

# Culture and Club Performance

By Tom Garcia, Culture Dynamics, Inc.

Would you like your organization to have the motivation and performance of a Navy F/A-18 Fighter Squadron? It sure would be nice, but probably isn't necessary. Odds are, you don't want to run your club like a military organization. So, without delving into how a fighter squadron does it, what if we were to try out some of the tools that the military uses to make sure its squadrons are on track and optimizing its people and programs? Simply put, we will borrow from the Navy a process of analyzing where the organization is, where it is headed and how to get the results you want. Instead of using traditional compliance techniques, we will employ a process that goes deeper into the culture of the organization. The important thing to understand is that regardless of which leading edge Operational Excellence program the Navy is using or you choose to use, the key to success is culture. Naval Aviation's error rate is the lowest it has ever been and operations are at peak performance. This is in large part due to its greater understanding and direct management of culture since 1996. Other industries are seeing the same benefits of working directly with culture. In a 2002 interview, Lou Gerstner, the former CEO of IBM said "I always viewed culture as one of those things you talked about, like marketing and advertising." He added, "The thing I have learned at IBM is that culture is everything."

## **The Club**

Quail Ridge Country Club is a private member-owned golf community with 963 members and 947 residents located in Boynton Beach, Florida. This article will discuss the work I did with the club house operations during the summer of '06. A follow-on article will discuss solution implementation and the results looking back almost a year later. It is important to note that as you read through this article, it may seem that this work involved a lot of time and resources. In actuality, it is a very efficient process. In this case it spanned a period of three months, but the actual time spent with employees was minimal. For example, the interviews and workshops took only four days. Additional meetings which included executive, departmental, and employee totaled six hours.

## **The General Manager**

Chip Misch, the General Manager of Quail Ridge felt that employee performance was not at the level it should be. I'll let Chip explain in his own words his vision and purpose for initiating this process:

"The sole focus behind bringing Tom to Quail Ridge was to clarify the present culture at the club and work with management and the service team to identify a meaningful plan for improvement. Quail Ridge enjoys an extraordinary membership and a committed and tenured staff, but the intensity and the passion was not there. The best operations I have been associated with had an overwhelming sense of pride and gracious hospitality that was evident at every conceivable level. My summation of the operational climate was that *adequate* service and food quality was acceptable. Clearly this needed to change.

In reviewing the process with Tom, I wanted to not only achieve an understanding of our present culture but, also create a genuine sense that management was committed to significant improvement and, at the same time, get to the core of how they viewed the operation and their own performance."

## **The Pilot**

What is a former fighter pilot doing in a country club helping with employee performance? Well, after 15 years of flying fighters for the Navy, I spent my final four years as a reservist working for the Naval Safety Center as a senior consultant specializing in organizational culture. I am currently flying commercial airliners for the largest airline in the world and am president of Culture Dynamics, Inc. a consulting firm that works with Corporate Aviation, Healthcare and now Hospitality to reduce error, improve performance and the bottom line. Striving for Operational Excellence in any organization is a process of continually redefining excellence. Whether you are in a military squadron, a hospital, or a country club, excellence in service ultimately depends upon leadership and its management of the culture of the organization.

## What is Culture?

Culture is the learned and shared assumptions, values, and beliefs that result in the behavior of an organization. The most controlling aspects of culture are hidden because assumptions occur largely at the unconscious level.

- Because it is unconscious, it must be managed or it will manage you.
- To manage it, you must understand it.
- To understand it, you need a systematic process of bringing unconscious assumptions to the conscious level.

Alright, so culture appears to be important and not readily observable. What is the implication for any country club? First, you may have a great club that is running very well. You want to keep it that way. If this is the case, you want to make sure that dysfunction is not developing. Dysfunction in your culture is a slow process. And it won't immediately compromise the operation. But by the time you do recognize it, it could be a long process to fix it. So find it before it goes too far. Here is an example. The head of your administration department gives his people a list of the top five priorities that must be accomplished each day. Slowly over time, this decree morphs into an unspoken but shared belief that "As long as we get these five things done each day, nothing else really matters." You can see that eventually, something will drop through a crack that draws attention. It will most likely be perceived as an individual or communication failure. So you fix this particular problem. But more problems will surface. As long as you keep targeting each problem as independent, you will be chasing your tail. The key to solving these problems is to find the underlying cause. As I go through the process employed at Quail Ridge, you will see how we did this.

A second case is that you may recognize a need for change. In addition, you probably already know where you would like the organization to be. But before you can head in that direction, you need to know where you are right now. As a career pilot, I can tell you it is critical to know where you are starting from before you head to the destination. As a leader, your vision is the compass that will guide your organization to that destination. Your people are the rudder that will get you there. Where is the rudder pointing right now? Once you know that, you can more effectively drive the ship in the direction you want.

## The Process

The process I utilized at Quail Ridge is known as Operational Risk Management (ORM). At the organizational level, it consists of five phases:

1. Assessment
2. Analysis and Decision making
3. Problem Solving
4. Implementation
5. Follow Up

This article will cover the first two phases. In a follow on article, I will cover the remaining three. The first step was to assess the current status of the culture. This really is the key to the whole process. Without accurately assessing where the club is today, the remaining steps are only guess work. The assessment will dig for answers to several questions without actually asking these questions directly. What is the employee perspective on operations? What are they actually doing and why? What is their current motivation? What would it take to inspire them in the direction the GM would like to go? These are the questions I sought answers to through a two part process of assessment. The first was through individual interviews. The second was through peer group workshops.

## Individual Interviews

Thirteen individual interviews were conducted from within and outside the club house. Each lasted approximately 30 minutes. The makeup of those interviewed is as follows: chefs, cooks, golf management, tennis management, comptrollers, club house receptionist, and club house management. It is important to include "outsiders" in the interview process to get their perspectives. Their perspectives are important because they have a view that is not influenced by the existing culture of the target group. Some standard questions were asked of each person:

1. What is the best part of working here?
2. What does the club do best?
3. If you were appointed GM, what would you do to improve the club operation?
4. Are you aware of any differences between this club and the operation of other country clubs?

100% of the responses to question one were "The membership." Within and outside of the club house, employees enjoyed serving the membership. Answers to the second question were related to the first: a desire to serve the members well. The remaining questions brought

out two consistent themes: club house money issues and poor organization and coordination.

Before I discuss the club house money issues, it is important to note that Quail Ridge was well above the industry standard for budgeted performance and cost of sales contributions. Yet a perception to the contrary existed. It would be important to find out why this perception existed. Money issues fell into two categories. The first was inefficient use of money such as:

- The high cost of rental items.
- Old maintenance contracts that could be re-contracted at a savings as well as provide better service.
- Too many last minute changes to banquets and events that raise costs.
- Undercharging of sponsored non-member events.

The second money issue category was food and beverage supplies. Since the club house didn't have a purchasing manager, many people interviewed were concerned that orders placed did not equal orders received. In addition, they felt that theft was a problem.

Now, you may be asking what this has to do with culture. These are administrative items that any good auditor could find by looking over the books. But organizations that are continually redefining excellence are learning organizations which make them adaptive. There is much less of a need to bring in an auditor because the people are auditing themselves. Changes are made when necessary and in a timely manner. In this particular case at Quail Ridge, employees had a perception of inefficiency that was tolerated. Was this a valid perception or only a misperception? If this perception was valid, why had it not impacted the balance sheet? And if only a misperception, why and what could be done to change it? An auditor finding problems won't fix an underlying cultural acceptance of inefficiency and isn't concerned with misperceptions.

The final area of concern that was consistently brought up by those interviewed was poor organization/coordination. No one consistent theme emerged from the interviews as to why this problem existed, but it was clearly a problem. Too many things were dropping through the cracks, particularly when it came to golf events and banquets. Poor communication was also mentioned numerous times. Here are some examples of the specific comments:

- Too many managers giving different directions.

- Some of the managers need to delegate more.
- What are the responsibilities of each manager?
- There is no specialization or permanent assignment of tasks for recurring events.
- Employee schedules come out late

On the surface, it would appear that improved avenues of communication are needed. But when it comes to culture, underlying causes can go deeper. Part of the answer may lie in the fact that over the past five years, there have been three different club house managers and four different head chefs. The lack of a stable leadership environment had played a role. To find out what was really behind the disorganization would require some interactive workshops with the different employee peer groups.

### **Employee Workshops**

Four club house peer group workshops, each lasting approximately two hours were conducted. Three main exercises were conducted in each. The first exercise involved the employee group grading themselves, the rest of the club house, club house management, and finally the membership on the following three core values: communication, member service, and pride. The purpose of this exercise is to determine each group's perception of their own status regarding the core values as well as their perception of other groups. It is also an excellent vehicle for generating discussion on these values. Direct questions about core values can be difficult to answer accurately. For example, I have had many groups in other organizations that answer the question "how is communication in the club house?" with an "okay" or "pretty good." But when asked to grade it on a scale of 1-9, many of the grades given are a 5. A 5 does not indicate okay communication, but rather poor communication. So, as a peer group contemplates and discusses the reasons for their grades, common cultural assumptions begin working their way to the surface. Here is a sample chart plotting the results from one group. This group was the second workshop conducted and consisted of Wait Staff, Bartenders, Hostess, and Banquet Staff. The first column of the upper grid is the group ranking itself on a scale of 1-9 on the three core values of communication, service, and pride. In the next column, they graded the club house as a whole on its

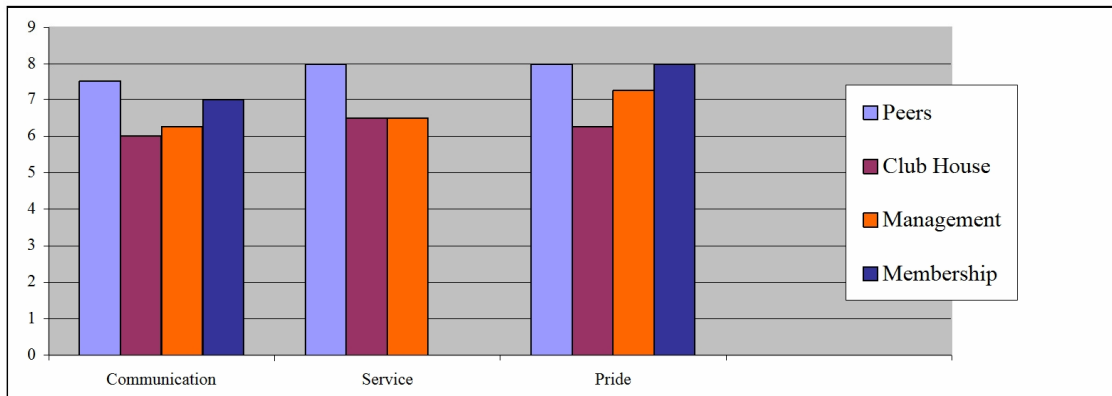
performance in these three areas. The third column grades management and the final column grades the membership. You may notice that there is no grade in the final column for

membership and the core value of service. This is because members don't serve. Below the grid is a bar graph plotting the results.

## Club House Group 2

Wait Staff, Bartenders, Hostess, Banquet Staff

	Peers	Club House	Club House Management	Membership
Communication	7.5	6	6.25	7
Service	8	6.5	6.5	
Pride	8	6.25	7.25	8



The above chart is just one part of being able to define the existing culture. The most important part of defining culture was the discussion that came out of each group's analysis of their grading results. The above chart shows that this group felt their own performance was better than all of the other peer groups in the club house combined as well as that of club house management. Also of note, you can see that they gave the membership high marks. All four of the employee peer groups that I worked with gave high marks to the membership.

The second exercise was a performance trend determination. The groups were asked to consider where the club house's current performance was, based on the past season, and where they thought it would be in the next season. In other words, is club house service improving or declining?

The third exercise determined loyalty to and from the employees in relation to management. In other words, what was the level of loyalty the employees felt toward the club, versus the level of loyalty they felt from management? It is important to note that in both the performance trend and loyalty exercises, club house management was the most pessimistic group.

What did we learn? Well let's go back to the original questions I wanted answered and see what we came up with.

1. What is the employee perspective on operations? Concurring with the same theme of the individual interviews, I found that disorganization was a top concern. In a group setting, I was now able to get to the underlying cause. The primary reason discussed was a lack of clearly defined roles among employees which led to a lack of accountability. There simply did not exist a document outlining responsibilities. Other employee groups weren't always sure who to coordinate with, particularly when a last minute issue came up. This confusion resulted in employees from outside the club house grabbing the first person they saw which tended to exclude the person who should have been involved. This added to and reinforced the disorganization. Another example of this: supervisors and key employees were making too many assumptions about their areas of responsibility. The result was that some areas of responsibility had no ownership. Additionally, new employees received little if any direction and training. One employee commented that she almost quit because she felt overwhelmed trying to learn her

job on her own. It's easy to see how communication breakdowns could occur.

2. What are they actually doing and why? When it came to the day to day work of the average employee, they were doing the minimum requirements to satisfy their position. Initiative was pretty low. It didn't mean that they were unhappy. It was just a product of disorganization with a resulting lack of accountability. Over time, lack of initiative had come to be accepted.

3. What is their current motivation? Most employees enjoyed their jobs and the club. There was a high degree of pride that existed across the board. I believe that this is a cultural trait that has been around for a long time and therefore not easily lost. This cultural strength would play a major role in the upcoming change effort.

4. What would it take to inspire them in the direction the GM would like to go? Initially, the answer was monetary. But as we discussed some potential solutions for improving the disorganization and communication issues, the groups agreed that a better work environment would be worth the effort and a motivator in the future. Their main concern here was, "Would leadership listen and are they willing to make some changes?"

Another communication issue was feedback. The employees wanted more feedback from leadership on how they are doing as well as feedback from the membership.

One final issue came up that was very important to the employees. The past season had been the first year to employ foreign labor as seasonal staff. There were some growing pains involved in utilizing this program and the employees felt that they had born the brunt of it. They firmly believed that a better indoctrination plan and training program would solve these problems and were prepared to assist with the improvement of this issue.

### **Assessment Wrap-up**

The employees were very engaged and interested in helping, particularly when I told them that I would not be sugar-coating anything in my report to the GM. I promised to pass on

everything they told me and that Chip wanted to hear it. This made a difference.

The first thing you may be wondering is where was the club manager during all of this? The club manager was replaced by the food and beverage manager at the beginning of the season. He was not initially given the new title. The first half of the season was considered a trial period for this new manager. He admits that without the official title, he was reluctant to make some decisions that he felt a club manager should make. In hindsight, this was a tactical error that cost him some valuable ground in an unexpected promotion. But he did hit the ground running in terms of developing a very good relationship with the membership, club house employees, and other employee groups. His perseverance and relationship building played a key role in the turn around plan.

Next, you are probably wondering how much work it will take to "fix" the issues and concerns voiced by the employees. As you will learn in the follow-up to this article, the cultural strength of employee pride was not only the key to changing the operation of this club house, but it allowed me to move forward with the remaining process improvement steps much quicker than might be expected. Quail Ridge proved the point that it is much easier to work with the cultural strengths that exist to improve performance than it is to work against the cultural constraints to change performance.

There are two final items you should know at this point. The first is that the current season at Quail Ridge is being hailed by the members as the best they can ever remember. In the next article, you will read about everything we did with the help of the employees to get here. The second is that the work done to get to this point is not the end of the story. Therefore, the next article will also talk about our plans for the upcoming off-season and how we will continue to redefine excellence.

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