

5 People in Clubs

Introduction

In this chapter, we will look at some of the functions of Human Resources Management (HRM) in private clubs. Human resource management encompasses the range of functions which impact employees from recruiting and hiring, to the structure of jobs, to training and development, to performance evaluations and rewards. It also includes administration of employee benefits, salary determination, promotions and transfers, and looking after employee health and safety. And more! It is not the intent of this chapter to provide a comprehensive HRM primer, but rather to provide a snapshot of HRM practices that managers and clubs find useful in day-to-day operations. First, though, we will examine how the management of human resources in clubs is different than it is in other types of hospitality organizations.

Why clubs are different

The management of human resources is different in the hospitality industry than in other industries. Perhaps the primary reason for this is the fact that the hospitality industry is labour-intensive. That is, it simply requires a larger number of employees to perform a job (and interact with customers) than is true in other industries. The club industry is similar, only more so because of members' expectations that their club is a home away from home – and this requires a high degree of personal attention by a club's employees. The member expectations might include name recognition, preferential and deferential treatment, along with generous amounts of perceived value for the dues dollar. From the HRM perspective, it takes special people to provide this level of member service. One important group of club employees are its hourly workers. As a result, the proper recruitment of employees or “putting the right people in the right jobs” is paramount. Since the bulk of employees in clubs are hourly staff, we will begin with an overview of hourly workers.

Hourly workers

Hourly workers are at the heart of what clubs offer and they are critical to its success. They include food and beverage servers, bartenders, grounds crew, maintenance workers, housekeepers, etc. In order to attract these types of workers, especially during periods of low unemployment, clubs must present themselves to be employers of choice. There are a number of factors that hourly workers would find desirable about working in a club, which clubs should leverage. These may include: compensation, seasonality, work environment, benefits, and the potential of housing.

Compensation

For hourly employees, compensation in clubs is usually competitive, but may not greatly exceed market averages. Most employees enjoy a strong base hourly wage. However, clubs will often find themselves in competition for the same employees with employers from the hotel, restaurant, casino and retail industries. This is particularly for food servers, bartenders and cooks.

In the case of food servers, unlike in the commercial sector, there is usually no tipping. Rather, a service charge is added to the bill (something between 18% and 20%). This charge is usually distributed by formula to those working a particular shift or event. Additionally, a club may be structured to provide a holiday or season end bonus.

Tipping, service charges, or club charges can be a source of problems and even litigation. In one instance, a club was ordered to pay \$4 million to employees who claimed the 'Club Charge' was collected in lieu of a gratuity. The lesson here is that if members are charged a surcharge on food and beverage, and if it is not directly dispersed to employees, this should be made clear to members.

The main point here is that in most clubs, tipping is not allowed, but service staff receive a higher than average hourly wage, regardless of the origin of the funds used for this compensation. Some employees are attracted by this and others, who are driven by tips, are not.

Clubs that are able to be creative in the area of employee compensation and benefits frequently enjoy a level of staff loyalty that does not usually exist in the commercial hospitality sector. In many clubs, longevity is rewarded with job stability. Long-tenured employees may be considered family. The work environment of a club is one where, very often, luxury and plush surrounding go hand in hand. The work is frequently at a relaxed efficient pace where members are respected, and very high levels of individual attention are provided.

Work environment

Another aspect of clubs that hourly employees might find desirable is the work environment. There are a variety of factors that make the private club work environment different and desirable. Clubs are often housed in majestic buildings (not unlike a luxury hotel), or on expansive grounds. The combination of the physical environment and the familiarity create a positive environment. Hours may not be as long either, as clubs are not open for the same duration as commercial operations. They are also typically closed for one day a week, giving everyone a legitimate day off.

Seasonality

Many clubs are seasonal, and this is particularly true in both the colder and warmer parts of the world. For seasonal clubs, it is like starting a new operation every year with many new hires – much like a resort. While managing a seasonal operation can be challenging for managers, seasonal employment may be very desirable for some employees. It gives them a chance to work in two (or sometimes more) different parts of the country or the world, in different environments. It also gives them the opportunity for a variety of work environments, which can reduce monotony and boredom.

Perks

A distinct plus for golf enthusiasts is that many clubs allow staff to play golf on Mondays when clubs are frequently closed. In some clubs this privilege may be extended to tennis facilities and even health fitness facilities.

Housing

Some clubs provide housing, particularly those which recruit seasonal staff and are located in expensive/resort areas. Again, this can serve as an attractive attribute if offered and may be a deterrent if it is not available.

In summing up why working in clubs is different and why hourly employees are so important, we like this quote from the National Club Association (HR Management: Best Practices for Private Clubs, 2013).

“Clubs, to a very large extent, are only as good as the membership, the facilities and the staff. The quality of life at a club enhances the desirability of membership and social standing. Clubs that consistently provide a cordial, welcoming environment are actively sought out by potential members and employees.”