



THIRD EDITION

HEALTH FITNESS Management

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HEALTH FITNESS MANAGEMENT

Third Edition

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Preface

If you are looking for a fast-paced, constantly changing profession that will give you the opportunity to make a difference in the lives of thousands of people, then this book is for you. If you love interacting with people and motivating them to be the best they can be, then this book is for you. If you want to be a part of one of the fastest-growing and most challenging industries in the world, then this book is for you. If you are interested in a 9-to-5 desk job, you should probably stop reading right now, because this book is definitely not for you.

This third edition of the popular reference and textbook *Health Fitness Management* is written for everyone who has an interest in managing a health and fitness facility. The contributors to this text are some of the most experienced and knowledgeable people in the fitness industry. Whether you are a student learning about this topic for the first time or you are a seasoned veteran, we are confident you will find this text helpful. This new edition offers updated information, more practical examples, case studies on legal issues, and new best practices to take your social media game to the next level, making this the best text on the topic.

The manager of the health and fitness club is the single most important person in determining the long-term success of the club. This is the person who gets the call at 5 a.m. when a staff member has overslept and the club has not opened on time. This is the person who is often left dealing with the most difficult and challenging customers. The club manager is the one who assembles the team of sales, service, programming, and maintenance staff. He

or she is also the one who pays the price when things go wrong with the staff.

On the other hand, the manager is the one who gives people an opportunity to succeed in an extremely satisfying industry. This is the person who coaches staff until they are able to overcome some of their greatest fears and challenges. The manager's job is an extremely rewarding one that comes with a significant amount of responsibility and enjoyment.

This book is divided into three parts. [Part I](#), on human resources, will give you all the information you need to get started with organizational development, hiring, evaluation, and compensation. This part, consisting of [chapters 1](#) through [6](#), is potentially the most important part of the book. As a manager, your job is to hire, train, and retain the best people you can find. These six chapters will help you understand all of these areas.

[Part II](#) covers member recruitment, retention, and profitability. In order for your club to be successful, you need to be able to attract new members and keep current members. And, in order to make a profit, you'll need to effectively market to sell products, programs, and services to those members.

[Part III](#) covers operations and facility management—information that you'll need to know in order to run a successful club. As a manager, you need to know how to read financial statements and how to implement systems that ensure your club is well maintained. You also need to have a solid understanding of the risks that are associated with running a fitness club, both for your staff and the general public. (Not learning this side of the business is something you may regret forever once an accident occurs at your facility.) Also important is a manager's understanding of legal issues and insurance. [Part III](#) ends with a chapter on how to properly evaluate a fitness business.

Within each chapter you'll find various tools that enhance the overall learning experience. Each chapter begins with a list of learning objectives to help you focus on what you should be learning while you're reading. After the objectives, you'll read a scenario that illustrates the main topic of the chapter. These stories, which are largely based on the authors' actual experiences, are a great way to

get students involved in a class discussion. Additional real-world scenarios are integrated throughout the chapters so that you'll know how to apply the material. Throughout each chapter, The Bottom Line features summarize and emphasize the most important topics in the text. Key terms—words and phrases that readers should be familiar with—are also boldfaced in the text.

For instructors who are using this as a course textbook, this third edition comes with a test package and an instructor guide. The test package features multiple-choice questions that are based on material from each chapter. The instructor guide includes summaries of each chapter and various teaching tools that will help the instructor prepare for lectures and class discussions. The instructor guide also has assignments for instructors to assign their students. These assignments are practical in nature and will allow students to apply the information presented in the text.

If you think you are ready for a career in the fitness industry, we applaud you for your interest. The true test will be how you use the information in this book to make your club or fitness center the best it can be for you, your staff, your members, and the public.

PART I

HUMAN RESOURCES

Human resources are often the most overlooked aspect of running a fitness club. Throughout this book, we talk about the importance of member retention—keeping the members you have from year to year. Equally as important is staff retention. Keeping staff members motivated and challenged will have a positive impact on member retention levels: Members like to see the same people when they come in to your facility, and the relationships that members form with staff members will make them want to keep coming back. If the facility is constantly losing staff, the result will be the eventual loss of members. Successful clubs realize that spending time on developing their human resources will pay off in the long run.

In [chapter 1](#) you will discuss the importance of the leader within the fitness club. As with any business, a strong leader is necessary to build a great team. This chapter will examine common mistakes among managers and what it takes to become a great manager.

In [chapter 2](#), you will learn how various fitness businesses are organized. You will see that there are many potential ways to design your organizational structure. It is critical that each person on the team knows the role that he or she plays and how the role contributes to the company's goals.

[Chapter 3](#) will help you get the most out of your staff by addressing important topics such as recruiting and hiring. Sections on building job descriptions and designing appropriate interview

questions are included. Each of these areas is a critical component of all successful businesses.

In [chapter 4](#), you will see that the most successful clubs differentiate themselves by offering staff training programs that build great employees. One common denominator among successful fitness businesses is their investment in people and their consistent training and development programs.

In [chapter 5](#), you will learn how to properly evaluate your staff and give them feedback so that they are working at the highest level possible. Giving employee feedback and conducting formal evaluations can be very complicated. This chapter will guide you in designing a performance appraisal system. This chapter includes the sensitive topic of terminating employees; although this is never fun, it is important to the business and the employee that managers understand how to do this properly.

Part I concludes with [chapter 6](#), in which you will learn how to design a compensation program that motivates employees and rewards the best performers. Various industry approaches to compensation are discussed. Once you have an understanding of each approach, you will be able to discuss the advantages and disadvantages of each.

CHAPTER 1

Recognizing the Importance of Leaders and Managers

Learning Objectives

After studying this chapter, you will be able to

- understand basic management and leadership theory,
- identify the roles of the manager and the leader,
- recognize the critical skills required to be a successful manager,
- identify behaviors that limit the ability to be a successful manager, and
- develop a strategy for managing talent.

Sean Greely is the president of Net Profit Explosion (NPE), a company that focuses on empowering fitness business owners to take control of their organizations by providing them with tools, coaching, and education. Sean started out as a personal trainer and grew his small personal training business into a multiple-location business in a very short time. After this successful venture had run its course, Sean recognized a need in the marketplace and a personal desire to help other fitness business owners achieve their

dreams. NPE has been on the Inc. 500 list numerous times; this list includes some of the fastest-growing companies in the world. Sean has seen massive growth in NPE, and he and his team have helped hundreds of fitness business owners turn their businesses around.

Sean is a tremendous leader who has created an extremely devoted client following. The NPE culture is primarily focused on getting clients results and exceeding expectations. NPE's clients regularly give testimonials, speak at events, and help one another through the various online forums NPE has created. Sean often needs more coaches due to business growth, and he has consistently been able to hire them from a pool of clients who have flourished using his **systems**.

Recently, a group of Sean's VIP clients started a scholarship program for struggling fitness business owners. NPE matches the funds contributed by the clients. At the company's annual event, Mega Training, eight scholarships were awarded. The scholarships allow people to attend an NPE educational event free of charge.

As the business grew, Sean recognized that he needed to remove himself from the day-to-day operations. This allowed him to work on the business rather than in it. To do this, he hired great people and developed great systems. Doing this allowed Sean to continue to expand the vision and scope of business that NPE can take on. This never would have happened if Sean had focused on day-to-day operations. This is not to say that he does not know what is going on within the business; rather, he focuses on bigger picture things, such as developing key employees, building a great culture, and setting the longer-term vision for the company. This is a difficult but critical lesson for all fitness business owners to learn.

As you read in the opening, great leaders need to be sure they are focused on the long-term aspects of the business. It is easy to get caught up in the day-to-day business operations. When this happens, too often the organization does not hit its long-term goals. Dr. Stephen Covey (2008) says these long-term activities are important but not urgent. Things such

as planning, relationship building, and seeking new opportunities are not pressing matters that require immediate attention, but if you don't address them, the business is not likely to be successful long term.

EXPLORING MANAGEMENT AND LEADERSHIP THEORY

Over the years, there has been intense interest in the what makes managers and leaders effective and whether there are differences between the roles of managers and leaders. The following overviews of management theory and leadership theory will allow you to draw your own conclusions about the answers to these important questions and to understand current thinking regarding these subjects.

Management Theory

There are three approaches to management theory:

1. *Scientific management approach.* This theory defines the relationship between incentive and performance and advocates rewarding people based on their output rather than hours worked. An example would be rewarding salespeople via commission and bonuses (commonly termed *incentive pay*) rather than paying them an annual salary or hourly rate. Although this approach was developed almost a century ago by Frederick Taylor (1911), it is still effectively used today by many club operators.

2. *Human relations management approach.* This theory evolved in the late 1920s and early 1930s from studies on more than 20,000 workers that demonstrated that if employees felt valued, they became more productive. Mayo (1933) hypothesized that when employees felt important, they had higher levels of job satisfaction, which in turn led to higher levels of productivity. The theory has been supported and augmented by several other researchers since Mayo, most notably Maslow (1954), Herzberg (1966), and McGregor (1960).

3. *Process (or administrative) approach to management.* Originally developed in the 1930s by Gulick and Urwick (1937) and

since refined by Hersey, Blanchard, and Johnson (2001) as well as Koontz, O'Donnell, and Weihrich (1984), this approach has a broader perspective on the way managers take actions and make decisions. Five processes revolve around the central constructs of taking actions and making decisions: planning, organizing, directing, staffing, and controlling or evaluating (see [figure 1.1](#)). Decisions made in one of the five processes always affect the other four; in other words, the five processes are interrelated. At the risk of stating the obvious, planning is most often done first. An effective manager, however, will most likely perform more than one process simultaneously.

According to Mintzberg (1973, 1990), the typical manager assumes 10 distinct roles (i.e., sets of expected behaviors associated with a managerial position) that are divided into the following three categories:

1. Interpersonal roles

- Figurehead who acts in symbolic and ceremonial ways
- Leader who influences and coordinates the work of followers to achieve the goals of the organization

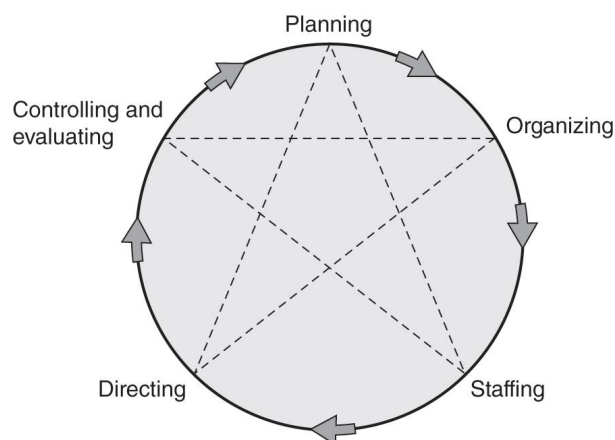


Figure 1.1 The process approach to management.

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- Liaison who develops and cultivates relationships with people and groups outside the organization

2. Informational roles

- Monitor who scans the environment for information about trends and events that can affect the organization
- Disseminator who transmits information to stakeholders in the organization
- Spokesperson who transmits information to people or groups outside the organization

3. Decisional roles

- Entrepreneur who searches for opportunities to improve the organization
- Disturbance handler who responds to unexpected situations that may disrupt normal operations
- Resource allocator who determines how to best allocate resources to achieve the goals of the organization
- Negotiator who confers with people or groups outside the organization to obtain concessions or gain agreement on important issues

Leadership Theory

Understanding leadership theory will provide greater insight into how leadership has been viewed from a historical perspective. More important, this understanding will allow you to make decisions about your personal leadership style, which will help you maximize your effectiveness. Leadership theory is divided into the following three approaches.

Trait Leadership Theory

Trait leadership theory is based on the premise that leaders can be identified by physical, intellectual, or personality attributes and is perhaps best summed up by the statement “leaders are born, not made.” Although it was discredited for some time, this school of thought generated renewed interest when Kirkpatrick and Locke (1991) demonstrated that core traits such as drive, desire to lead, honesty and integrity, self-confidence, cognitive ability, and knowledge of the business are assumed to be good predictors of the

potential to lead, although they do not guarantee successful leadership.

Behavioral Leadership Theory

Behavioral leadership theory hypothesizes that if critical behaviors of leaders can be identified, then a blueprint for successful leadership can be created and duplicated (Likert 1961). This analysis focuses on what leaders do, whereas trait theory focuses on their attributes and characteristics. Behavioral theory categorizes leaders as job centered (concerned with attaining personal or organizational goals) or employee centered (concerned with building good relationships with peers and followers). These two categories are not mutually exclusive; indeed, leaders and managers are most effective when they are focused on getting the job done and building relationships.

Situational Leadership Theory

Situational leadership theorists observed that a variety of leadership styles could be used simultaneously in response to changing situations. There are several models of situational leadership theory, but the following are four of the most well-known:

1. *Fiedler's contingency model.* Fiedler (1967) theorized that the effectiveness of a leader depends on the leader's personal style and the amount of control the leader has over the situation. In this model, the leader is primarily task oriented or relationship oriented. Fiedler believed that the environment can be manipulated to match leaders' personal styles (which he believed could not be easily changed) by either assigning followers who are compatible with the leaders' personal styles or seeking out situations that match the leaders' styles, thereby allowing for a higher probability of success.

2. *Path-goal model.* This model suggests that followers are motivated by their estimates of the probability that their behaviors will result in a valued outcome and by the level of personal satisfaction they will experience based on their work. Evans (1970) proposed that the primary role of the leader is path clarification, whereby the leader describes the behaviors that will lead to the reward. According to House and Mitchell (1997), leaders who are aware of the personal characteristics of their followers and of the environment can modify

their behavior to maximize motivation under the given circumstances.

3. *Situational leadership model.* This model was developed by Hersey and Blanchard (1969) and suggests that leaders' behaviors depend on the mix of task (directive) and relationship (supportive) styles that are required to adapt to the situation as quickly as possible to benefit everyone involved. There are four behaviors: telling, selling, participating, and delegating. Telling is considered the most direct form of leadership because the leader simply informs the group on how and what to do. Selling requires the leader needing to convince some of the group to follow their way. Participating is about the leader building relationships with group members and sometimes not making all of the decisions but rather deferring to someone who possesses more knowledge or experience in a specific situation. Finally, delegating refers to the leader assigning responsibilities for a project or task to team members. Another aspect of this model is how ready the follower is to perform the task, which is aptly termed *readiness*. Once the leader can identify the follower's readiness level, the model can be used to select the most appropriate style and communication pattern for that follower.

4. *Full range of leadership model.* This model encompasses three leadership styles: transactional, laissez-faire, and transformational. Transactional leadership is a negotiated and agreed-on deal between leaders and followers that outlines rewards and punishments for levels of performance by the followers (Bass 1985). Laissez-faire leadership is, as one would expect, the do-nothing approach to leading people. This is the least effective of all leadership styles. Transformational leadership focuses on the four *I*s: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Avolio, Waldman, and Yammarino 1991). These leaders are considerate, trustworthy, encouraging, and willing to take risks. Research suggests that the most effective leaders engage in all three styles to different degrees—transformational leadership most often, transactional leadership occasionally, and laissez-faire leadership seldom if at all (Bass and Avolio 1994).

ACKNOWLEDGING THE DIFFERENCE BETWEEN MANAGING AND LEADING

It will not come as a surprise that every successful organization needs a leader. A leader's role is to formulate the vision for the organization, provide clarity for what the future will look like, and inspire group members to align themselves with the vision. Essentially, the leader sets the course for the group. Recently, more than 200 Canada geese were found dead in a frozen Manitoba wheat field. Initially, it was thought they had been poisoned; however, autopsies on the birds revealed that their breastbones were shattered and their necks were broken. It was concluded that the leader had become disoriented during a dark, moonless night and had flown at full speed into the frozen ground, and the rest of the flock had obediently followed. There are two morals to this story. The first is that you need to choose your leader wisely. The second is that if you are going to lead people, you had better do a good job; if you don't, the consequences can be dire.

Leaders, by definition, must have followers. To get people to believe in your leadership capability and therefore follow you, you need to develop good relationships with your key people. They need to trust you and believe that you genuinely care about them. The best leaders are those who take the time to learn about their associates so they understand what motivates them, what they are proud of, what their goals are, and who or what is important to them. The most effective leaders are fully engaged in the performance of their people and continually coach and provide timely, constructive feedback. Leaders provide vision, create clarity, foster hope by telling their people that they believe in them, and, of course, deliver results.

With the exception of providing vision, all of this sounds like what managers are expected to do. So, is there a difference between managing and leading? The literature in this area is controversial. On the one hand, Peter Drucker (1998), one of the most respected management gurus of the modern era, supports the notion that leadership and management are identical. On the other hand,

Marcus Buckingham (2005), who is equally respected, tells us that the core activities of the leader and the manager are totally different.

Buckingham (2005) believes that the manager looks inward—into the processes, the systems, and, most important, the people. The leader, on the other hand, looks outward—to industry trends, external factors such as competitive influences, and best practices from other companies and industries. Thus, managers and leaders perform distinct but complementary roles within the organization.

It is possible to be a great leader and a great manager; in fact, the best managers must also be good leaders. In the book *Jack Welch and the GE Way*, Welch says leaders speed things up and managers slow things down (Slater 1999). This, as Martha Stewart would say, is a very good thing. Leaders are all about vision and forward thinking, and the sooner they can get the organization to the goal, the better. From the leader's perspective, if it could happen tomorrow that would be okay, but today would be better and yesterday would have been ideal. Leaders are not interested in the *how*; most great leaders regard details as necessary evils. Managers, on the other hand, are intensely interested in the *how* because they are charged with the responsibility of making the goal happen. They have to marshal the people and the resources to accomplish the task and formulate the action plan.

Using the analogy of the ready, aim, fire sequence, the leader is essentially concerned with fire, whereas the manager is all about ready and aim. Great managers must have the ability to organize people around achieving the common vision or goal. They must be able to inspire their group to work hard, smart, and together, and this is where leadership comes into the manager's world. It is impossible for a manager to achieve significant success without good leadership skills. The reality is that in a small organization, you (and probably others on your team) will need to don the leadership hat from time to time. Great organizations grow leaders at all levels. Organizations such as Southwest Airlines and Starbucks empower their associates to make decisions to preserve their well-deserved reputation for outstanding customer service. The good news is that most research shows us that anyone can become a great leader; it is not a genetic gift.

The Bottom Line

Some of the best leaders of our time were brought up through the military ranks. Military experts will be the first to tell you about the critical role training plays in developing strong leaders. This reinforces the notion that great leaders were not born this way.

Characteristics of Great Leaders

This section outlines a few of the most important characteristics that great leaders share. It focuses on culture as a critical component for the success of the leader and the organization.

Great Leaders Create the Group Culture

In an intensely competitive industry such as ours, arguably the only **sustainable competitive advantage** you have is culture. In other words, when everyone in the industry has access to the same knowledge and technology, the only way to achieve a long-term edge on the competition is through the culture developed within the company. Great leaders carefully craft the culture of the organization and then promote and protect it at every turn. If you don't consciously create the culture, it will be created for you—and it may not be one you find desirable.

What is that elusive quality called *culture*? It is the combination of values and beliefs that guide behavior. It is reflected in how associates treat members, each other, and themselves. If your culture is strong, you will attract like-minded people to your company. They will feel comfortable operating within the values and beliefs espoused by the group. When their behavior is consistent with the culture of the company, it will be rewarded, recognized, and reinforced by leaders, managers, and peers. Similarly, those who cannot internalize the culture of the company will leave, either voluntarily or with a gentle push. When your culture is strong, members will experience consistent treatment from your associates even if a manager is not present.

The Bottom Line

Culture is one of those fluffy terms than many people don't quite understand. The reality is that to develop and sustain a strong organizational culture, you must have clear plan. One of the most important parts of building culture is making sure the members of your team buy into the culture you are setting. People who truly match an organization's culture are totally on board with what the organization is all about. The result is a high-performing business with low employee turnover and happy customers. If your culture is about having fun, getting results, and sharing information, then you need to hire people who fit these characteristics and have ongoing systems in place to make sure this culture continues.

How can you create culture?

- Clearly define your values and communicate them tirelessly.
- Champion and reward positive behaviors and discourage and eliminate negative behaviors.
- Have all key people in the organization walk the walk and talk the talk all the time.
- Create **cultural heroes**, which are associates who, through actions consistent with the values of the company, create an amazing experience for a member. These heroes are then held up to the rest of the organization as shining examples of what appropriate behavior looks like, and they are rewarded accordingly.

Great Leaders Inspire Trust

Great leaders don't necessarily have to be charismatic, larger-than-life figures. Some of the best leaders are those who quietly toil behind the scenes building great teams that are capable of extraordinary performance. Regardless of their personal characteristics, all great leaders can rally people to them because people feel they are trustworthy. They believe that such leaders will

deliver on their promises because they have a proven history of doing so. If you truly want to become a great leader, be sure you can fulfill your commitments. Before verbalizing a promise, understand what you must do to keep it. Great leaders under promise and over deliver. You will quickly build a reputation for being trustworthy if you always deliver on your promises.

Finally, when great leaders don't have the answers, they don't fabricate them. When Mayor Rudy Giuliani was asked questions he didn't know the answers to in the terrible days after September 11, 2001, he replied honestly and with great compassion. In so doing, he won the trust of the nation.

Great Leaders Communicate the Goals of the Organization

Great leaders understand that people are drawn toward the vision of success. If the vision is unclear or is continually changing, people start to question what they are doing and why they are doing it, and they begin to disengage. It is the leader's responsibility to ensure that goals are clearly communicated to every member of the organization. Dave Patchell-Evans, the founder and CEO of GoodLife Fitness Clubs, never wavered from his vision of what success would look like for his company. Everyone in the company knew that success would be 100 clubs by the year 2005. Having achieved that milestone, he clearly communicated his new vision: 100 more clubs in the next 4 years. The second goal has since been achieved and surpassed. The new goal is 1,000 clubs.

The Bottom Line

A challenge for any organization is continually communicating its goals and vision. This is easier with a young company, as employees know the owner, understand the organization, and buy into its cause. As a business grows, it becomes difficult to keep the message alive. The best leaders constantly focus on communicating goals and vision with their staff.

Great Leaders Seek Great Mentors

Mentoring is a key part of becoming a great manager and leader. All great leaders can point to specific mentors they learned from. Look around you to find people in your industry or other industries you can learn from. There is no point in trying to reinvent the wheel when many others are doing what you want to do. Learn from their mistakes and get there quicker. All too often, I see owners and managers do their own thing and work in their own silo. If they had only reached out for some help or gone to a conference or workshop, they could have saved themselves a lot of heartache.

Characteristics of Great Managers

This section discusses a few of the critical traits great managers must possess. You can be a good manager if you have only some of these qualities, but great managers have all of them.

Great Managers Have a Nose for Talent

Great managers have a sixth sense about people. They are continually on the lookout for promising candidates outside of the organization and are continually assessing the talent they currently possess. There is a war for talent in North America—the workforce is shrinking, as is the birth rate, and the traditional sources of skilled workers are drying up. This has been predicted for years, but, in the words of Peter Drucker (1998), “the future has already happened,” and most health club managers are struggling to adjust. How can you avoid the frightening prospect of having no talented candidates to fill the inevitable vacancies you will experience?

One obvious strategy is to keep the people you currently have, as I'll discuss later. Another is to constantly be scouting for people who have the right attitude and would be a good fit with your company culture and values. Prime scouting areas include the hotel, restaurant, and retail industries. These are the places you are most likely to find employees who are genuinely interested in people and who have the service mentality required to be successful in the health and fitness industry. Whenever you experience exceptional service, compliment the employees and present them with a low-key

recruiting pitch. Recruitment is the highest form of flattery, and it is identical to selling. You may not lure prospective associates to your club immediately, but you will plant the seed so if they consider switching careers at some point, they will think of you.

Great Managers Continually Assess Talent

Great managers need to constantly be evaluating and assessing their current talent. How can you ensure that you are consistently, fairly, and accurately assessing the merits of your people?

The former Chairman and CEO of GE Jack Welch was well known for getting rid of the bottom 10% of his employees. Welch would not settle for weak performers, and he knew that these people would bring down others in the organization. While his approach may seem aggressive and insensitive, it worked from the shareholders' standpoint. GE's stock skyrocketed during Welch's tenure, and to this day he is considered one of the great CEOs in recent memory.

The following are some basic tenets associated with evaluating talent:

- *Recognize and reward the top performers.* Everyone benefits from productivity, but not everyone deserves the same recognition. Never lose sight of your top performers and what their contributions are.
- *Don't settle for weak performance.* If some employees are not performing at the level they need to be, tell them and help them get there. If you have made every effort to help them and they are still not performing at the desired level, it is time to let them go.
- *Conduct formal evaluations on all staff.* This is the only way to let associates know where they stand and for you to know what type of staff you have. Evaluations are normally done once per year, but they can be done more often depending on the situation.
- *Always be on the lookout for new people to add to your team.* You never know when you will need to add someone due to unexpected growth or replace someone without notice. Great leaders and managers are known for finding and developing

talent. The best time to look for new people is before you need them rather than when you are on a tight timeline.

The Bottom Line

One of the best ways to retain and motivate your staff is to ensure that associates have clear career paths mapped out for themselves. Once these paths are formulated, be sure you give employees the right opportunities to grow and prosper within the company.

Great Managers Understand That Everyone Is Different

Great managers understand that they cannot treat everyone the same. Marcus Buckingham (2005) likens this to checkers versus chess: In the game of checkers, each piece moves the same way, but in chess, each piece moves in a different way and performs different roles. Different people are motivated by different things and respond differently to feedback and coaching. For example, some people love public recognition, whereas others are uncomfortable in the spotlight and prefer to receive their rewards privately. With some people you can be very direct when giving feedback but with others you will need to soften your approach. Great managers intuitively understand this and are constantly working on building great relationships with their team members so they can better understand how to help all members achieve their potential.

Some managers seem to build great relationships easily. They have that elusive sixth sense about people. They tend to be keenly observant and ask a lot of probing questions, and they are excellent listeners. They are genuinely interested and care deeply about the success and happiness of their charges. Daniel Goleman (1995) refers to this ability to build relationships and manage emotions as **emotional intelligence (EI)**.

Using a worksheet such as that shown in [figure 1.2](#) can provide structure for meaningful conversations with associates about their past accomplishments and future aspirations. These conversations

provide the foundation for a great relationship. Once you understand what is important to your associates, you will be able to provide meaningful coaching and support as you assist them in moving toward their goals.

At GoodLife Fitness Clubs, managers and leaders use 12 questions as a primary form of feedback. The questions are from the book *First, Break All the Rules* (Buckingham and Coffman 1999). The first two questions—“Do you know what is expected of you?” and “Do you have the resources required to do your job?”—are the most relevant to this discussion and elicit the most important information from the manager’s perspective. If people don’t know what you expect of them or don’t have the tools to do their jobs properly, then they don’t have even a faint hope of being successful. Buckingham and Coffman use the analogy of climbing a mountain: You must spend the requisite amount of time acclimating at base camp before moving up to the summit; otherwise, you will die. Until your associates can strongly agree with both questions, any attempt you may make to motivate or empower them will ultimately fail. This is your foundation, and until it is solidly in place, you dare not move on.

Answers to the remaining 10 questions provide feedback about you as a leader or manager and indicate how well associates fit into the company culture and what they believe their futures in the organization look like; all of this is great information. It is not uncommon to have associates complete this evaluation on a quarterly basis. Building a history of responses from all associates will enable you to monitor their (and your) progress and will indicate potential sources of trouble or success. For example, if an associate answered the second question with a 5 (strongly agree) on one evaluation but dropped the response to a 2 (tend to disagree) on the next evaluation, you need to initiate a meaningful conversation with that person to ascertain what changed and how it might be rectified. This is a valuable method for scoring the effectiveness of managers and how engaged people are. It is short, easily understood, and quickly interpreted.

Another useful tool for determining how to best manage people is to use the StrengthsFinder profile (www.strengthsfinder.com). You

will need to purchase one of the publications listed on the website to access the online questionnaires, but the information you receive will be well worth it. You will learn which situations and projects allow different people to thrive and which ones will cause them to become frustrated and disengaged. You will be able to define the top five strengths for each person who fills out

LIFE AND WORK GOALS

Name: Thomas Johnson

Mission
My mission is to make a positive difference for each person I come in contact with every day.

Core Values That Guide Me
Care, trust, integrity

<p>Significant Life and Work Accomplishments</p> <ul style="list-style-type: none"> • Completed two marathons. • Married for 16 years to the same person. • Promoted to general manager (GM) in 2005. • Graduated with an MA in exercise physiology. 	<p>Work Goals</p> <ul style="list-style-type: none"> • Achieve all financial targets for my club. • Improve member retention by 3%. • Recruit and hire an excellent member-care manager.
<p>Professional Development Goals</p> <ul style="list-style-type: none"> • Win GM of the year award. • Join Toastmasters. • Present at canfitpro conference. 	<p>Personal Goals</p> <ul style="list-style-type: none"> • Take a family vacation in Italy. • Learn to speak Italian. • Run two half marathons.

How to Meet My Goals

Work Goals

- Set up a monthly meeting with my divisional manager to review statements and correct variances.
- Beef up personal training revenue by 20%.
- To improve member retention, handle all cancellations myself whenever possible, focus on training front-desk staff for world-class meet and greet, and meet with member focus group once a month to invite feedback.
- To find a member-care manager, recruit from local restaurants and retail stores and post internally to see if there are any members who would be great candidates. Once the manager is hired, set up a rigorous training program. Develop an incentive program based on reducing member cancellations.

Professional Development Goals

- Work out an action plan with my divisional manager to win GM of the year. Get clearly defined expectations and performance standards.
- Contact canfitpro and find out how presenters are selected. Join Toastmasters in November to improve presentation skills. Ask divisional manager to allow me to present at GM meetings.

Personal Goals

- Book and pay for the holiday so we can't cancel.
- Buy Italian language CDs and commit to listening three times per week for 1 hour each.
- Join the half marathon running group in January.

Figure 1.2 Goal-setting worksheet filled out by an associate. Managers can learn about their associates' motivations by asking them to fill out similar worksheets.

the questionnaire. More important, you will gain invaluable insight into how to effectively manage each associate.

Great Managers Encourage Feedback

A climate in which feedback is encouraged is invaluable. If people feel safe giving you honest feedback about what works for them and what doesn't, you are well on your way to becoming a great manager. It sounds easy, doesn't it? Tell people what you really think about their behavior on a consistent and timely basis. What is so hard about that? Unfortunately, most people struggle with honest communication. You can create a feedback-positive climate in your organization by building relationships based on trust and caring. The adage "they don't care how much you know until they know how much you care" is highly applicable to managing. People will forgive you for many mistakes if you create an environment in which they understand you sincerely care about them and their success and they know you are prepared to invest in them.

A word of caution is warranted: There is a huge difference between caring and caretaking. Don't fall into the caretaking trap. Caretaking sounds something like this:

Justin hasn't hit his sales goals in 6 months, and I told him if he didn't perform this month, he would be out. I know I should just go ahead and fire him, but he and his wife are expecting their first baby next month.

I can't tell Kim what I really think of her performance, because she is so sensitive. I know if I'm totally honest with her, she will get really upset.

If you are unable to be honest with associates because you think they will be unable to handle the truth, then you have fallen into the caretaking trap. The highest form of caring is giving honest, timely feedback to people in a manner that allows their dignity and self-respect to remain intact. It may be challenging initially, but like anything else, it gets easier with practice. Eventually, you will be able to develop meaningful relationships because they are based on mutual trust and respect. Caring is the most important implement in your managerial tool kit. Use it often and wisely.

The Bottom Line

Giving feedback is one of the easiest ways to reward an employee, but studies show that managers do a poor job of this. The best way to motivate employees is to find them doing something correct and praise them for that action rather than trying to find them doing something wrong and disciplining them.

Great Managers Understand the Importance of Systems

Strong managers understand that there is a formula for success. Once you understand the formula, you can teach it to the right person. Having systems in place essentially means that the business has a specific way of doing things, and they want everyone doing them the same way. High-performing fitness facilities have systems for every aspect of the business (e.g., a specific way to answer the phone, a specific way to handle member complaints, a specific way to sell and process memberships). A practice is considered a system only if it is written down and is regularly reviewed. A conversation is not enough, because things can be forgotten or misinterpreted, which leads to the desired outcome not being achieved. Great systems ensure a consistent client or member experience and ensure everyone knows exactly what is expected of them. The most successful fitness clubs in the world have achieved greatness by developing, borrowing, and changing their systems. Well-developed systems that are communicated to employees on a regular basis take the guesswork out of day-to-day decisions.

Systems are useless unless they are clearly defined and people are kept accountable to them. For example, all fitness facilities should have a clearly written script and a system for how they handle phone calls about membership inquiry. When a prospective member calls and the phone call is handled properly, that prospect should be booked for a tour and consultation at the gym. When this call is not handled properly, a potential new client is lost. When people call a gym, their first question is normally related to costs or to a specific

program. An important part of handling these calls properly is assessing the clients' goals and their exercise history. It is best to meet with prospects in person so they can see the facility and determine what programs are best for them. If prospects on the phone are simply given prices, the quoted prices may be for memberships or programs that are not right for them, and the prospects may be deterred or lose interest in the club. These are missed opportunities that cost the club money. Large facilities track their booking rates from incoming calls; when they start to get low, they address this to ensure everyone is following the specified system.

Great Managers Provide Clear Expectations

Great managers are very clear about what they expect from their associates. After all, how can associates do a good job if they don't know exactly what is expected of them? This seems like a basic tenet, but you would be amazed to discover how few people in supervisory roles are able to state clear expectations for their direct reports. If in doubt how well you are doing in this area, use the 12 questions mentioned earlier, and pay specific attention to the responses to the first question.

When defining expectations for associates, be aware that a job profile is just the beginning. You need to have meaningful discussions about what it looks like to perform well. For instance, a job profile for people who work the front desk might state that the phone must be answered in a professional and courteous manner. Your definition of professional and courteous, however, may be quite different from someone else's. Thus, it is important to provide training that will clearly show what it looks and sounds like to answer the phone in a courteous and professional manner. Observe associates' performance so you can provide caring, honest feedback. As noted previously, the greatest gift you can give or receive is honest, timely feedback delivered in a manner that provides clarity on expectations and enhances the receiver's self-esteem.

Consider this example: You walk into your club earlier than usual one morning to find the person at the front desk reading the paper

and paying no attention whatsoever to the members who are checking in. You have several choices:

- You can rant and rave like a deranged maniac, thereby scaring the associate and everyone else in earshot.
- You can ignore the behavior (more about the effectiveness of this strategy later).
- You can ask the associate to come to your office when the next person shows up to work the front desk.

Hopefully you chose the last option. Your mandate for giving feedback should always be to reward in public and reprimand in private. How can you deliver appropriate feedback that will leave no doubt about your future expectations but will also leave people feeling good about themselves? In the words of Stephen Covey (1989), great managers seek “first to understand.” It is all too easy to jump to the wrong conclusion about the motivation for someone’s behavior only to make an idiot out of yourself and damage the relationship. Take a deep breath, and find out why the associate felt compelled to read the paper when it was clearly not appropriate. You may be shocked to find out that she considers this to be appropriate behavior because no one told her it wasn’t. Or you may find out that she was fulfilling a member’s request that she look up the time and location of a movie. If, however, she understands that the behavior is inappropriate and simply made a bad decision, you need to take the appropriate action. Be sure to separate how you feel about her behavior from how you feel about her as a person so you don’t damage her self-esteem.

For example, you might start by saying “Sarah, when I came into the club this morning, I observed that you were reading the paper. I am curious to know why you were doing that.” This is an open-ended, nonjudgmental question (hopefully your body language and tone are neutral and nonthreatening). Now, let’s assume Sarah knew and understood she had made an inappropriate choice, and she admits it to you. An effective response from you might be the following:

*I trust you to conduct yourself in a professional manner at all times when you are in the club, Sarah, even if I am not here. To our members, you are a walking, talking personification of our **core values**. I know I can count on you to make decisions about your behavior that are in the best interests of our members. Although I am disappointed in your behavior this morning, you need to understand that I think you are a fine individual, and I am proud to have you working here. In the future, please refrain from doing this type of thing at our front desk. If you have completed your list of daily tasks and need of things to do, please ask me. There are always things I can use your help with.*

STRUGGLING AS A MANAGER: PITFALLS TO AVOID

The mistakes managers make are not usually easy to cover up, because they can affect many people. The following are 10 of the most common behaviors that will cause you to struggle and ways to avoid them:

1. *Hiring like-minded people with similar strengths.* It is no secret that most people like to be around others that are like them (e.g., similar interests, backgrounds, personalities). Although this might be great for a friendship, it is a disaster for a business. When managers hire people like themselves, they are loading up on certain skills and neglecting others. For example, you might be a great salesperson with a lot of enthusiasm and passion for people, but you might not be great at keeping yourself organized or understanding the financial effects of your decisions. Therefore, it is critical to have people with other skill sets around you.

The best managers try to hire people who are smarter than them or who at least have different strengths than they do, because they realize this will ultimately make the team and the organization stronger. Although some managers worry that an exceptional employee may eventually take their job, owners value managers who make good hiring decisions, which demonstrate the manager's value to the company rather than diminishing it.

2. *Undertraining.* This is one of the great weaknesses of many independent fitness clubs and small businesses in general. Managers get too busy with day-to-day business operations or don't understand the value in delegating, and they neglect to train their staff. Training is an ongoing function of a manager, and it is often the most important role. Most performance issues (when the right people are hired) boil down to training issues, and these fall on the manager's shoulders. New and experienced staff alike needs training to learn new tasks and to stay sharp on current ones. The best managers position their employees for success by developing or following training programs that will improve staff skills.

3. *Making quick hiring decisions.* This is a big one. Staff turnover is often unpredictable, and when an associate leaves unexpectedly, the manager is left scrambling to find a replacement. When this happens, proper hiring protocol is often thrown out the window, and bad decisions are made. Not spending the time upfront to get the right person on your team will always cost you in the long run. You will also lose credibility with staff and members because they see people come and go too often.

4. *Not setting a good example.* Weak managers ask staff to do things that they don't want to do (e.g., talking to a member about a strong body odor, which is not fun for anyone). Weak managers take shortcuts that go against company policies and procedures. Some managers do not maintain their own fitness levels and portray unhealthy images. The best managers willingly perform any job task, always follow policy, and practice good nutrition and exercise routines. They set the standard for the staff and the club members.

5. *Not making timely decisions.* Managers who put off important decisions can derail an organization. In addition, relationships suffer because people lose confidence in the manager's ability to make decisions. Weak managers ignore issues or rely on staff and others to solve problems. Although it is important to empower staff, there are decisions that must be made by managers. People may not always agree with the decisions, but they will respect managers who make them. To make the best decisions, strong managers should gather the relevant information, react without emotion, and consult

with people around them as needed. The best managers also take ownership of their mistakes if they make the wrong decisions.

6. *Managing time inefficiently.* This is perhaps the challenge that new managers wrestle with more than any other. It takes great skill to create a flexible schedule that allows for inevitable unanticipated events that will require your attention, and it takes great discipline to stick to this schedule. There are many books and courses on the best way to manage your time. Steven Covey, author of *The Seven Habits of Highly Effective People* (1989) and other books, is one of the authorities in this area. Virtually any system will work if you have the discipline to execute it. Managing your time well means prioritizing tasks and responsibilities and scheduling the most important tasks so you know they will get done with minimal interruption.

As a club manager, many people require your time and attention. If there is a secret to successfully managing your time, it is that you need to manage your interruptions. Train your team to respect your schedule. Create specific times during the day when they have access to you for asking questions. You should also apply **Pareto's Law** (also called the 80:20 rule) when creating your schedule: Focus on the 20% of your tasks that yield 80% of the results, and then schedule those tasks at the times you are most productive. Whenever possible, delegate tasks that do not meet the 80:20 criteria. This will help you focus on the most important items and will allow your people to assume more responsibility. No matter how well you plan and how disciplined you are, you will have days where nothing goes according to schedule, but as long as most of your days do not fall into that category, you will be winning the time management battle.

7. *Forgetting that members come first.* New managers are often so overwhelmed with the responsibilities of their position that they forget who is most important; this is a classic case of not being able to see the forest for the trees. In our industry, members always come first. This needs to be much more than rhetoric. This philosophy must be thoroughly woven into the operation of your club so members are never taken for granted or forgotten. Members put food on your table, clothes on your back, and a roof over your head. As

such, they need to be treated like royalty. In addition, happy, satisfied members will become ambassadors for your club, which will ultimately bring you more members. Poor managers somehow forget this or overlook it. As the manager, you must always stay in touch with members and put them first.

A member of a club once complained that the manager was hard to find, and this complaint was corroborated by the low member retention in that club. The manager was transferred to a different position that was a better fit (he was enormously gifted in organization and administration and truly believed in the core values of the company) and replaced with a manager who went out of her way to create meaningful interactions with members. She scheduled time every day to walk the workout floor during busy times and inquire about members' concerns. It would be too simplistic to say that member retention improved due to this one act, but it certainly was a contributing factor. Perhaps more important, this manager's actions embodied the notion that members come first, and her team saw this and took a cue about how they should act with members.

8. *Micromanaging*. To the untrained eye, there is a fine line between coaching and telling, but to the trained eye and to those on the receiving end, there is a world of difference. The difference is that a good coach will act as a guide but will allow associates to find their own way, within reason. If you find yourself consistently telling people how they should act or fixing problems for them, then you have crossed into the realm of **micromanaging**. The net effect of micromanaging is that people never have to think for themselves, because you are always doing it for them. They will become incapable of finding workable solutions to problems. If you micromanage, associates will not grow and develop, and you will have to spend an inordinate amount of time at the club because things fall apart when you aren't there. In addition, people will never feel that you trust them. Ambitious people will leave, and the people who are content to have you do their thinking for them will stay; as a result, you will never experience the level of success that you are capable of.

9. *Trying to be everyone's friend.* Although it would be great to make new friends at work, it would be even better to challenge associates and develop them into stronger people and members of your team. Challenging staff often means causing some conflict and asking people to do things they do not want to do. This is hard for friends to do with one another, but it is easy for strong managers to do.

10. *Not fostering an atmosphere of fun.* All work and no play will make your club a very dull place to work. People spend a significant portion of their time working, and if they don't enjoy what they are doing, then they are not living their lives to their full potential. We do important work that makes an incredible difference in peoples' lives, and we need to enjoy ourselves while we do it.

Enjoyment is apparent if people have fun while they work. This doesn't mean playing practical jokes or running around aimlessly. It means being able to laugh together and at yourself. Lighten up and see the humor in your job. It will allow you to keep everything in perspective and help you maintain your sanity. It will make your club a desirable place to work and to be a member. Read *Fish: A Remarkable Way to Boost Morale and Improve Results* by Stephen Lundin (2000) and watch "Fish!: A Proven Way to Boost Morale and Improve Results" on YouTube. Work with your team to brainstorm ways to have more fun at work. If a fish market can be that much fun, just imagine what can happen at your club!

The Bottom Line

Great managers understand that to keep great people, you need to empower them. This can only happen when managers effectively delegate responsibilities to their staff. Once tasks have been delegated, managers need to allow associates to complete the tasks without scrutinizing their every move. If associates are only given mundane, repetitive tasks, they will become bored and eventually leave.

These 10 pitfalls will derail your success if you let them. The first step to mastering them is awareness. What you do with the

information now is up to you.

SUCCEEDING AS A MANAGER: A STRATEGY TO MANAGE TALENT

If you could choose only one component that would most affect your success as a club manager, what do you think it would be? If you guessed people, you are right. You need a **talent management strategy** to ensure your success. You may find it useful to use the alignment, capability, and engagement (ACE) model described in [figure 1.3](#) to visualize your talent management strategy.

If your associates are aligned with the values, beliefs, and goals of the organization (**alignment**), if they are capable of good performance and are properly trained and equipped to do their jobs (**capability**), and if they are fully engaged in their work and give 100% (**engagement**), then they are operating in the sweet spot of performance. This is comparable to what athletes refer to as the *zone*—the state in which they are working at peak performance and loving what they are doing. People who are successful and love their jobs seldom leave.

Becoming a Better Manager

Continuous growth and education are critical elements to becoming a better manager. Networking with other people in your industry or with people outside your industry can facilitate this. Fitness industry conferences are a great way to learn and network. You can attend educational sessions lead by industry experts and meet other attendees that you can share ideas with. A few of the larger conferences that have strong management contents are the International Health, Racquet & Sportsclub Association (IHRSA), Club Industry, and canfitpro.

It is also a great idea to see what people are doing outside of your industry. Local chambers of commerce often hold networking and public speaking events that anyone can attend. Mastermind groups are another way to network and learn. These groups are normally made up of 5 to 10 people and are

led by a coach or facilitator who walks the group through an issue. Members can provide feedback and ask questions.

Keeping good people is essential to the success of your club. You first need to measure associate retention just as you would measure member retention. What gets measured gets managed. Calculate

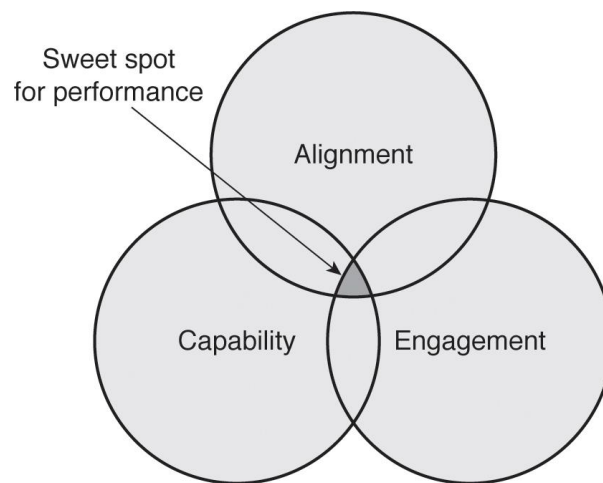


Figure 1.3 The ACE model.

how much it costs to replace one associate, and you will understand how important it is to keep good people. To accurately calculate this, include the costs of recruitment, lost productivity during the hiring process, lost productivity due to not having the position filled, lost productivity during the associate's learning curve (the time it takes to get to full productivity), and training the new associate (including lost productivity by those training).

The Bottom Line

The cost of replacing one membership coordinator (i.e., a sales associate) is approximately \$17,500. In addition, when members see staff come and go on a regular basis, it can affect your brand and therefore your bottom line. When you gauge the cost of poor associate retention, it will quickly become

apparent how much time and energy you need to invest in keeping good people.

You also need to closely monitor associate retention (or attrition). Those in the most important positions—that is, associates who have the most direct and significant effects on the financial performance of your club—should be of primary concern to you. You need to focus most of your time, attention, and resources on these positions, because these people are fundamental to your financial success. These positions are typically the club managers, membership coordinators, and front-desk associates. Whatever your own most important positions are, you need to be continually working to improve retention in them. Realistically, you will never reduce your turnover to zero. Picture writing a check for \$17,500 each time a membership coordinator leaves the company to help you to stay focused on this critical goal.

In my experience, managers who have the lowest associate turnover (and who, not coincidentally, consistently deliver the best financial results) have these three traits in common:

1. They are extremely skilled in developing great relationships.
2. They give people the coaching and training they require to quickly become successful in their jobs and achieve their full potential.
3. They recognize and reward good performance and confront poor performance immediately and in a caring manner.

If you can develop these traits in yourself and apply them consistently, you will be in the enviable position of having experienced, productive, and engaged people working with you. When that piece of your success strategy is in place, your success and the success of your club will be guaranteed.

Key Terms

alignment

capability

core values
cultural heroes
emotional intelligence (EI)
engagement
micromanaging
Pareto's Law
sustainable competitive advantage
systems
talent management strategy

The author acknowledges the significant contributions of Dr. Jane Riddell to this chapter.

CHAPTER 2

Understanding Organizational Design

Learning Objectives

After studying this chapter, you will be able to

- understand the difference between vertical and horizontal aspects of a business;
- recognize key employees and their responsibilities;
- understand the importance of job descriptions in facility operations;
- discuss the differences between for-profit, not-for-profit, and corporate-based fitness facilities; and
- identify behaviors of successful leaders in the fitness industry.

Anjana was recently hired as the new front-desk person at the Lexington Athletic Club. She was excited because she has always wanted to work in the field. Anjana is a student and was told she would be working about 15 hours per week, including two evening

shifts and one Saturday shift. She was interviewed by a general manager, but she was told she would be reporting to the front-desk manager, Marsha.

During the interview process, she was told that the job mainly involved meeting and greeting clients, answering phones, and doing some scheduling. She was also told it was a fast-paced job and she should expect to be busy the whole time. During her first week of training, she shadowed the other front-desk associates. She learned that there was a lot more to the job than she had originally envisioned. The front-desk software was very complex, and she was not looking forward to learning it. She also found out that she would occasionally be asked to give tours of the facilities and to go over prices with prospective new clients. This made her really nervous, because she is somewhat shy. At the end of her first week of training, Anjana felt overwhelmed and was starting to second guess her decision to take the position.

Anjana asked one of her coworkers if there were a job description for her position. Her coworker laughed and said “yes, it includes everything in the gym.” Apparently, the other front-desk associates had asked for a concise job description on more than one occasion, but they never got one. The lack of clarity about job responsibilities had often caused confusion and frustration, and it wasn’t clear who the associates should talk to when problems arose.

Anjana decided to make it her personal mission to help the club create job descriptions for the front-desk positions. To help the workflow and overall communication, clubs should ensure that all positions have clear job descriptions.

Health and fitness clubs are fast paced. You must expect the unexpected, be prepared to maintain your composure, and execute superior service. Many employees, such as the front-desk staff, work part time, and they might not be as committed to the club as the full-time staff.

It is the manager’s responsibility to provide a healthy, challenging, and rewarding work environment that encourages a greater

commitment from and builds confidence in part-time and full-time employees. A clear and concise organizational chart that lists all job positions will help employees understand everyone's role in reaching the club's goals. Well-structured job descriptions are critical so employees know their responsibilities and management's expectations.

The Bottom Line

Employees' job satisfaction is directly related to whether their skills are being used to the fullest potential. In addition, employee retention is directly related to member retention. If member numbers go down, the facility can no longer retain as many employees. So, it is important for employees to be vested in member retention to retain their own jobs, too. Create volunteer retention teams that focus on welcoming new members, retaining old members, retaining staff, providing social activities besides exercise, and getting members to participate in group exercise.

Organizational design is a critical part of any business. How an organization is set up will determine responsibilities, future career paths, and proper modes of communication when problems arise or when ideas need to be shared. When an organization is set up properly, communication and chain of command runs smoothly and staff members at all levels clearly understand their roles in the organization. The overall design of any organization is determined by the type of business, the number of employees, and the owners' philosophy.

When considering the type of business, you must look at the various departments and areas of responsibility. If the organization has numerous departments, then it will eventually need someone who is responsible for each one. For example, a large fitness facility might have a sales department, an administrative department, a personal training department, and a group exercise department. Each of these areas has a manager and 2 to 10 associates who report to that manager. There might also be subdepartments within

each area. Within the group exercise department, for example, there could be an aquatics coordinator, a yoga coordinator, and a boot camp coordinator. In addition, as a business grows, there is a need to hire more people and expand specific departments. This is one way that a business becomes more complex.

The complexity of a business is determined by its vertical and horizontal aspects. The vertical aspects of a business are the various levels of management or responsibilities. You could see vertical growth due to the expansion of one department. For example, the sales staff may have originally reported directly to the club's general manager, as shown in [figure 2.1a](#). As the business grows, however, the general manager's many responsibilities may make it difficult to manage the sales staff. In this situation, a sales manager or assistant manager may be brought in to oversee the sales staff (see [figure 2.1b](#)). This adds another position to the organizational chart.

The Bottom Line

It is a good idea to project the organizational chart 3 to 5 years into the future so everyone can see the long-term plans and how their positions and departments might change. In a new small business, for example, everyone might initially report to the owner, but this will change as the business grows.

The horizontal aspects of the business are the various positions within the organization. When a business experiences horizontal growth in one area, the manager of that area will typically have increased responsibilities.

An organizational chart allows employees to see potential career paths within the organization, and it can be motivational for those seeking growth opportunities and promotions. The organizational chart reflects the current structure of an organization and shows the relative ranks of the positions therein. This framework is an efficient organizational structure because it provides a quick way to outline the roles, responsibilities, and relationships between individuals within an organization.

Communication is a critical part of any organization, and organizational design can help or hinder communication. The organizational chart should clearly lay out who is responsible for specific areas of the facility, and job descriptions should provide additional information on specific duties. For example, if a front-desk person receives a complaint about how a salesperson acted or receives a compliment about a specific group exercise instructor, he or she should know who is in charge of each of these areas so the information can be passed on to the appropriate person.

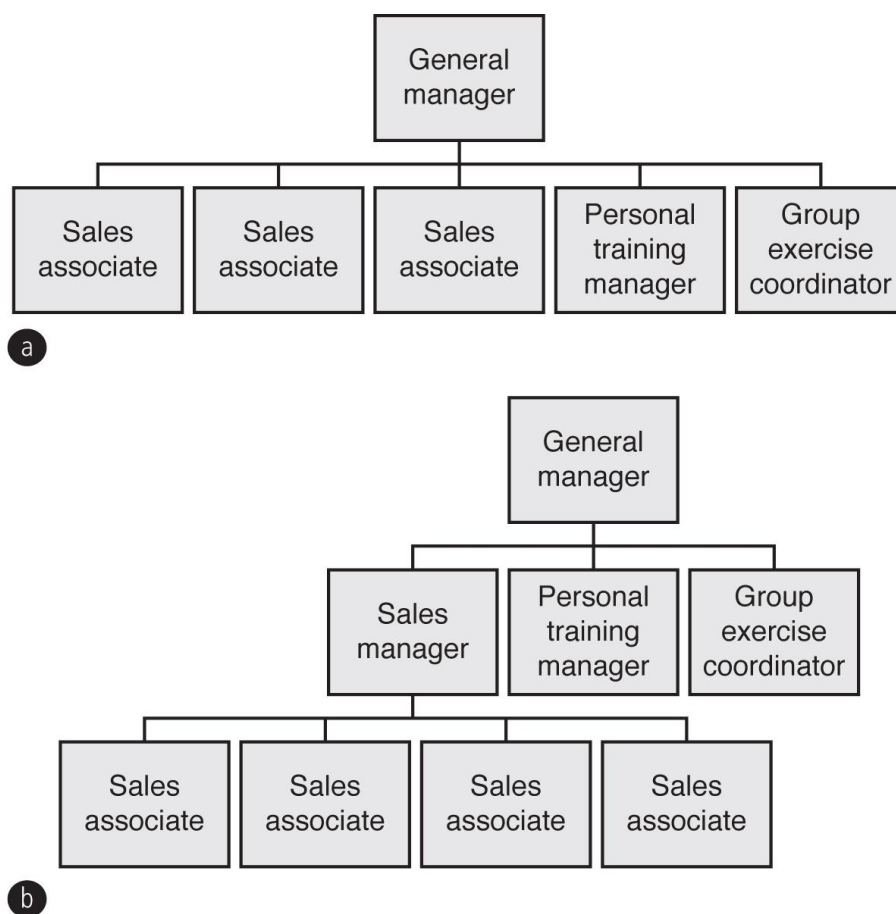


Figure 2.1 Organizational chart (a) before growth and (b) after growth.

GROWTH AND MANAGEMENT POSITIONS

As a business grows, it is inevitable that responsibilities will be shifted and new levels of management will be required. At the outset, a fitness club may be able to get by with one general manager who oversees everything. As the business grows, however, it may require new management positions to oversee specific areas, such as sales, personal training, day care, group exercise, or the front desk. These positions will vary from club to club. The decision to restructure the organizational chart will rest in the hands of senior management as they seek to identify which facility needs require new positions due to growth.

ROLES AND RESPONSIBILITIES

Regardless of the size of the facility, if the business does not have roles and responsibilities clearly defined in job descriptions and organizational charts, problems are bound to occur. The following are a few issues associated with not having formal job descriptions in place:

- Prospective new hires will not have a clear picture of the job duties, and this may lead to a poor impression of the business. If this candidate is highly sought after by other facilities, a business that provides a detailed job description will likely win the candidate.
- Without proper descriptions in place, evaluations can be vague and subjective. Evaluation processes should be largely based on the responsibilities laid out in job descriptions.
- Roles and responsibilities are not always clear, which can lead to some people taking on more duties and others taking on fewer. When this happens, staff inevitably develops animosity toward one another because it seems that some people are not carrying their weight.
- When people do not have clear expectations, they are not sure what they should be doing and they become unmotivated. This leads to complacency and doing meaningless jobs to look busy.

WRITING JOB DESCRIPTIONS

The first step in developing a job description is to brainstorm the daily, weekly, monthly, quarterly, or yearly tasks for each position. Experienced staff members can create these lists, because it is unlikely you will know all the tasks completed at each level. Ideally, you will want at least one other person to review the brainstorming sheets for each position; this person should know the position relatively well. For key management and higher-level positions, the owner or general manager should review the lists.

Once the material has been reviewed, all items should be grouped and any redundancies should be eliminated so the job description is as concise as possible. It is a good idea to weight each task based on the time spent and its overall importance; then, list the tasks in order as follows:

1. Tasks that are essential to the position
2. Tasks that are important
3. Tasks that are not priorities

Therefore, using the rank ordering of tasks will identify and organize the tasks related to prioritization. This process should make it easier to identify those tasks in the job description, which are essential to the position.

Examine the lowest-priority tasks to see if they should be transferred to lower-level associates. For example, if the membership coordinator is spending a lot of time answering incoming calls that are unrelated to sales and dealing with customer complaints, perhaps these duties need to be transferred to the front-desk staff so the membership coordinator can spend more time on the essential tasks for that position (e.g., making outgoing calls, asking for referrals, conducting tours). In the final analysis, the goal of using the rank ordering is to align the essential tasks to the written job descriptions for the position. This alignment is key so a position does not include tasks that are not high priority or relevant to the position.

The Bottom Line

Most businesses do not have job descriptions in place. There are various reasons for this, but the main one is often a lack of knowledge about their importance and the lack of urgency completing them. When you have sales targets to hit, customers to help, and machines that need to be fixed, writing staff job descriptions is oftentimes left on the back burner. As with any important task, time needs to be scheduled and things need to be delegated so the task gets done.

This chapter describes how various health and fitness organizations are set up and discusses the key positions in these organizations. Four types of organizations will be examined: for-profit organizations, not-for-profit organizations, hospital-based organizations, and corporate-based organizations. (Key components of job descriptions are discussed in [chapter 3](#)).

Although these types of organizations have different organizational designs to achieve their specific business goals, they do share common themes, positions, and processes. Their organizational designs and job descriptions for similar positions are different and meet the facilities' individual goals. I will compare a few different organizational designs.

FOR-PROFIT ORGANIZATIONS

For-profit (commercial) facilities focus on membership, retention, and revenue. Earnings before interest, taxes, depreciation, and amortization (EBITDA) and revenue growth sales, membership retention, net membership growth, revenue per member, revenue per indoor square foot, and **nondues revenue** are tracked monthly and compared against the current budget, last year's budget, and industry standards.

Employees in facilities that are larger than 20,000 square feet (1,858 square meters) with more than 50 employees are very fast paced. Expectations at the beginning of the workday are seldom completed. These organizations have clearly defined roles and responsibilities. Key positions in a large commercial facility include the general manager, membership director, membership consultants

(i.e., sales representatives), fitness director, and personal trainers (see [figure 2.2](#)). Sample job descriptions for some common positions in the health and fitness industry are outlined next.

For-profit facilities smaller than 10,000 square feet (929 square meters) differ from larger facilities in staffing and marketing. These facilities staff up to 15 employees. However, for businesses that employ 15 to 50 people, or businesses that are between 10k and 20k square feet, some staffing and marketing positions may include personnel with more specialized roles such as a social media specialist, marketing manager or membership sales, and membership sales manager or director. In other words, the “medium” size facility is a hybrid of a small or large facility with some positions written with a narrower scope. Most of these employees have titles such as member counselor and wellness coach (see [figure 2.3](#)). They have broader job duties, which include selling memberships, setting up exercise programs, and cleaning the facility.

The smaller for-profit commercial facilities must be adaptable and have attention-grabbing promotions unless they are part of a franchise that has their own standard operating procedures. A great way for smaller facilities to connect with their identified target markets is to offer health screenings at community events and corporate health fairs.

General Manager

The primary roles of the **general manager** are to ensure the annual budget is met, develop a marketing plan with the membership director for continued membership growth, keep a high profile in the club, and work with department managers to achieve desired results. The general manager has the most difficult job when it comes to organization. When there is a problem, it is the general manager who is called upon. The general manager must be available to assist departments when needed and have a strong presence throughout the club, especially during peak times. The general manager can truly say there are not enough hours in a day.

QUALIFICATIONS

- Have a bachelor's degree in business management/administration, fitness management, or related field. However, a master's degree is preferred.
- Have 2 to 4 years direct sales experience, preferably in a fitness related setting. Preference to those with at least 2 years of management experience, too.
- Be able to read and understand costs and budgets.
- Demonstrate ability to analyze information and situations to formulate logical and objective decisions.
- Work collaboratively with internal and external constituents; strong people skills.
- Have operating knowledge of Microsoft office.

RESPONSIBILITIES

- Adhere to the core values and core purpose established by ownership.

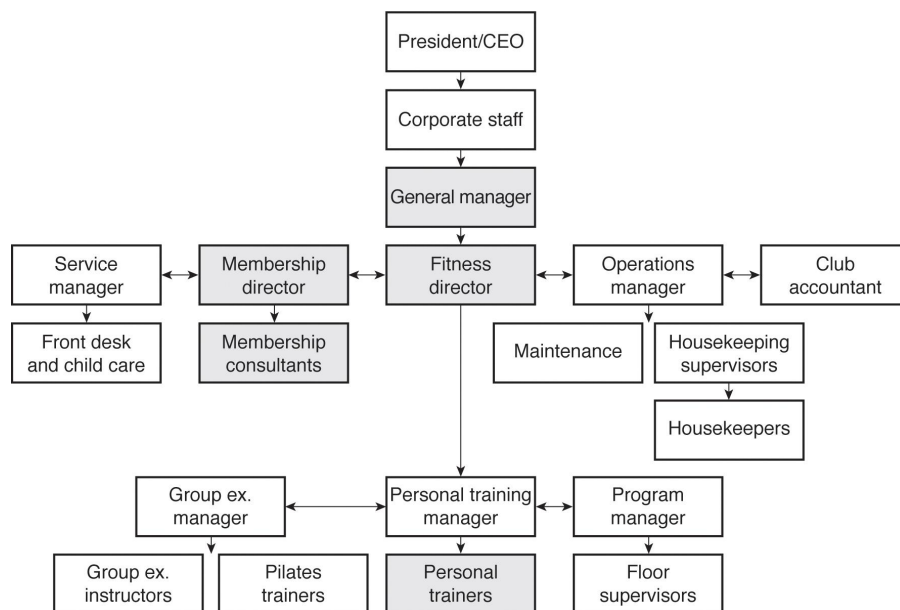


Figure 2.2 Organizational chart for a large for-profit organization (larger than 20,000 ft² [1,858 m²] and more than 50 employees). Shaded areas indicate positions described in the text.

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