

CMAA PODCAST Club Governance

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What about governance makes it so difficult for club management professionals?

- History
 - For decades the manager was considered a glorified maître d
- Misunderstanding
 - We are promoting the GM/COO concept, when in reality very few clubs maintain that model

The difficulty stems from
Three Big Picture Elements:

First: Directors actually understanding the complex nature of club governance

- Challenge of bossing a person who will, most likely, be far more expert than themselves in a business where they are very unfamiliar
 - Normally, they might hire a brilliant person, but it's within a field they understand, so their self-worth is enhanced
 - When you are uncertain and have a person who “works for you” and is clearly ahead of you in expertise, it can be disconcerting and uncomfortable
- Dealing with the peer pressure
 - This is far different from business where peer pressure is minimal and top level
- In business, there are clear lines for the mission: corporations and owners increase owner value through revenue and profit; and philanthropic organizations raise money.
- In the club business the lines of success are way wide and rarely pertain to profit,
 - member added value is so broad because each member may have a different idea of success.

Second Element: Trustworthiness of the directors

- Directors are for the most part, very caring good people with the best of intentions
- Their intentions are good, but it's just incredibly natural that they become untrustworthy due to the group dynamic
 - People hold tight to their own groups: directors V. manager
- They can be easily swayed by the *expansive representation of one*
 - One person from within the directors "group" will have strong influence on that director
 - Someone the director needs to impress
 - Regardless of how good your relationship is with the president, they will be swayed by someone who has some form of strong influence on them

Third Element: Managers' understanding of the complex interpersonal dynamics and their actual role

- The successful managers understand this dynamic and are able to work within it
- For some it's a gift
- Everyone needs to understand it
- It's understanding the role you're supposed to play, regardless of the model under which you were hired

What is the biggest advice you could give to a new manager working with their first board aka what do you wish you had known?

Three pieces of advice:

First: Understand the model under which you will be working

- Two types of clubs:
 - With leadership
 - Without leadership

Leadership has Three Models:

1. Club Brand
2. Club leadership
3. GM/COO

1. Club Brand

- Club brand refers to those very few clubs that we hardly even know about.
- You won't find them on the internet and membership is exceptionally exclusive.
- The members are so loyal to the club that there is no need for professional leadership, the club operates itself and, by the nature of people, will be sustaining.
- The managers are “facilitators,” and understand this dynamic.
- Managers who understand their role at these clubs seem to be long-term.

2. Club Leadership

- Club leadership refers to clubs that have very active committees and a strong president.
- The key factor is that the leadership have been in place for years, sometimes decades. The leaders take their roles seriously and bring no personal agendas with them.
- They also spend time at the club on their particular area of responsibility.
- The manager in this case tends to be an assistant executive, a person who helps the club leaders make decisions, but not really lead the club.

3. GM/COO Concept

- Successful Clubs led under the GM/COO concept have bought into that concept and hold it as critical to their success.
- There are enough strong and influential members who “get it”, that the detractors are stymied before they can cause problems with their personal agendas.
- The unfortunate part is that even under this model, managers have tenure challenges because, over – time, leaders with personal agendas will infiltrate the leadership and the dynamic will change often leading to a change in management.
- I know a large number of managers who have been in place for years, run a great operation, and have strong relationships, only to find that one day the dynamic has changed, and they are asked to resign.

Without Leadership

- Unfortunately, the one that appears most prevalent in our industry, is the club without real leadership.
- They generally have annual presidential rotation and contested elections.
- These are clubs who will advertise for the GM/COO leadership concept, but in reality, are not prepared to allow professional leadership.
- These are the clubs that turn a manager every two to three years.

Second piece of Advice: Create positive relationships

- Know who the real club influencers are
- Plan ahead and meet with them individually and don't bring up issues.
- Be very welcoming – likeability is huge in our business.
- Allow them to bring up anything they want, but your first few visits should be about them, what they like, why they're at the club, the direction they see – high level discussion.
- Be sure to talk about their family.
- It's best that your first interaction with a director isn't over a problem with which you need their help.

The third piece of advice: Plan Way Head

- A great manager also knows when to dig in and when to retreat. As in – you never dig in. If you have to dig-in, you're just about done.
- We have to think way ahead and plan way ahead because the process is so complex.
 - For most of us, in order to get any significant decision through the gauntlet, we need to start small and plant seeds with people who will eventually be influential
 - Get advocates.
 - That goes to group dynamics – most of us are not in the group of a club leader, therefore, we need to have advocates who are within that group.

What have you found to be the most challenging types of club directors?

- Those with personal agendas,
 - “Getting something done,” that they feel is needed at the club
 - Someone who has retired too early or been displaced and has something to prove to someone, sometimes themselves
 - In other words, those who have the need to micromanage and make their mark.
 - A director who is agenda driven may more easily succumb to the expansive representation of one.
 - This is the start of the problematic “group think” dilemma, which I also believe is the catalyst for big club problems.

What are your suggestions for managing personalities and board dynamics?

- Be careful...Club agendas tend to be driven by emotions and peer pressure.
- It's incredibly difficult to figure out each individual's reason for doing whatever they are doing.
- I think that trying to manage personalities may lead to trouble, because one misstep/misread and it's curtains: embarrassing or offending a member is the death knell.
- At no point should anyone take a leader on directly, managers always need surrogates to help move change along.
- **I suggest that a person who maintains a standard of being a great listener and realizes the need empathy will fare well in the long run.**

How can board education be beneficial to effective governance?

- Most directors don't want to be educated, they want to either fulfill their agenda or actually serve on the Board, but their time and energy are limited
- Most directors seem to spend two to four hours per month in meetings and other wise, don't really work on club issues, although, they will consider idle bar chatter or talk of the club over dinner – work.
- What CMAA is doing is to plant the seeds, like billboard marketing – just letting directors know the proper course
- I think that the education needs to be with the manager
- I believe that educating managers on the natural tendency of club leaders will be most beneficial
 - Recognize when attention needs to be paid, see the signs of problems and know how to correct them
 - Help managers raise their level of emotional intelligence
 - Some managers have this gift, I believe most don't.

How can you effectively handle conflict with/and among your board?

- If the conflict's with the manager, then prepare your resume
 - Manager – director conflict will not end well for the manager
 - Determine the issue
 - Negotiate a positive resolution that leaves the director with a win
- If the conflict is within the directors and progress has stalled,
 - You'll need to find the advocates who understand the problem
 - Build a team that wants change
 - The manager can't do it, as the outsider, you'll have little influence on the group

What is the best way to embark on relationship building with your board?

- I mentioned relationship building above
- We can get lulled to sleep when we have a president who tells us “Just call me when you need me.”
- You need to keep active engagement with the president and all the influencers of the club.
- What can happen is that a good relationship will fade: “Out of sight, out of mind.”
- If that happens, you’ll open yourself up to folks who wish you ill-will to get the president’s ear.
- A story told enough times becomes fact, whether the story is true or not. I know of managers who have had great relationships with presidents only to see them dissipate in a couple of months and the next thing you know “We’re making a change.”

How do you engage the Board for the long term betterment of the club?

- If you're at a club with a successful club culture, then simply by professionally continuing the process:
 - Consistent board orientations
 - Regular visits with leaders
 - Keeping them all abreast of activities – information is the currency of clubs and giving your leaders information is a good thing.
- If you're at a club without strong leadership, the road is long, hard, and fraught with pitfalls.
 - Find advocates for change
 - Fully inform them on the merits and process
 - Have them socialize the idea with others
 - Once you have scale, then begin the process of implementing the best practices
 - But, you must have the president as an advocate