

Ever Heard of It?

Micromanagement by General Managers!

SO WE'VE HEARD OF MICRO-MANAGEMENT OF PRIVATE CLUB GENERAL MANAGERS BY THEIR BOARDS OF DIRECTORS. IN FACT, IT'S LIKELY MORE COMMON-PLACE THAN WE MIGHT WANT TO BELIEVE.

But hold on...there's some dissent!

How about micromanagement by general managers...GMs who don't give their department managers the freedom to implement board's strategic plan? Can it happen? Probably.

Does it happen? Likely!

In listening to some board members, micromanagement does move down the hierarchy from the board to the general manager.

To wit, here's a comment one board member has sent us. This board member, who remains nameless, doesn't necessary agree with all our comments, and has raised some questions of his own.

"Just read your Publisher's Perspective for May/June regarding micromanagement by Boards of Directors. Again, your magazine has decided to vilify the member side of the equation without balancing the discussion regarding micromanagement by the management side.

General Managers who do not allow their departmental managers (who are hired as the experts in their fields) the freedom to execute their board's strategic direction risk having the same effects on

their staff ("killing spirit, enthusiasm and creativity, etc.") as micromanaging boards.

It seems to me that every month your publication criticizes hard-working members while constantly positioning the GM as always right when it comes to making decisions for a club. Sometimes the mismanagement lies with management."

Does anyone agree with his statements? In a word, yes!

"Micromanagement is the reality of the private club industry, it permeates clubs at all levels," laments Tarun Kapoor, chief executive officer of Kapoor and Kapoor Hospitality Consultants, San Marino, CA.

"My premise is simple. The culture and tradition in the private club industry is well established. Habits of the volunteer leadership and management and the resulting behaviors, have been set in stone. Micromanagement, the resulting behavior, has insidiously become the norm. Now the industry is faced with the challenge of changing this behavior."

Richard Kopplin, president, Kopplin Search, Inc. another well-known consultant in the private club industry, agrees.

"Believe it or not I'm convinced that when I discover micromanagement in a private club it's usually a 50-50 proposition. Half the time the issue lies with the board and the other half with the general manager. However, rather



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than attempting to asses blame I believe it's more important to examine what 'model clubs' do to avoid the issue altogether," Kopplin stated.

That micromanagement goes down the line to the GM and staff also resonates with Jim Singerling, CEO, Club Managers Association of America.

This *board member* "...makes a good point, although I would suggest that their governance model at his club may not be complete. That's not their fault. We realize that CMAA and the profession/industry needs to do a better job of offering a solution that removes the "finger pointing" and clearly lays out everyone's role and responsibilities. No surprises!" Singerling exclaimed.

"I have no 'rose colored glasses' that suggest the manager is always correct. That's why we are embarking on the "Management to Leadership" review," Singerling outlined.

"Each club is different and the governance structure of the club must be established by the individual club. The distinction comes when the strategic direction/plan for the club has been defined, the board orientation has been conducted (so everyone

knows their role) and then the board decides to remain involved in the day-to-day operation. It may be that the goals are defined and the resources (\$\$) never show up!"

Kapoor says, "As a consultant, I see myself as a strategic planner, a change maker, helping clubs transform themselves for the realities of the 21st century. I work closely with club boards and general management to create role clarity, where the board focuses on making policy and setting guidelines and the management on operating the club. However, I have found making change, changing behaviors on both sides, to be the formidable task.

"I've often found management to be hesitant and almost frozen in their inability to make decisions without the validation of the board. I have found volunteers to be hesitant and almost cynical of management's ability to make decisions.

"All of this, of course, goes back to the history of private clubs and the history of subservience that was implicitly expected of staff. These expectations haven't changed, or have they?" he queried.

"As the saying goes, 'You first form the habit then the habit forms you.'

"On the one hand, volunteer leaders commonly say: 'They can run the facility as long as we make the decisions...that's why we have been elected...we know best what our fellow members need.' The habit has been formed, the volunteers have been formed, and the behavior has become prevalent," Kapoor intoned.

"On the other hand, managers say: 'It's their club...they have been elected by the membership...they say they do not micromanage, but we know the reality...we need to seek their direction.' The habit has been formed, the volunteers have been formed, and the behavior has become prevalent.

"So, insidiously by the time a manager becomes GM, they're already conditioned to taking directives, good bad or indifferent. They've stopped exercising judgment. They've accepted that the volunteer leaders will tell them what to do.

"You first form the habit then the habit forms you," Kapoor reiterated.

"Then insidiously, the micromanaged manager becomes the micromanager - 'I am the GM...I'm in close contact with the volunteer leadership...I know what they want...I know how to run the club,'" Kapoor commented.

"I don't believe management can be effective when there's micromanaging by either the board of governors over the general manager or the general manager over his managers/directors," explains John Crean, CCM CHA, general manager and chief operating officer, Broken Sound Club, Boca Raton, Fla.

Crean's club has 3,000 members, three clubhouses and two golf courses.

"The board hires a general manager, presumably with the experience and expertise necessary in running a private

country club and all that it entails. The general manager in turn is expected to then hire those managers/directors with expertise in particular areas of the club, i.e. food & beverage, accounting, membership/sales, greens, golf, tennis, fitness etc.," he added.

"Successful clubs with stable management teams are successful primarily because of the ability of each manager to run their department in accordance with the policies set by the board. If the board micromanages every decision made by the general manager, the GM is hampered in running the club in accordance with their management philosophy and spends more time looking over their shoulder to determine the impact of each decision. This wastes time and energy and their effectiveness decreases.

"If the general manager continues this philosophy, each department manager's effectiveness is also diminished. If you hire someone who has experience in a particular area, let them do their job - it's that simple.

"You not only maintain a stable staff, you promote initiative, a stronger work ethic, a willingness to step 'outside the box' and an eagerness to work as a team," Crean recommended.

Micromanagement's a no-no on both sides of the equation, says Leonard Dopkins, CPA, of Boca West County Club in Florida, and a former board member, former chief executive officer and former chief financial officer. He's adamant - the board shouldn't micromanage the general manager and the GM shouldn't micromanage staff.

"The board should establish performance standards for the general manager encompassing quality of member service, condition of physical facilities, and performance of staff. It's then the responsibility of the GM to deliver results. He cannot do that by micromanaging every department. It requires the full-throated engagement of every department head in the day to day management of his department and his leadership of the staff under his direction," Dopkins exclaimed.

"The secret to successful involvement of the department head in club operations lies within the annual budget preparation," Dopkins feels.

"The creation of the annual budget should be a modular process. The controller must furnish each department head a copy of last year's budget and the actual results of the year thus far. The general manager, as the COO, must convey to all department heads the objectives established by the board of directors."

In Dopkins opinion, the department head, with this information, focuses the upcoming budget to achieve the goals set forth by the general manager.

The general manager after eliminating the frills and paring away the unnecessary luxuries integrates every departmental budget into an acceptable totality for the entire club.

"The departmental budget is given to every department head as a target challenge. Since the seminal genesis of that departmental budget has come from the department head, he will feel a sense of proprietorship - he owns that budget and will accept the challenge of living with it," Dopkins suggested.

"It helps if some part of the department head's annual compensation is tied to achieving the budget objectives," Dopkins added. This, he says, can be done through the annual bonus.

"This is the methodology followed at Boca West Country Club and it has proven successful. The department heads enthusiastically implement the philosophies and the objectives of the board of directors and the general manager."

The wicked hurricanes, which have hit Florida in recent years has emphasized how important it is for GMs to delegate and believe in what their department heads and staff can do. "Our club was out of commission for a period of time, two years in a row," general manager Crean related.

"The staff 'stepped up' both times and the second year we had the chef and his staff preparing meals outside, the greens department working tirelessly to clean the courses, and the social staff, membership, administration, catering, valet and any others who could get to the club served meals to our membership in the parking lot.

"When we updated our accounting programs and paperwork, our director and staff put in long hours for months to ensure the accuracy of the updates. During construction, managers were working in trailers for over a year to oversee the club's operations and did so without missing a beat.

"This is teamwork resulting from allowing everyone from the general manager down to do their jobs," Crean stressed.

A key to a successful operation is a consensual agreement between the board and the general manager and the GM and staff.

"The bottom line is that general managers who stay with the same club for a period of time do so because they are allowed by the board to manage the club. That same general manager's staff team also remains because of the same philosophy. Give them the job - tell them what is required - and let them do it without micromanaging.

"If you let people do what they're hired to do, they will actually do more. I can't really debate this issue because the board allows me to manage this facility. I, in turn, allow my directors to manage their respective departments with oversight. Obviously, with a club of this size, there is no place for micromanaging," Crean concluded.

Kopplin has discovered that in clubs where micromanagement is NOT an issue, some common strategies have been engaged.

"The first is to clarify the roles of the board members,

committee members and general manager. If the key players all understand what their specific function is, and even more importantly, have agreed to the role clarification process it becomes very easy to identify when someone may be 'coloring outside of the lines' and also easy to correct that behavior," Kopplin explained.

"The second is to conduct a 'new board member orientation.' The clubs I visit typically conduct a very thorough half-day orientation process for the newly elected board members, prior to their attending their first board meeting. This session is conducted by the general manager and will include a complete tour of the facilities, a review of club assets and the introduction of all key employees to the new board members.

"The third," Kopplin added, "is to engage a general manager who is comfortable in the leadership role and assertive enough to demonstrate to the board that they are proactive in the management of the club.

"Too often a common refrain from frustrated club board members has been 'bring us that leader you always talk about and we will let them operate this club.'"

Kopplin maintains, "Proactive general managers usually stay well ahead of the micromanagement curve.

"All three of these strategies can be effective only if they are promoted by the club general manager, so to say the cause of micromanagement lies only with the club board is untrue and inaccurate. At least half the time this management curse could be avoided with proactive leadership on the part of the general managers."

Kapoor in suggesting, "you first form the habit then the habit forms you," stresses "before I become guilty of painting everyone with the same brush, leading club managers have broken out of this mold.

"Many COO/GMs are living up to their title. They have wrested control, albeit with tact and diplomacy. This is something to study, for the industry to address!

"I'm currently working with a club, and we're in process of developing goals and strategies for its strategic plan," Kapoor outlined.

"Typically, I engage the management (department heads) at this stage. While the volunteer leaders can help identify the goals, I firmly believe, as the content expert, the department heads should be the ones picking the strategy and executing the action plan. Curiously enough, none of the department heads (not one) has been able to come up with usable strategies.

"I've told them to research what leading clubs are doing in the field, what the trade associations are recommending, and what related industries (restaurant, resort etc) are doing. I told them to synthesize their research, draw conclusions and recommend strategies for the club.

"For example," he explained, "in the golf department, a

goal was: 'To develop a state of the art instruction and practice facility.' The manager of the department was unable to come up with a recommended strategy for what the focus or theme of this facility should be.

"I found a similar challenge in the food and beverage department, "Develop and implement a program for first-class dining and service where member dining is subsidized up to 20 percent, member banquets yield 20 percent net profit and member-sponsored events yield 40 percent net profit resulting in the F&B department breaking even. It hasn't happened."

PUBLISHER'S FINAL THOUGHTS

Micromanagers operate from a belief that the people under their charge are incapable of following through on the tasks assigned to them.

General managers must spend time with people so they know what's expected of them. They start making decisions about who should do what three levels down on the organizational chart, and that's doesn't work. They also disregard people's ability to solve problems on their own.

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Often times managers don't even realize they're micromanaging, because part of the problem with micromanagers is they don't understand what's going on around them. They don't know the day-to-day details of staff jobs. One solution? If people under your charge need training, provide it for them. Training requires time and resources in the short term, but it creates knowledgeable employees, equipped to make decisions. Involve your staff in the goal-setting process by getting their input on potential obstacles and possible solutions. Then delegate for results-not methods. Then step back and let managers and staff do their jobs. That's what they're paid to do.

In Kapoor's opinion, now's the time for the private club industry to do some soul searching...some introspection.

"We need to change the culture of the industry and the acculturation of our management. CMAA through the Business Management Institute has done a phenomenal job with professionalizing the industry, maybe now the time has come to redesign the culture of the industry. Maybe now the time has come for every manager to acknowledge: 'I am responsible for the success or failure of the club or my department.'"

There just might be something on the horizon.

"We (CMAA) are currently developing a model, which defines a strong governance model for clubs," says CMAA's CEO Singerling.

"This model contains board policy manuals to define and assign responsibilities of the board, committees, volunteers and staff members...a proper governance model for running the business of a club in today's business climate.

"This is clearly not for every club operation, although it certainly offers potential for many..." Singerling added.

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