



## **CMAE ADVICE ON CLUB GOVERNANCE**

### **Member-owned (Equity) Clubs**

#### ***JUST WHO IS IN CHARGE HERE?***

We have all heard that question asked, often in our workplace and on occasions in the clubhouse bar within our clubs. More often than not, it is because something has not worked out the way we wanted it to, and the real question being asked is, “**just who can we blame**”?

**Authority and responsibility** go hand in hand, and given a club’s reliance on willing volunteers who by the rules of the constitution change on a frequent and sometimes annual basis, it is no surprise that the governance in our clubs often becomes cloudy, and even ineffectual. Clubs can of course govern themselves as they see fit, but with a struggling economy creating challenging trading conditions for us all, the reality is that for clubs to be sustainable and of service to their many different members, effective **relationships between volunteer leaders and paid management are essential** to provide effective governance.

The turnover of Club Captains can be partly responsible for the inconsistency of mission that plagues many golf clubs in particular. If this change of office results in a change of focus and agenda, with a club moving from one pet project to another, this can often be in disregard to the needs of the members or the business.

If a club is to be run by policy and not personality, two extremes must be avoided. On the one hand, a Committee making all the decisions without reference to the staff can result in staff quickly becoming accustomed to this explicit direction and they simply switch off. The Manager can fall in to the habit of not making decisions and instead starts presenting problems to the board for them to resolve. Put simply, the **manager abdicates decision making**.

If that is the case, the manager simply communicates the Committee decisions to the department heads, and ownership of the solutions becomes further from where it needs to be, and where it would have the greatest impact.

Equally, there is another extreme where the Manager can lead the Committee to a decision without due process and without engaging the elected stakeholders sufficiently in the debate, which only results in a different longer term ailment. Whilst these managers may be leading from the front in the best interests of the club, the truth is that the only sustainable model going forward is what you might call **collaborative governance**.

**The ideal scenario** is one where the board look to the Manager and other senior staff such as a trained Course Manager or F & B Manager as the professionals who best understand their business and are able to guide the Committee to the right decisions, in accordance with an agreed **strategic plan**.

To achieve that goal, **role clarity** is essential, and to help with that essential foundation, the CMAE has developed a tool which encourages this debate to take place. Although this model uses a typical General Manager position at a club, the principles are exactly the same for those clubs who appoint voluntary convenors to deliver the clubs business aims. By undertaking this **role allocation debate**, clubs can avoid the many pitfalls associated with the blurring of responsibilities, and begin to benefit from **genuine collaborative governance**.



## CMAE Club Governance Tool –

### Activity Chart & Governance Framework

Whether your club is managed by volunteers or paid managers, it is essential to establish the extent of your **responsibility and accountability** when taking up a post within a club's governance structure.

There are two extremes in this range, from “Full responsibility” to “No role at all”. There is clearly a full range of duties in between those extremes, which could include:-

- Provides input & information
- Provides standards
- Oversees
- Develops and communicates
- Implements & monitors
- Recommends & implements
- Recommends & reminds
- Establishes & monitors
- Recommends final step before Committee
- Approves & monitors
- Approves & enforces

An effective club committee will debate and agree the level of responsibility expected of each of the stakeholders in the clubs governance structure, and in particular agree the level of the Club Managers involvement in the clubs activities.

The club must establish in what areas the Manager should have **full responsibility** and in what areas they should simply **provide input & information to the committee**. It should also decide whether it wants the Manager to **recommend and implement** policies and whether the manager has the authority to **establish prices consistent with budget and club policies**.

## Activity / Decision Chart of Responsibilities

<b>Activity / Decision</b>	<b>Main Committee</b>	<b>General Manager</b>
Club Mission	Develops and communicates	Provides input
Long term goals	Develops and communicates	Provides input
Strategies for goal achievement	Approves and monitors	Develops, implements and monitors
Expansions	Develops consistent with mission and goals	Provides input and implements
Operational Budgets	Approves and monitors	Develops, implements and monitors
Capital Expenditure Budgets	Approves and monitors	Develops, implements and monitors
Performance Evaluations	Performs for GM, Committees and Main Committee	Performs for all Club employees
Supervises and counsels	General Manager and Committees	All Club employees
Personnel Policies	Approves and monitors	Recommends and implements
Employee Grievances	Approves policy and is final in-club authority	Recommends policy and is final step before Main Committee
Department Managers' and Professionals' Compensation	No role	Establishes within approved budget
General Manager Compensation	Establishes	Provided input and information
Hiring and Terminations	General Manager only	All Club employees
Club Rules	Approves and enforces	Recommends, implements and reminds
Day-to-day operations	No involvement	Full responsibility
Dues and membership fees	Develops consistent with mission and goals	Provides input and implements
Product and service pricing	Establishes the operational budget and policies	Establishes prices, consistent with budget and policies
New Member acceptance	Full responsibility	No role
New Member matriculation and enrollment	Establishes policies and procedures	Implements policies and procedures
Menu development	No role	Full responsibility
Club Policies	Establishes and monitors	Provides input and implements
Operational Policies	Oversees	Develops, implements and monitors
Collections	Approves policies and is final in-club authority	Provides input on policy and is final step before Main Committee
Golf Course layout	Establishes policies and standards	Provides input on policies and standards, implements

If a club is at the stage of considering what type of manager it should employ, this debate may even help clubs through that process, establishing the level of input that would be required from the manager, and therefore what level of knowledge and skills they will be expected to bring to the table to support that Committees requirements, and the clubs overall aims. If a club is clear about the role and responsibility of the Manager, it will create a clear policy for all stakeholders to subscribe to, and crucially avoid the potential conflict frequently caused by misunderstanding. To stimulate debate at your club, the CMAE has

created a sample chart of responsibilities on the following page. By taking each of the typical activities of the club committee listed in the left hand column, your club can decide upon the level of responsibility given to the committee or the Manager.

Whilst this list is not exhaustive and will need to be extended to reflect all of the activities at your club, it should help stimulate debate amongst your own committee as to the appropriate role for each of the stakeholders in this collaboration, and ensure that all of your club's responsibilities are adequately governed. Below you will see a recommendation from the CMAE clarifying the responsibilities of a modern Club Manager within the governance structure. It may also help stimulate debate as to the appropriate role and status for the Manager at your club.

## **The Club Managers responsibilities within the Club's Governance Framework**

**Title:** General Manager (GM)

**Responsible to:** The Club's Main Committee

**Limits of Authority:** The GM has the authority to work within the approved budget. The GM may not vote at Membership Committee or Main Committee meetings.

**Supervises:** The GM directly supervises all of the department managers and indirectly supervises all of the Club's employees. The GM also directly supervises any subcontracted service providers (eg Catering Contractor, Retailer or Sports Coach/Golf Pro) retained by the Club.

**General Responsibilities:** The General Manager is a staff member with duties and responsibilities that exceed those described here. The duties and responsibilities described in this document are primarily those that relate to the Club's governance system and the role the General Manager plays in it.

**Specific Governance Responsibilities:** The General Manager is expected to:

A. Provide guidance, facts and information regarding operations, industry norms, etc. to the Main Committee and its sub committees.

B. Listen & respond appropriately to suggestions, concerns, and complaints.

C. Assist the department managers, committee chairpersons and the Captain/President in developing and distributing the agendas and any related materials to the sub-committee members and Main Committee members on a timely basis

D. Plan & conduct orientations for new sub-committee and Main Committee members.

E. Attend all meetings of the Main Committee, except when the Main Committee is in executive session for the purpose of performing the GM's performance evaluation.

F. Participate in discussions, raise questions and offer ideas and suggestions for dealing with items under sub-committee and Main Committee consideration.

G. Be familiar with and respectful of the roles of all individuals who participate in the Club's governance, and respect all opinions.

H. Encourage creative ideas from all sub-committee and Main Committee members, listen with an open mind and be receptive to the ideas and thoughts of others.

I. Share discussion time with Main Committee members and stick to the topic.

J. Respect and support the majority decisions of the Main Committee & implement the policies that are established by the Main Committee.

K. Develop, maintain and administer a sound organizational plan and budget, which delivers the required services to the membership based on policies set by the Main Committee and the Club's strategic plan.

L. Work with department managers to schedule, supervise, and direct the work of all employees, in accordance with Club Policies.

The full CMAE Governance Handbook is a word document that any club can download from the CMAE website free of charge and personalise to their own requirements.

This can be found at:

<http://www.cmaeurope.org/default.aspx?page=211>

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