports and can't focus sufficiently on each one.
- Is often focused on problems and underperforming areas, not on those operations that are running smoothly.
- May be subject to the persuasive opinions of others who are not familiar with your performance or who may not have your best interests at heart.
- May have mistaken impressions based upon limited, partial, or biased perceptions.
- Can't be expected to be aware of all you are working unless you tell him.

Ultimately, if the boss has a bad impression of you and your performance, you have no one to blame but yourself. So why leave it to chance. A leader must be as proactive about managing your boss as you are with other important areas of your life – family, church or community, and hobbies and sports.

So how should you manage your boss' perceptions of your performance? The short answer is "information," but for practicality sake, here are five sure fire ways to make a favorable impression.

1. Give your boss an honest, critical "State of the Union" report outlining the current realities of your operation. Never be afraid "to confront the brutal facts" as Jim Collins says in his book, *Good to Great*. Support your analysis and the report with current operating benchmarks.
2. At the same time, present your plan for improvement. I prefer to do this as an Annual Plan that will be updated each year as the state of the operation changes.
3. Provide brief monthly reports that update your boss on progress toward Annual Plan objectives and milestones.
4. Develop, track, and present your boss with meaningful benchmarks and analysis that demonstrate trends. Obviously, positive trends should be discussed, but negative ones also warrant discussion of planned corrective action.
5. When presenting or discussing problems in reports or in person, always present proposed solutions and plans of action at the same time. A boss, who continually receives a subordinate's problems without proposed solutions, may eventually realize she doesn't need the subordinate.



A few cautions:

- Honestly identify and discuss problems. Overly optimistic or continual rosy assessments invite skepticism and may undermine your efforts. Remember that all operations have problems and the first step in problem solution is problem discovery.
- Don't over-promise and under-deliver. You must have a clear grasp of what improvements you and your team can realistically make.
- When reporting operational successes, share the credit liberally with your staff. When reporting or discussing failures, reserve the blame for yourself. There is always more you could have done.

Managing the boss is a skill like any other. Each boss may be a little different in how he wants information presented and you should take your cues from him. Ultimately, a leader's job is to make a boss' job easier. To the extent that you manage your operations successfully, make continual improvements, and provide her with meaningful, timely, and useful information, you will relieve the burden of her responsibilities while making her look good. The usual outcome of doing this is to gain your boss' trust and support for all that you do – and this is a great start and ongoing boost to a successful career!

Creating a Lasting Organizational Culture

We frequently talk about the importance of developing an organizational culture in our clubs. What exactly do we mean by an organizational culture?

The dictionary defines "culture" as the sum of ways of living built up by a group of human beings and transmitted from one generation to another. With a slight modification of this definition, we come up with the following working definition of organizational culture.

The sum ways of working and interacting built up by a group of people within an organization and transmitted from one generation of employees to another.

The major benefit of establishing an organizational culture is that once adopted by most people in an organization, the culture takes on a life of its own and pervades the workplace. As normal turnover takes place, new hires quickly learn that to be accepted in their new surroundings, they must embrace the culture and make it their own.

In the absence of a culture developed and disseminated by the organization's leadership, a culture will arise on its own, usually fostered by a vocal few and often cynical and at odds with the purpose of the organization.

So, how do you create a culture in your organization? First, you must define clearly and succinctly the aims of your organization and what it aspires to be. These are most often found in mission and vision statements. Beyond these basic statements of intent, one must clearly spell out standards of behavior and performance. These can be in the form of guiding principles, operating standards, leadership principles, service ethic, principles of employee relations, organizational values, a code of professional ethics, or any other formal statements describing the "What, How's, and Why's" of the way business should be conducted.

Yet publishing such principles and statements, no matter how inspirational and well-written, will only foster employee cynicism if the values are not enthusiastically embraced by the



organization's leadership. On the other hand, when leadership demonstrates their commitment to the organization's values by their daily example, employees will do likewise.

With well-defined values and the enthusiastic example of leaders, the ground has been prepared for the fruits of organizational culture, but just as in growing a garden, preparing the soil is only the first step. The real work for a successful harvest is the daily tending – watering, fertilizing, pruning, weeding, and pest control. In the case of an organizational culture, it is daily reinforcement at every opportunity with all employees that continues to focus individual attention on the values that underlie everyone's efforts. In some cases, it's publicly recognizing an employee for embracing and utilizing the values in their work relationships or service rendered to members.

In other cases, it's privately correcting an employee who has ignored or transgressed the culture. In extreme cases, it's discharging the employee who refuses to accept the group norm. The key is to continually remind employees of the organization's values and elevate them from words on a page to an animating spirit that permeates every aspect of the organization and its work.

From the process of continually accentuating and reminding one achieves a breakthrough like that described in Jim Collins' book, *Good to Great*.

“Sustainable transformations follow a predictable pattern of buildup and breakthrough. Like pushing on a giant, heavy flywheel, it takes a lot of effort to get the thing moving at all, but with persistent pushing in a consistent direction over a long period of time, the flywheel builds momentum, eventually hitting a point of breakthrough.”

This breakthrough is reached when the organization achieves a critical mass of employee buy-in. Though the process of establishing an organizational culture requires patience and persistence as well as leadership and example, when breakthrough is achieved, the culture takes over and is self-sustaining – with the employees holding the bar high and policing their own ranks.

In such an organization, employees understand what must be done and how. Motivation and morale are sky-high as employees are empowered by their participation and contribution. The leader, relieved of the burden of constantly following behind employees to ensure they are doing the right things, can focus on strategic issues and the future of the organization.

The importance of a well-defined and promoted organizational culture cannot be overemphasized or underestimated in its impact on quality, performance, and member service. The only thing that can screw it up is for the leader to fail to show an ongoing interest or set an uncompromising example of the organizational culture and its values.

About the Author

Ed Rehkopf is a graduate of the U.S. Military Academy and received a Master of Professional Studies degree in Hospitality Management from Cornell's School of Hotel Administration. During his long and varied career, he has managed two historic hotels, managed at a four-star desert resort, directed operations for a regional hotel chain, opened two golf and country clubs, worked in golf course development, and launched a portal web site for the club industry.