



The Sacred Cow

POSSIBLY A CLUB MANAGER'S WORST NIGHTMARE!



JOHN G. FORNARO

"It was the bartender at my first club, the locker room attendant at my second club, and the starter at my third club. Usually, they are front-line employees who have outlasted generations of managers that have come and gone! Occasionally, they can be a senior staff person like a golf pro, but that is rare."

And with those words Calvin Bolling, general manager at Greystone Country Club, Birmingham, Alabama, peeled back some of the history of sacred cows during his career as a general manager in the private club industry.

It's a somewhat touchy but important subject in the private club industry...the sacred cow! We all may have somewhat different definitions, but "sacred cows" are easily identified at our private clubs.

"Most sacred cows are in positions where they can do favors for the members and are low turnover positions. But for me the most problematic sacred cow is the club pro," explained Bill Thomas, executive director of the Association of Private Clubs and Directors in Laguna Beach, CA.

In the past year, I've seen a few GMs and golf pros that happen to be amongst the best managers in this industry fired because of sacred cows...managers who were doing their job...And every club has every right to keep whom they want – I get that – to lose money if they want and to have a club that is not productive.

Yes, often they're long-term employees 'working' the front of the house – the "lend-you-an-ear" bartender, the "conversational" front desk clerk, the "extra little detail" server and others in your club who have lots of interaction with club members. You know who they are!

"They come in all shapes and sizes. The most damaging are the ones who use their celebrity with certain factions of the membership to undermine not only management, but the entire employee culture at the club," suggested Greg DeRosa, a former club GM now a search executive with Kopplin & Kuebler, the private club consulting firm based in Scottsdale, AZ and Jupiter, FL.

"The staff is just as aware of their status and the fact that sacred cows play by a different set of rules, which leads to further fracturing of the entire accountability structure in the organization."

In many cases, members love them as they cozy up to members, but from a general manager's point of view they're a pain. They're money wasters. They're isolated and they don't support management, especially new general managers, when they take over. Why? Because a new GM might upset the status quo.

To reiterate, they bend the rules, often to theirs as well as a member's advantage, but certainly not to the club's advantage. And as long-term employees, they know how to work all the angles.

They are the bane of general managers/chief operating officers, who are trying to run the day-to-day business of the club effectively and efficiently under policies established by the board of directors.

They generally go counter to everything a general manager or department head wants to do in meetings the needs and expectations of boards of directors and club members. And it's especially difficult for clubs that have not defined who they are...who do not have core values...but who still rely on the 'old' networks to run their club.

Many people (members and staff) in private clubs see only what is best for them, and not necessarily what's in the best interest of the club. Rarely will club members question, for example, the "special privileges and benefits" board members regularly receive from a sacred cow. "In fact, some directors see these favors as a perk for being a board member," Thomas added.

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To be sure, this "hidden, festering" issue causes great discontent among members. There's one set of ethical standards for one group of staff and members and a different set of standards for others. It leads to consternation and often great animosity because they develop a relationship, usually with members that transcend classic lines of authority.

"We all know that clubs don't operate by the same rules as other businesses. The reason these 'cows' get away with their games in this environment is they know their political power and understand that typically business rules don't apply. They use the leverage of their vocal minority group of supporters, which carries significant weight with volunteer club leaders who prefer to avoid fellow member conflict at all costs," DeRosa commented.

"When transitions occur, the board's communication to the employees is usually, 'everyone will be okay, just continue doing the great job that you are doing', thus elevating their prominence/popularity and belief that they are untouchable at the club."

Sacred cows surface as instigators. Single drinks become doubles at the bar, other little freebies suddenly appear for certain members.

Not everyone benefits, but everyone pays...it's a bit of the double-edged sword.

"We have encountered many sacred cows in our business of working with clubs. Search committees often point out certain 'untouchables' when we begin a search for a GM, where no matter what, the GM cannot remove them...some for good reason and some for no good reason," explains Scott McNett, a principle in GSI Executive Search, based in St. Louis, MI.

sometimes the board will not act because of the fear of this faction of membership.

"The board sometimes even makes the choice to lose the GM rather than the sacred cow, even after months and expense of finding that general manager.

"Other times, when the GM has full support of the board and full control over the operations, the GM is allowed to remove the sacred cow and after an initial period of backlash from certain members, everything turns out for the better," McNett added.

"They can be of great benefit as hard workers and loyal employees who represent and embrace the club's culture," explained Charlie Hoare, a second principle in GSI Executive Search based in North Florida, FL.

"On the other hand, a sacred cow that has been tolerated over time becomes the perfect example of the law of diminishing returns...marginal productivity, disruptive to other employees and detrimental to staff morale as the ongoing double standard is obvious," he added.

"Members build opinions about certain employees based on just what service or interaction they give them personally and are not aware of how their favorite employee serves other members or how they interact with fellow employees," explains Frank Gore, president of Gore Golf and BoardRoom magazine's Distinguished Club program's chief analyst.

"In a certain member's mind this employee is perfect, but the reality might be completely different as the employee can be arrogant and anything but a team player.

"The most difficult ones to deal with are highly visible employees who have developed a true following of members.

"Golf and tennis professionals are often very popular and sometimes even famous. Chefs, bartenders and locker room attendants are also difficult if they choose to not support the GM, or in some cases even the board," Gore added.

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GREG DEROSA

"First of all, they should not be above the board or manager," Bolling exclaimed, "but the reality is managers and the board allows and perpetuates the status of an individual to be more important than others. This usually occurs over years and with many transitional periods with managers coming and going.

"These employees have earned their place with the membership over a certain length of time and the board is fearful of moving them because of the fear of losing a certain faction of the membership. If there is a negative sacred cow that the GM has determined is a problem and should be removed,

The fact is other employees quickly understand that only some of the staff follows the rules and others can do whatever they want. That becomes a morale killer.

“Sacred cows can diminish all authority in the club...especially with the GM. The SC can circumvent the GM in just about every way...from being insubordinate, to ignoring members, to treating fellow staff with disrespect and lacking team skills. Without action against such behavior, the others who are not sacred cows either leave, request transfer to other areas, or refuse to do their work or marginally do their work (sort of in protest),” Bolling explained.

In broad terms, sacred cows ‘steal’ from their club...in different ways. They steal resources...food and drink that no one pays for, but even more so with the time it takes for management to deal with an often-deteriorating situation.

“They steal the culture that we all worked so hard to facilitate for our members and guests in providing the best experiences every time they visit the club.

“Members pay the same dues and should be treated fairly and equally. Sacred cows are green lighted to treat some with indifference by virtue of favoring others, which is simply unacceptable,” opined DeRosa.

“Let me count a few of the ways a sacred cow can steal from a club,” injected Bolling.

- They steal from the ‘general member experience’ for all members, focusing instead a very select few.
- They steal from other hard working dedicated employees who want to do the right thing every day.
- The literally, can steal products/\$\$\$/time from the club, and
- They ‘steal’ and hurt employee morale (unfair treatment).”

Frank Gore, a long time friend of the private club industry, suggests the term ‘stealing’ might be a bit strong, but...

“During one of my management assignments a chef I managed had very high food costs. As we investigated we found that many of the vendors were supplying the chef with tickets to sporting events and shows or concerts. One vendor, the largest provider of goods to the club’s kitchen had installed a satellite dish at the chef’s home, complimentary,” Gore explained.

“The prices this vendor charged were the highest and the club was paying a very high premium, resulting in very high food costs. The chef was also known to cook at the house committee chair’s personal home. He was a true ‘sacred cow’ and this board member would not allow him to be fired.

“However a case for stealing could be made even though the chef rationalized the gifts as *just gifts...not stealing.*”

DeRosa says it ‘all boils down to accountability. When these employees know they are untouchable and won’t or can’t be held to the same standard as other employees, it’s a no win situation for the club manager.

“Do nothing and other staff members lose respect, do something and the vocal minority and maybe even influential

board or committee members can make your life miserable, and even influence bonus and compensation decisions,” he suggested.

“At the end of the day if a club board isn’t willing to trust its general manager and allow them to fairly apply similar expectations and standards with equal accountability, the problem will never go away. The board members are the enablers of this phenomenon.”

Private club boards must understand what sacred cows are doing to their club. Call it what you wish, but sacred cows promote demoralizing, disruptive behavior that has to be halted. So what’s a general manager to do?

Here are some suggestions:

Dick Kopplin, partner in Kopplin Kuebler, executive search consultants: “First of all every club has them, whether or not they will admit it. We typically advise a new club general manager to listen, watch and observe for the first 90 days and then keep the club president advised if there are any issues with any of the key employees.

“The first step in handling a performance issue of a ‘sacred cow’ is to talk to the employee about a particular behavior that is concerning, focusing on the behavior and not the person.

“The second step is to discuss with the employee the effect the problem behavior is having on the rest of the employee

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team, and the third step is to share what changes need to be made in the behavior.

"The fourth step is to explain what the consequences might be for no change in behavior, and finally, the fifth step, is to provide the employee with some coaching by sharing examples of what they might do to correct the behavior.

For example, 'I have found this works for me.'

"It is critically important that you give the employee the coaching they need to change behavior and that you are specific with the steps they can take. Now you have a metric that is easily understood and can measure the on-going performance of the employee.

"While you are taking the 'sacred cow employee' through this behavior modification process you should also keep the club president informed and insure there is a written record for each step you are taking. If the behavior of this 'sacred cow' does not measure up to the performance standards you have established you now have a written record which will support and action you may need to take, including termination."

Frank Gore: "Managing a club is a team sport. All team members must be committed to the GM's leadership. When this happens clubs are well run, efficient and the member

experience is amazing. When a few sacred cows are permitted to do their own thing only a handful of members have a great experience.

"A very careful communication plan with EACH board member must be developed. The club's strategic plan must be agreed upon. Then each employee's part of that plan must be addressed. The sacred cows must be fully committed to their part of the plan and must also understand they must be completely supportive of the GM.

"It is critical that the GM keeps each board member informed. They must explain the issues and tell the board members that if certain employees are allowed to not support the plan or the club's management then the club performance will be less than expected.

"The main issue: The club must have a plan, each employee must be accountable for their portion of the plan. The club must have defined goals and effective ways to measure success with milestones along the way. These key performance indicators or KPIs will determine who on the team is doing or not doing their part. The board can use this data to support the GM's corrective action to any employee regardless of how important or popular they have become. In some cases the board must support firing if the actions warrant."

Mark Bado, general manager, Kansas City Country Club, Mission Hills, KS: "One of the most important items for a new general manager to do when beginning a new job is developing their own credibility through the following:

- Being engaged
- Actively listening
- Observing
- Communicating
- Developing relationships with members, staff, mentors and key decision makers.

"If your plans are to be successful over a period of time, evaluate all situations fully and develop an action plan so that the board, decision makers and committees buy into it.

"The board's responsibility is direction, a strategic conduit to members and holding the general manager accountable for agreed upon goals and strategies. As the board holds you, the GM, accountable, you in turn must hold the staff accountable. It is the general manager and the managers who will handle the day-to-day operations of the club."

General Manager Calvin Bolling: "The GM must identify and assess the importance of these individuals.

"Secondly, the GM must carefully communicate to the board president or their boss explaining the challenges of this individual and the impact that this individual is having on the organization.

"Thirdly, after an action plan has been developed, the GM and the sacred cow's supervisor should sit down with the SC and have a candid discussion. It should be job performance-

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based with examples of behavior/tasks/assignments that are unacceptable, and a time period to correct the behavior.

“Depending on the flow of the conversation, the GM can interject some positive behavior that the sacred cow has demonstrated. It is imperative to communicate to the sacred cow that any communication to any member or employee concerning this discussion is grounds for immediate discipline including termination. Provide a timeframe to get back to the individual to review their progress...and follow up.”

PUBLISHER'S FINAL THOUGHTS

We are covering a tough issue because I've seen this sacred cow debate turn into a no win for everyone.

First of all, I love our industry and especially enjoy clubs that hold to tradition.

I love the fact that most employees at private clubs are paid well, have health care and that these same clubs keep their staff members for a long time. These are clubs to be admired.

Unfortunately, I have been to clubs that have staff that have been employed their for many years, and some of these staff members have become so powerful, they believe they are exempt from criticism or questioning. It seems they are 'off limits' to change. These are the 'sacred cows.'

The problem is sacred cows block potential. If you blindly accept a pattern, or worse, feel forbidden to challenge it, then you can't improve it.

You become stuck. And stuck is the antithesis of everything we stand for.

Sacred cows are found in many clubs. They are the ones pouring two ounces when ounce is required. They are the ones that get influential members onto other golf courses, they're also 'friends' with certain members.

They are the staff that play golf with a certain group or provide special favors to a few...against club policies. They are the ones who have favorite members and reward them with preferred tee times, and who also may be relatives of other staff or members.

What is missing and just as important in this discussion is *accountability*. General managers and especially board members must realize that there is much at stake to maintain a sacred cow.

Wasted time and resources and keeping underperforming sacred cows on staff sends a clear message that personality is more important than performance. The truth is, these people affect the emotional health and the performance of all other club staff members.

First, removing a sacred cow should be a business decision, based on how their behavior affects the club. It has nothing to do with how beloved there are by the members. It has to do with productivity and morale.

In the past year, I've seen a few GMs and golf pros that happen to be amongst the best managers in this industry fired

because of sacred cows...managers who were doing their job. Yes, I understand every club has its own culture, and yes there are club boards that would fire a GM instead of their favorite bartender, and or fire the superintendent simply because the golf pro looks after their favorite people. And every club has every right to keep whom they want – I get that – to lose money if they want and to have a club that is not productive.

Maybe, you the GM need to do your homework more closely before taking a position at a club.


You need to ask and know about the club's sacred cows... sacred cows that could block your chances of successfully executing the club's mission and goals, and maintaining a productive and motivated staff.

Maybe you are being set up to fail if you take this job.

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

John G. Fornaro, publisher

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



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