

A Recipe for Recall

Board Room Magazine July/August 2015

“The GM is playing again? He won about three grand last month in the shootout. What’s the deal?”

“Yeah, he just tells me that he’s a ‘Member’ as per his contract and has privileges.”

“Maybe, but I don’t see him paying dues or plopping down the initiation fee.”

“Did you know he fired Claire?”

“What! I just saw her last night in the Grille. She’s been here for 20 years! What the heck is going on?”

“He and the Board are thick as thieves. There’s always one of the directors in his office. Something has to change.”

Though the names have been changed, the dialogue above is based on real events surrounding the recall of a club’s board of directors. Such recalls are very rare, but they illustrate the chaos that can develop when a club’s leadership is too single-minded and too insulated from the concerns of the membership. The following paragraphs are an account of a real-life recall scenario, drawing on the best recollections of several people who were involved. No names, dates, or locations are used.

The deterioration of a thriving club into a state of turmoil and board removal unfolded over the course of several years. The players: A smart, strong-willed president; a new, fiercely loyal general manager; an ever-expanding group of loyal, like-minded fellow directors; and a typical membership, happy to be members of a good club, and going about their normal club lives.

The first sign of trouble was a significant legal battle that lasted far too long, became public, and went against the Club. Membership was dismayed at the perceived cause of the event, the apparent mishandling by the board, and the fact that an assessment was required to cover both the legal and settlement costs. As is often the case at clubs, Members felt that there had been a complete lack of communication, which bred distrust towards club leadership, particularly the GM, who appeared content with “No comment” as the answer to most questions.

Attempting to get back on track and place the legal setback behind them, the leaders felt an upgrade would boost Member moral. They began holding focus groups and meetings to discuss capital improvements to the beautiful but wear-

worn clubhouse. After months of work, a ballot was distributed with the plan to upgrade. The plan was rejected, albeit by a small margin. Undaunted, the leaders began implementing the plan anyway!

At this juncture, what had previously been vague Member grumblings increased in strength and specificity. Many members left the club, some for rival local clubs; the Membership value began to erode; and public rumors of “fire sale” rippled through the community.

The catalyst for Member action was the termination of a long-tenured employee. Though there may have been cause for termination, this cause was not understood by the general Membership, and the dismissal seen as the result of some personal issue between the GM and the employee. The GM lost significant credibility. Several Members began a petition drive to reinstate the employee, terminate the GM, and recall the Board. Sensing that tensions were running high, but confident in their support, the Board decided to proactively address the threatened “vote of no confidence” by offering all seats available for a special election.

As the board tried to preempt the vote of no confidence, the Membership was experiencing a growing desire for change. This was driven by a number of converging factors: the bad publicity over the legal battle, a manager acting as a Member, the Board countermanding the failed vote and proceeding with an upgrade, the employee termination. Together, these events created a natural sense of urgency, the first requirement for successful change. As the Members began to talk and create rumors, a natural coalition formed and leaders rose to the top. This new leadership created a vision for an improved future for the club, and, as with all clubs, communicated quickly through their network of friends. These friends then empowered the leaders to challenge the existing board, which resulted in the board offering all seats for vote. The coalition, having significant informal power, put together a slate of candidates to contest the existing board.

In a stunning surprise for the existing board, only one seat was retained. All others were filled by new candidates.

The original board was comprised of a group of men who were long-term, supportive Members of the Club, with only the best intentions at heart. Unfortunately, they had fallen victim to the common problem of group-think, which occurs when a small group makes decisions based on cohesion and a striving for unanimity over a realistic appraisal of other alternative solutions. This thinking led the Board to believe that the Membership still agreed with their goals and tactics, even after the Members voted down their proposal! The internal persuasiveness of group-think is not confined to clubs: major events such as the Bay of Pigs, the Vietnam War, Watergate, and the war in Iraq may all have roots in group-think.

Prevention of group-think is easy in theory and difficult in practice. According to Irvin Janis in *Groupthink*, there are several keys to disarming group-think:

1. Someone needs to be the Devil's Advocate – this is a person assigned the role of taking the opposite side. Assigning a person will limit the negative or hard feelings that are associated with the “rogue” person.
2. Leaders should try to be impartial in presentation rather than stating the expected outcome first. This is very difficult in practice because it's normal for the presenter to be biased towards the proposal. Having a standard format for presentation may help to limit this presentation bias.
3. Assign the same issue to different teams for deliberation, then bring them together for full board discussion. Club boards are usually less than 15 in number so that, in this case, teams can be as small as two or three. The idea is to allow unbiased deliberations to occur.
4. Board members should independently review the proposal with trusted peers to get an outsiders view of the proposal. But in the club world rumors abound, so the confidant must be trusted.
5. Once consensus appears to have been met, hold a “second chance” discussion whereby members can express any lingering doubts. Board meetings can run on and many are very concerned about the 1 ½ hour target meeting, so “another bite at the apple” can be seen as redundant or tedious, however, review of a significant proposal may allow the board one last chance to unearth some unintended consequence.

It's also been found that requiring at least two meetings on a proposal before final vote (with exceptions for an emergency issues) is often used as a safeguard to making hasty decisions. Having a “first reading” allows the directors to consider the proposal for a period of time, as well as allowing them to play the proposal out in the real world. There is a good possibility that this trial period will bring to light any unintended consequences of the policy.

Interestingly, according to Anita Woolley and Thomas Malone in their Harvard Business Review article *What Makes a Team Smarter? More Women*, research has confirmed that groups including women make better decisions than groups of only men. Unfortunately, the new board followed old habits: all the open seats were filled by men.

A board falling into the quagmire of group-think may not realize that it's being lulled into this abyss. Using the tools above may help to keep the board viable, productive, and able to make decisions based on the membership's best interests. Having a woman on the board may not be a bad idea either. But then, they might need a woman to suggest the idea first!

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