

Club Director

SPRING 2026

NATIONAL CLUB ASSOCIATION



**Addressing and Preventing Problems
in the GM/Board Relationship**



BOB JAMES

Why Clubs Struggle to Set Meaningful & Durable Goals

Without a strategic compass, even generous budgets can drift into inefficiency and member dissatisfaction. In our previous article, “Strategy before Budget,” published in the fall 2025 edition of *Club Director*, we discussed that a club needs to define its strategic direction to determine the resources it requires to meet those future goals. The operating and capital budgets should be built upon goals, not built independently of them.

For that article, we moved directly from strategy to budgeting without addressing the fact that strategy must be composed of multiple long-term goals. Long-term goals will be your North Star, but intermediate goals are necessary to address the club’s current needs. Annual goals originate at many levels: directly from the board, through board committees, from the GM, and, in a well-run operation, from the staff who will ultimately be called upon to deliver the results.

In the best clubs, annual operating goals bubble up through the management team and the committee system. The board is focused on strategic, long-term goals.

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In these two complementary articles, Dan Denehy and I explore why meaningful and sustainable goals are so important yet so difficult to formulate. The solutions become clear as the problems become defined. I’ll take the lead, discussing goal creation from management’s operational perspective, and Dan will address what makes a goal truly strategic and why board leadership struggles to create strategic goals. Dan will conclude with a discussion of how goal setting and budgeting are interdependent and, when done poorly, can get conflated.

Goals eat directives for breakfast.

At its most fundamental level, this is the age-old carrot-or-stick principle. However, the donkey never had an opportunity to provide input into the direction it was being compelled to take. We humans, on the other hand, want and need to have input into the direction (goals) we are being asked to pursue. Modern management requires mutual buy-in concurrent with leadership.

Managers often want to work collaboratively with their teams on meaningful, inspiring goals, yet many fall short of achieving them. This is one of the most common leadership breakdowns across the club industry because both boards and managers, for different core reasons, deeply dislike conflict. Most boards and managers avoid conflict. Goal setting requires it. Where does conflict avoidance show up in your own planning cycle? Inviting this kind of self-diagnosis can help turn abstract critique into real reflection and engagement. The following are what many experts consider the top (of many) reasons why managers struggle with goal setting and what they should address in leadership training, coaching, or organizational development.

Why Managers Struggle to Collaborate with Their Teams to Create Meaningful, Motivating Goals

◆ **They Confuse “Assigning Goals” With “Setting Goals.”** Many managers were trained in environments where goals were handed down from above, which was fine and usual in the ’60s. Back then, the expectation was compliance, not collaboration. Today’s workforce expects co-creation, not compliance, which makes shared ownership essential for success. As a result, when managers tell employees what the goals are rather than involving them in their development, employees feel no ownership, are not inspired, and contribute minimal discretionary effort to achieving them.

◆ **They Lack Skill or Confidence in Facilitative Leadership.** Most club managers rise through technical or tenure-based promotion, not because they’ve mastered great coaching, communication and facilitation skills. Colleges don’t do a good job teaching these skills and there is little on-the-job training. Rarely are they trained to ask collaborative questions like, “What do you think?” or “What would have the biggest impact?” or “What do you see as the biggest obstacles?” To illustrate, one powerful facilitative question is, “What obstacle, if removed, would unleash your best work next quarter?” Asking catalytic questions like this helps demystify what great coaching sounds like in action and turns goal discussions into energizing opportunities for growth. As a result, goals do not feel shared, meaningful or inspiring.

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DAN DENEHY

Strategic Goal Setting Is a Core Board Level Responsibility—and the President Leads the Board

When a board gets strategic direction right, the payoff shows up in every aspect of the member experience: clear vision inspires trust, boosts support for dues escalation and energizes engagement. Members feel confident when they see the club's priorities thoughtfully laid out and communicated over the long term. In this light, defining strategic direction is not simply a duty among many; it is the responsibility that brings coherence to everything else: fiduciary oversight, GM evaluation, agenda control and long-term sustainability.

All major governance sources (NCA, CMAA, Board Source) confirm that defining direction, based upon mission, then shaping big goals and expectations, is a primary board duty. Because the president leads the board, it becomes one of the president's highest priority functions. Many governance experts rate this responsibility equal in importance to fiduciary duties and board leadership.

Strategic goal setting is the core responsibility that gives structure, direction, discipline, and purpose to every other board duty. Clubs need a president who gets this at a visceral level. Identify that person early so they can track toward the role. Clubs need general managers who truly understand and value this concept, or they are stuck. These concepts are difficult for many leaders. Without strategic goals, a president cannot define expectations, monitor performance, set clear agendas, maintain continuity, evaluate the GM effectively, or guide long-term sustainability. Strategic goal-setting is foundational because it supports and guides the president's other duties, including oversight, communication, and accountability. And equally important, if the president doesn't have this clarity, there is little hope the GM will have it too. This is the challenge.

As Bob mentioned earlier, it is important to differentiate between management's operational goals and the board's strategic goals. To simplify that differentiation, boards should focus on the characteristics of truly strategic goals.

What Makes a Goal Truly Strategic

◆ **It advances the long-term vision.** It defines the future state, not just next quarter's output. It answers: "What must we achieve to become who we intend to be?" It is future-oriented, transformative and change-creating. For example, rather than simply targeting the renovation of the gym, a bold strategic goal could be to foster a year-round wellness culture that infuses fitness, nutrition and social connection throughout the entire club experience. This kind of vivid member-centric direction honors tradition while stretching the club's vision. Big thinking is required here and is especially challenging in member-owned clubs because boards feel they are the custodians of culture. If they drive change at a certain velocity or

scale, they believe they are failing their responsibilities.

◆ **It addresses the root cause, not symptoms.** Strategic goals are about shaping the system, not tweaking the parts. They tackle underlying problems and opportunities that determine future success. Strategic goals shape governance, culture, the club's financial model, competitiveness, place in the market, and brand.

“Leaders often rely on intuition or historical norms rather than prospective analytics, performance baselines, member insights, competitive benchmarks, and trend data. The result: goals that are unrealistic, irrelevant, or impossible to measure but sound good.”

◆ **It creates meaningful differentiation.** A strategic goal positions the organization in a way that competitors cannot easily copy or see. It focuses on strategic advantages rather than on the tactical maintenance of the club. It helps define the desired member experience now and in the future, and what is needed in terms of investment in next-generation amenities, services, programs, or talent. It's not always capital as pedestrian thinking dictates.

◆ **It influences major resource decisions.** Strategic goals change the budget, not just the to-do list. If achieving a goal requires shifts in capital investments, staffing structure, technology, governance, training, or capabilities, it is strategic.

◆ **It is measurable at the level of outcomes, not at the level of activities.** Strategic goals define outcomes. Activities support them. Strategic outcomes are measurable, meaningful, high-level, and long-term. We don't pay for process; we pay for results.

◆ **It guides decision-making.** A goal is strategic when leadership can use it to decide what to stop, prioritize, invest in, defer, and measure. If a goal doesn't drive clear decisions, it's not strategic. It's decorative.

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◆ **They Fear Loss of Control.** Collaboration means letting employees influence priorities and giving them a real voice in the department's operations, but for insecure or inexperienced managers, that can feel threatening. Might it look like the manager doesn't know the answers or wouldn't know how to hold the staff accountable? As a result, managers play it safe by controlling the process, which kills creativity and buy-in. This is the antithesis of empowerment, a talent critical to success.

◆ **They Don't Understand What Actually Motivates People.**

Managers often assume employees are motivated by finishing tasks, hitting the numbers, or doing what they are told. In reality, people are motivated by purpose, autonomy, mastery of a skill, and the pursuit of meaningful outcomes. When someone has the freedom to shape how their work gets done and can see the connection between their role and a bigger purpose such as delighting multi-generational members or enhancing the club's atmosphere, their engagement and motivation increase dramatically. Goals feel transactional rather than inspirational unless they are linked to what truly matters at a human level. The best management guru of all time, Peter Drucker,


argued that sophisticated management, at the highest levels, is all about job expansion and job enrichment.

◆ **They Don't Invest the Time.** Collaboration requires discussion, disagreement and the sharing of context. It requires refinement and follow-up. Some managers already work long hours and feel too busy to spend their personal time or time that might otherwise be used to accomplish tasks. When goal setting becomes an annual task, it becomes a one-time document rather than shared commitments that energize the team as they perform their tasks.

◆ **They Don't Know What "Meaningful" Actually Looks Like.**

A meaningful goal is aligned with strategy, measurable beyond financial results, motivating employees who care about the outcome, and connected to purpose.

Employees need to understand the why.

Now let's shift from management execution to board responsibility. 

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So why do club leaders struggle with setting goals? Here's why.

◆ **They Confuse Activity with Results.** Many leaders set goals around tasks rather than outcomes because tasks feel tangible and controllable. Example: "Launch a new program" instead of "Increase member retention by 10% over a certain period." Poorly constructed goals create busywork, not progress.

◆ **They Lack Clarity on Long-Term Priorities.** Without a clear vision, leaders default to short-term targets driven by poor interim financial performance, board expectations, operational fires, politics, and legacy thinking and practices, among other factors. This results in fragmented, inconsistent goals that don't align with the organization's strategic direction.

◆ **They Set Goals Without Data.** Leaders often rely on intuition or historical norms rather than prospective analytics, performance baselines, member insights, competitive benchmarks, and trend data. The result: goals that are unrealistic, irrelevant, or impossible to measure but sound good.

◆ **They Try to Accommodate Too Many Stakeholders.** Boards, committees, staff, members, customers and partners all want different outcomes. Leaders struggle when they try to please everyone, avoid saying "no," and create goals by consensus rather than strategy. This results in watered-down goals that lack precision or focus. Again, we're back to the fact that most stakeholders in the club business are not good at avoiding conflict. Ask and answer this question: Who is or who can you hold responsible?

◆ **Leaders Underestimate Cultural and Behavioral Barriers.**

You can't achieve new outcomes with old habits. Resistance shows up as: "That's how we've always done it." "That goes against our culture." "A member won't like that change." Paradigms such as

these lack forward thinking, risk tolerance, accountability and clear responsibilities. Leaders often set goals without identifying the behavioral shifts required to support them.

◆ **They Conflate Strategic Goals with Operational Goals.** Without this distinction, leaders produce tactical goals disguised as strategic ones and annual plans that don't advance long-term priorities. This erodes sustainability because the organization never actually moves forward. Operational goals maintain today. Strategic goals build tomorrow.


◆ **Accountability Mechanisms Are Weak or Nonexistent.**

Leadership derails when it and the system lack consistent follow-up, avoid difficult conversations, aren't held accountable by the board or executive team, and delegate goals without aligning on authority. This undermines both meaning and sustainability. A goal without accountability becomes optional.

A Final Thought on the Goal and Budget-Setting Process

Goal setting and budgeting are interdependent.

When the annual operating and capital budgets are presented to the board for approval, they should be accompanied by an explanation of what goals they address and how the budget will enable their fulfillment. If the budget requests exceed what the board believes the membership will accept, the goals should be reconsidered and scaled back or deferred to future years. Long-range capital plans must also consider what the membership can reasonably afford and the financing options available.

When goals drive budgets and budgets fund priorities, progress becomes inevitable. 

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