

WAGE & BENEFITS

What's your compensation philosophy?

AND WHAT'S THE NEED of having one? The budget-planning period is just around the corner and soon you'll be building your next business plan. Effective compensation policies are derived from the strategic elements of your club's overarching compensation philosophy. It is a key component of your club's strategic plan although rarely specifically addressed in the plan. For those without a written strategic plan, intuitively, it is still part of your fundamental business thinking. Every business and every budget is built upon a compensation philosophy, especially since in most clubs labor costs represent more than 55 percent of the operating budget. Rarely is it articulated, however. Memorializing your philosophy enables your board to clearly address this important element of your club's business plan. It can be as simple as this example:

The Forward-Thinking Country Club seeks to distinguish itself among the leading private clubs and employers in the greater Happy Hollow Region. We believe that the best means of achieving our goals as a club is to attract and retain outstanding employees in all departments and at all employment levels. We consider our staff to be members of our club family and endeavor to provide competitive wages and benefits that will motivate and inspire them to be the best they can be and successfully achieve club goals.

This is a relative simple statement, but potentially very powerful. The primary responsibility of the club board is

to set the strategic direction of the club, but only the best clubs articulate their compensation philosophy. Are they committed to having the best possible staff they can afford and for these "members of the club family," are they prepared to pay the appropriate wages and benefits for what they expect of them? Sometimes it is helpful to pose a follow up question; "Does the board expect the club to be run as a four or five-star operation?" Most people understand this type of grading system and it is surprising how quickly it leads to consensus. Boards want the best staff they can afford and will expect to treat them accordingly. The secret sauce in this approach is that *it sets the standards for all employees*, not just the Golf and Grounds or other sacred souls. What is good for one, is good for all.

If approved, management has its marching orders; create a compensation program and policies that will attract and retain a cadre of employees who will provide the products and services that your membership expects. **CD**

Bob James, CCE, CCM, CHE is vice president, DENEHY Club Thinking Partners, a full service executive search and management consulting firm serving the private club and boutique resort industries. The firm's results-oriented executive search for club leadership and management consulting has positively influenced the member/guest experience at more than 300 clubs and resorts on more than 700 projects. He can be reached at bob@denehyctp.com or 203-319-8228. Learn more at denehyctp.com.



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