



J.D. Creaghan Group Inc.
Performance Solutions
for the Human Side of Business

Case Study:

Private Membership Club

Building club member satisfaction through developing leadership and lowering employee turnover.

The Business and its Environment

Private clubs form part of the restaurant and hospitality industry, and offer specialized services for a limited, regular clientele. The London Club has been in operation since 1880 and is a member of the Canadian Society of Club Managers (www.cscm.org). Its general manager, Geoff Curphey, is president of the Southwest Ontario branch of CSCM and he has earned the Certified Club Manager (CCM) designation.

“Leadership Stages helps the yearly review by providing focus, stepped goals and year-to-year tracing of changes.”

- Geoff Curphey CCM,
General Manager, London Club

With just over 900 members, including 60 new ones in each of the last six-month periods, the Club is proving to be relevant to both the current and the upcoming generations. Many private clubs, however, are struggling with membership and financial issues. Significant competition is presented by golf and country clubs, and by high-end restaurants, indeed, by the whole hospitality industry.

The Club looks for experienced staff who also want a career in the industry. Staff at the Club receive a standard gratuity and in many cases could earn more tips by working in restaurants. Furthermore, in a Club environment, staff members have to be very flexible both as to schedule and to the type of work assigned.

Private clubs offer a special experience to members, which is valued by them. As members like to get to know staff, and expect to have staff on hand who know the members by name and are aware of their preferences, staff retention and training is important to organisations like the London Club.

The Reason for Working with J.D. Creaghan Group Inc.

While the CSCM already has a leadership module in its certification programme, the manager at the Club was particularly interested in the systematic and multi-level approach taken by J.D. Creaghan Group's proprietary assessment tool, *Leadership Stages*. Curphey believed it added a deeper dimension to workplace training by providing a clear understanding of the management team and specific pathways for developing each member of the team.

Client Goals

The London Club aims to build morale and improve the working environment for employees at the Club, retain staff and thereby enhance the membership experience. Curphey says, "The goal of undertaking *Leadership Stages* was not so much to save money as to improve the management effectiveness. Their developing leadership skills will transfer to their direct reports and through them to the client experience. Better quality staff means people will find that the Club is their kind of place."

Creaghan's Strategy With the Client

In his book *Getting More Done*, Jonathan Creaghan President of J.D. Creaghan Group Inc. states that, "businesses ultimately succeed or fail because of the human factor." In keeping with this business philosophy, Creaghan decided that the best approach with the London Club was to work with senior management first, aiming to have them work with their direct reports in turn.

Each of the managers completed the *Leadership Stages* assessment in a 360° format, which has them identify the stage of leadership at which they function. A detailed report produced by the assessment identified the behaviours that needed to be developed for the person to move up to the next stage. Using this report, the club general manager is then able to work with his managers on the areas that warrant improvement, with clearly defined steps laid out for him that provide all parties with the confidence that achievement of higher functioning is possible for them.

Benefits

"If you treat the staff right, they treat the clientele right. Treat staff well and they will keep the membership happy", says Curphey. How does *Leadership Stages* assessment help 'treat the staff right'? Curphey continues, "For the individual management member, they get the pathways to do better. As general manager I am able to better train and manage them. I am able to look to the weaker areas and focus attention there. We can set goals, then meet again to assess progress together."

In the hospitality industry there is an average 25% annual turnover in staff. The cost of this turnover is substantial. It involves not only the new staff person's salary, but also that of the other person who needs to be taken off line to train them; it is estimated that two weeks of labour is lost for every new employee. Additionally there is the time of the manager to interview candidates, and the administrative cost of engaging them. As well, on the personal side, there is the issue of staff needing to accept new people and learn to work with them. With new staff there are inevitably more errors and the new staff member may not know how to fix them; there may be more confusion in the workplace as a result.

The turnover thereby affects the profit margin. In private clubs the profit margin is typically in the area of 5% - there is not much room for error. In addition, turnover affects the clientele. The clients expect a certain experience, which is based on staff with skills who can also interact well with the members.

Curphey explains, "In working with staff, we can show the change year over year, from stage two to stage three leadership, for example: 'This is where I see you, look how you have changed!' It helps the yearly review, by providing focus, stepped goals and year-to-year tracing of changes."



Company Website

www.londonclub.com

NAICS Codes for London Club

722511 fine dining restaurants, full service

722320 banquet halls with catering staff

Case Study Author Information

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For More Information

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