

Managing Up Because We Don't Know What We Don't Know!

ACCORDING TO a “Forbes Coaches Council” newsletter article, 50 to 70% of executives fail within 18 months of taking on a new role. Three-quarters of executives who are new to their roles consider themselves unprepared because of inadequate onboarding. The article goes on with the top five reasons for the failure of new CEOs:

1. They need to be adequately trained to lead.
2. They need to improve their ability to think and operate at scale.
3. They need help adapting to politics, pressure and expectations.
4. They need to prioritize listening and learning.
5. They need to gain cultural awareness.

While this article was based upon an extensive sampling of public corporation executives, and not likely any club presidents, it is not a bridge too far to apply these thoughts and considerations to the private club industry. Club leaders come from a wide range of business and professional backgrounds, but most commonly, they are not from within the club or even the hospitality field. However, in a sense, they are internal candidates, as were many of the participants in the above study, and they, too, struggle with any of these five causes of failure. In this case, it is not failure per se but being less effective in their short term of office than they and the board may have wished them to be. Club presidents learn on the job, chair committees, serve on the board, and, most often, act as former officers and executive committee members. In most cases, they have learned to rely upon department managers

and upper management to run the club and provide them with insider knowledge of the club's workings. Competent department and upper management “manage up” to their chairs and club officers, helping them understand the club's inner workings, what their roles are relative to the department or general operations of the club, and what the critical operational issues are to bring to the board.

The average term of the president of a private club is one year, according to the 2023 NCA and CMAA handbook, “Private Club Governance.” Sixty-five percent had a one-year term, and only one-third of those could serve a second one-year term; 30% could serve three or more consecutive terms. According to these statistics, at least a quarter of club presidents only serve for one year, and many of the presidents we've spoken with expressed that they are just getting their feet on the ground in the first year and that it takes a second year to get to know the club and role of president. This speaks to having a structured succession plan, a great board and committee member construct, a real onboarding process, and an executive committee of the officers and ad hoc members of the board. With these best practices in place, future presidents will be exposed to the club's inner workings, governance, and essential issues of the board.

DAN: We've been over this before; the best practice is to have a small board of seven to nine directors and eliminate the executive committee. As a small board, essential issues can be discussed among *all* directors, reaching a consensus more

efficiently while maintaining confidentiality. A small board working together creates a stronger team that shares and learns from one another. The board should be strategic, but has a fiduciary responsibility to oversee the club's operations—oversee, not meddle in. To keep them informed and focused, the department managers manage up to their committee chairs, the controller manages up to the treasurer, and the GM manages up to the president. In modern nonprofit governance, the only way to recruit compelling board talent is to allow them to feel genuinely contributing not to process, but to results. As a terrific club president once told me when I was a young GM, “Dan, we don't pay for process; we pay for results. Let the committees tinker with the process.” Those days are gone. Today's board members want to jump in, contribute and enjoy the club. To quote an article in the Harvard Business Review, “What Everyone Should Know About Managing Up,” “Perhaps the most important skill to master is figuring out how to be a genuine source of help—because managing up does not mean sucking up. It means being your most effective leader, creating value for your boss and your company.”

BOB: No question about the latter, but regarding the Executive Committee, statistics show that the average board size is still around 15, according to our CTPs and the NCA and CMAA Governance handbook surveys. We've been successful in our governance reviews with clubs to reduce board sizes, but it's a little like story about the mass of starfish who washed onto the



beach, where the little girl may not be able to save them all, but at least saves the ones she returns to the sea. Boards are reluctant to poke that bear, so it remains unlikely that we will see any wholesale move to smaller boards in the foreseeable future. Until then, the executive committee needs to stay and, among their other responsibilities, must continue to serve in succession and onboard roles for themselves and future leaders.

So, where does a president obtain the information and guidance to hit the ground running and focus on the critical matters first? In a well-run organization, the president relies heavily on the chief operating officer, who has the institutional knowledge to help their boss and the club succeed. This should be the general manager's role and is often called "managing up." The Harvard Business Review article also defines what it is not: trying to manage your manager (president), molding your president to be someone they're not, or being judgmental about their behaviors or abilities. Think of this like the show "Blue Bloods," where the police commissioner relies heavily upon his three close subordinates/confidants to keep him informed. All understand the buck stops with the commissioner. What makes this work is the trust between them all and the fact that the Commissioner is a good listener.

DAN: Bob, you make it all sound simple, but remember that the president didn't just fall off the turnip truck. To get to that position, they have invariably been a long-time member, active user of the club, served on committees and the board for several years, have had other meaningful nonprofit governance experience, and have their finger on the pulse of the club. In a well-run club, there is a succession plan and onboarding orientation for the club officers and president.

Remember, succession planning is an ongoing process of systematically identifying, assessing and developing talent to ensure leadership continuity for all critical positions in an association. It should be interwoven with the club's strategic objectives and reflect how the club needs to evolve to achieve its strategic goals.

Best Practices in Succession Planning

- Club leadership and the nominating committee should maintain a list and populate committees with members who demonstrate leadership qualities, are team players, and are sensible.
- Directors should be drawn from active members who have served on one or more committees, preferably as chairpersons.
- Some clubs call their nominating committee the leadership planning

committee and empower the committee to track the skills and performance of committee members, chairs, and directors for future advancements.

- Club officers should be selected with an eye toward their progress to the president.
- The vice president should be elected with anticipation that they will succeed the president, but that should not be an absolute.

Best Practices for Onboarding the Officers and President

- New board members should receive a thorough orientation, and the entire board should have a general re-orientation each year.
- Outgoing officers and upper management should orient new officers.
- To the extent practical, the president should regularly involve the officers, particularly the vice president, in the details of their duties and decisions.
- Assign former officers as mentors to new officers.
- The president should establish a close working relationship with the general manager.

BOB: Most of that is undoubtedly true, but the president's role in a member organization is like no other position they have held. There is no training course or trial run, and with only 12 to 24 months to make things happen, their learning curve is steep.

It is critical that the president establish a close working relationship with the general manager well before stepping into the role. That should be part of the succession planning. Otherwise, where does the president get their knowledge and draw their opinions from? Everyone on the board is conflicted by their roles representing

specific member constituencies, their foursome friends, spouse and family, and so on. They may all be trusted friends more than willing to provide counsel, but it doesn't make their beliefs correct. A president's best advisor is a general manager who knows how to manage up!

Best Practices for GMs to Manage Up

- Provide a dashboard of KPIs for each board meeting:
 - Balance sheet and operating ratios.
 - Membership numbers per category, new members, attrition, and net growth.
 - Food and beverage performance results and comparisons to budget.
 - Sports and recreation usage, guests, revenue.
 - Payroll statistics by department.
 - Others.
- GM drafts the board consent agenda in

consultation with the president.

- GM is a content expert on club bylaws and rules.
- GM maintains the board policy manual, keeping it current and informing the president of potential policy conflicts.
- Keeps a calendar of import club dates, speaking and appearance engagements for the president,
- Shares industry reports and periodicals.
- Invites president to accompany the GM to president/manager industry events.
- Organizes an annual board retreat and collaborates with the president on the agenda.
- Serves as the president's confidant, provides honest opinions, and shares concerns with members and staff.
- Helps identify potential future leaders and under-performers.
- Early in the relationship, the president's preferred way of communicating is established.

The ancient Chinese proverb, "It's lonely at the top!" literally meant that "the top (of a mountain) cannot defeat the cold," comparing top leadership to the top of a snow-covered mountain where it is cold, desolate, and lonely. Club presidents should always find their positions to be manageable if they have built a team around them of knowledgeable directors, a well-informed officer corps, and trusted confidence in the general manager who is encouraged to manage up. One need not worry about not knowing what you don't understand with this strength of a team supporting you. [CD](#)



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