

Board Brief

Designed for Club Board of Directors



CLUB MANAGEMENT ASSOCIATION OF AMERICA

March/April 2024

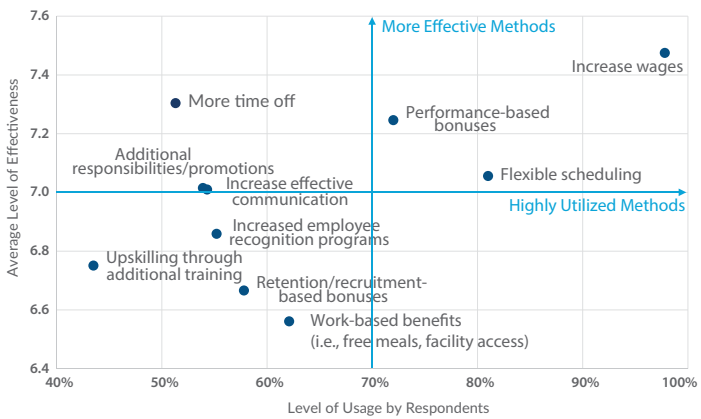
By the Numbers: Inflationary Impacts on Service

GGA Partners continues to team up with the CMAA Research Committee to administer a research survey for CMAA members of the Association. The survey – A Club Leader’s Perspective: Emerging Trends & Challenges – serves as a contemporary update on the pressing needs of club management professionals and looks at emerging trends and challenges from their perspective.

This report was designed to gauge the impact of the coronavirus pandemic on club operations and its ripple effects into 2023 and beyond, and the research results will help club managers and their boards better prepare for the next normal. We’ll look at data regarding Inflationary Impacts on Service in this edition – but you can find more data in the full report.

Methods Used to Retain Staff vs. Effectiveness

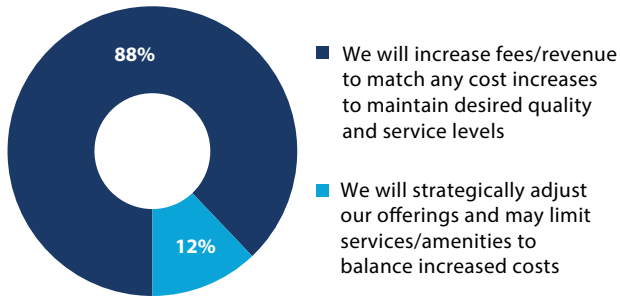
Responding clubs indicated that to retain staff, compensation incentives and flexible scheduling continue to be the most utilized and generally effective tactics.



Approximately 54 percent of responding club leaders indicated that their club surveyed employees in 2022, an increase from 46 percent in 2021. Clubs that surveyed their employees showed higher utilization of all retention methods aside from increased wages, and slightly higher effectiveness with those retention methods.

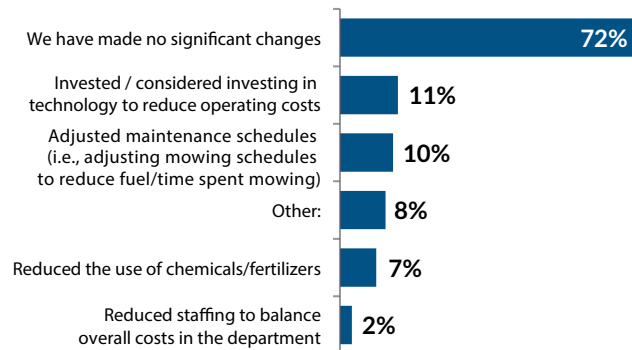
continued on next page

Philosophy for Addressing Personnel Costs & Adjustments to Amenities and Services



According to respondents, nearly nine-in-ten clubs plan to address the inflationary impacts on personnel costs by aligning the increases for fees/revenue levers. With significant agreement of the philosophy to increase fees/revenues to match cost increases, more than 60 percent of club leaders still plan to be proactive in addressing the impact of the costs associated with personnel (beyond simply raising dues).

Changes Made to Combat Inflationary Pressure on Petroleum-Based Products



Despite the significant inflationary pressure on petroleum-based products, club leaders generally did not make significant changes to operations. City/athletic clubs were most likely to make changes to combat inflationary pressures, followed by golf clubs. Club leaders appear to be focused more on adjusting pricing to fees/revenue streams and combating labor costs rather than tactics to mitigate petroleum-based costs.

For golf clubs, the most popular changes were adjusted maintenance schedules and investing in technology to reduce operating costs, with both seeing a quarter of respondents indicate those adjustments.

Source: GGA Partners 2022/2023 Club Leaders' Perspective Report. Access at <https://ggapartners.com/2023/02/a-club-leaders-perspective-2022-2023/>.

Best Practices: Formalizing Development and Selection Process

Finding volunteers in today's fast-paced society can be difficult. With volunteerism waning and conflicting priorities for club members, it is common for club boards to complain that they cannot find good candidates. Proactive clubs work to formalize a development and selection process that maximizes the potential for good candidates, beginning with a system to identify future leaders.

In the book *Club Board Members Guide*, John L. Carroll writes that the best candidates for the club board have the following characteristics:

- A person who can be trusted to do the right thing without regard for external pressures or self-interest;
- Has clearly demonstrated the ability to work with others;
- An individual with leadership skills who can accept criticism; and
- A well-rounded person who is respected by their fellow members.

It is incumbent on existing governance to help the nominating committee with a developed pool of potential candidates. Every board member, committee member, and all past leaders should be continually scouting new talent.

Consider these practices to provide your club's nominating committee a good head start with a pool of potential candidates and ensures a better elections process:

- Establish a formal structure within the club to identify potential candidates throughout the year, not just during the election season.
- Consider individuals who serve on existing committees or other volunteer roles.
- Encourage other individuals who exhibit the above characteristics and attributes to consider committee and or other volunteer roles to better prepare them for future service.

Source: Adapted from CMAA's *Director's Guide for Understanding Club Governance*.



Legal, Legislative, & Regulatory Update

Department of Labor Issues Final Independent Contractor Classification Rule

On January 9, 2024, the Department of Labor (DOL) released the final rule to redefine a worker's status as an employee or independent contractor under the Fair Labor Standards Act (FLSA). The final rule is almost identical to the proposed rule that was presented for public comment in December 2022, focusing on a six-factor economic realities test to assess the working relationship between the individual and the entity. The proposal earned more than 55,000 comments, including joint comments from CMAA and the National Club Association.

This rule officially rescinds the 2021 independent contractor rule that outlined five factors with added weight given to two: (1) the control workers have over their job duties and (2) their own opportunity for profit or loss.

Under the final rule, clubs must consider the following six factors in determining whether an employment relationship exists:

1. Opportunity for Profit or Loss Depending on Managerial Skill
2. Investments by the Worker and the Employer
3. Degree of Permanence of the Work Relationship
4. Nature and Degree of Control
5. Extent to Which the Work Performed is an Integral Part of the Employer's Business
6. Skill and Initiative

Beyond the six factors above, the DOL notes that additional factors may be relevant in a totality-of-the-circumstances approach "if the factors in some way indicate whether the worker is in business for themselves, as opposed to being economically dependent on the potential employer for work."

This final rule became effective on March 11, 2024. Learn more about this rule at <https://www.dol.gov/agencies/whd/flsa/misclassification/rulemaking/faqs#g1>.



CMAA News & Announcements

Club Careers: Your Resource for Club Leaders



ClubCareers

Are you looking for your club's next leader? List your position with CMAA's Club Careers and advertise directly to CMAA members who are seeking new opportunities, both at the executive or mid-management level.

If you are seeking executive management personnel, CMAA's Managerial Openings List (MOL) will connect you with club management professionals seeking roles as General Managers, Chief Operating Officers, and Chief Operating Officers. All postings on this list have salary ranges at \$100,000 or above.

If you are seeking executive management personnel, CMAA's Managerial Openings List (MOL) will connect you with club management professionals seeking roles as General Managers, Chief Operating Officers, and Chief Operating Officers. All postings on this list have salary ranges at \$100,000 or above.

If your club is seeking mid-management personnel, CMAA's Mid-Management Openings List (MMCO) will connect you with club management professionals seeking roles Clubhouse Managers, Food and Beverage Managers, Banquet Managers, among others. All postings on this list have salary ranges under \$100,000.

Additional resources are available including sample job descriptions and the Interim Management List, an online listing of CMAA members who are available to fulfill various interim management positions.

Since the inception of ClubCareers in 2003, the site has hosted thousands of jobs. For more information, visit cmaa.org/careers/.

The Board Brief is a publication of the Club Management Association of America. Founded in 1927, CMAA is the largest professional association for managers of membership clubs with more than 7,800 members throughout the US and internationally. Our members contribute to the success of more than 2,500 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with 40 professional chapters and 40 student chapters and colonies. Learn more at cmaa.org.