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You Can't Always Get What You Want

BUT IF YOU TRY SOMETIMES...

BRUCE WILLIAMS ON THE ART OF

SALARY *negotiation.*

by Bruce R. Williams, CGCS

My father used to tell me that all someone can ask for is an honest day's pay for an honest day's work. Few would debate that. However, the definition of an honest day's pay (fair compensation) may differ greatly between employer and employee.

Over the years I've worked with many clubs and superintendents to develop and negotiate fair compensation packages. And negotiations go far beyond compensation and benefits and it is a skill set that most superintendents lack.

A few decades ago, compensation packages were fairly simple, but now there are many methods in developing a creative package that works for the club and the superintendent.

Generally speaking, a superintendent must do his homework and learn all he can about compensation rates in his respective market for golf courses similar to his own. And it is no fluke that areas of the country where superintendents share their compensation information also tend to be more successful in their negotiations. Knowledge is power when you can go to the negotiating table with solid compensation data.

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A STANDARD.

Once an appropriate range for compensation is established then it is time to examine the benefit package.

I often hear clubs have the “standard” benefits package. Is there really a standard benefits package anymore? Investigate what the package contains and how it impacts your bottom line as compared to other courses. There will be things that are very important to you and more valuable to others. For example, younger superintendents will value health insurance coverage for their families more than life insurance.

Also, be aware of tax implications for your compensation and benefits. Taking advantage of things like deferred compensation and 401(k)s can defer your taxation until retirement when it is likely you will be taxed at a much lower rate.

After establishing the market-appropriate salary range it is time to discuss with your current or future employer what each side has to offer. List what is important to you and always be ready to discuss concessions that may come up in a negotiation. In the current economy it is not uncommon to receive requests for salary or bonus adjustments or for an erosion of benefits. Should this come up be prepared to counter those issues with viable alternatives. If a club historically offered a bonus and recently eliminated it then it would be wise to counter with a potential increase in vacation time or some other benefit of equal value.

CAREER STAGES.

Every superintendent goes through various phases in his or her career. Here are a few common examples of what an individual might ask for along his career path.

At the early stage of a superintendent’s career compensation will be toward the lower end



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of the overall salary spectrum. And until an individual proves himself, there isn’t a lot of room for adding benefits. However, know the correct range for that particular market and that you are compensated in a range that is similar to your peer clubs. Too often I see a superintendent taking his first job at a price that is well under the standard market range. If it’s necessary to land the job, then I suggest a 5-year goal is set to get within the market-appropriate range. This may include defined step increases, such as pay increases of \$3,000 to \$7,000 per year, or it may include pay increases of 3-6 percent based on employer-defined criteria.

By the middle stage of a super’s career you should have a well-established employment record. Remember, there is value in experience and most employers are aware of this fact. This affords the superintendent more bargaining room. Typically, superintendents in the middle years of their employment are compensated

fairly. Their employers want to keep them as a valued asset to their team. They have a portfolio of annual reviews that are stellar and both parties want to continue the employment relationship in the immediate future.

Again, in this economy, pay increases are the exception and not the rule, so look at benefits to make up fair compensation.

So what works? From my experience, housing has been a significant superintendent benefit for decades. For example, many clubs in my native Chicago provided superintendents with on-site housing. And while few staff homes are being built on golf properties, that doesn’t mean this benefit is gone forever.

I have seen many cases where clubs opted to pay rent or help the superintendent purchase a home through a signing bonus/down payment or shared equity that diminishes over a 10-year period. This is a win-win situation as it assists the superintendent and entices him into long-term employment. Housing costs

should include utilities, taxes, monthly payment and standard upkeep. Keep in mind the cost of living variances between major metropolitan and rural areas. These cost of living adjustments are negotiable because it will cost you more to live in Los Angeles than in Lincoln, Neb.

In the later years of employment, and at higher salary jobs, there are options for developing a creative compensation package.

Utilize the current compensation info for not only your area but clubs that are similar in both your geographic area and across the country. Multi-course facilities should be compared to similar properties. Top 100 courses should be compared to similar courses in that particular niche. Also, it's important to know the overall financial health of the facility and what you can do to improve its financial position. Better course conditions lead to more guest fees, green fees and memberships where appropriate.

Again, housing is a viable option as compensation, especially at high-end properties. Evaluate your health care plan and see if the employer will pick up your family costs. Life insurance becomes a higher priority at this stage of your career. Be sure the policy is transferable if you choose to keep it at retirement. Dental and vision insurance are nice add-ons, especially if the employer pays the premium for your family.

Each facility has its own parameters for either deferred compensation or retirement programs. Check with the employer to see what they are able to offer. If there is little or no opportunity here, then you'll need to beef up the base salary. Higher end facilities may offer programs that put 2 percent of the individual's income into a retirement account and match up to 4 percent. If your income is \$150,000 then the club would be placing \$3,000

into your retirement account and if you placed \$6,000 into your own account then the club would match that with another \$6,000. At \$15,000 per year and the ability to have that grow with interest (tax-deferred) over time is a wonderful long-term strategy for financial security. While current interest rates are low, the value of compound interest is often overlooked.

Vacation time has value but is seldom considered in a compensation package. Many businesses offer one week of vacation for one year of service and then that increases to two weeks after two years. While this is normal for most businesses it does not con-

sider the hours and days required to perform the job of a golf course superintendent. Most superintendents work long hours, including holidays and weekends. Argue that, while long hours are a part of the job, it is reasonable to receive time off for paid holidays and/or time that requires you to work a seventh workday in a week.

And in tough economic times you can more easily negotiate additional vacation time than more salary. If the course is in fantastic condition and your reviews are all positive – but the club is not raising salaries – then it is time to ask for more time off. This not only includes vacation, but also to receive outside compensation on your own time with the approval of the club. This then allows you to consult with other clubs.

BONUSES.

Bonuses are another negotiation tool and there are various types of bonuses that apply.

Performance bonus is the most common and a pre-approved value or percentage of the salary

is set aside for the superintendent to earn. The basis for the performance may reflect fiscal performance – such as staying within budget – but developing strategies that reduce long-term costs. Performance criteria should be written and measurable. This provides clarity and is fair for both parties during the negotiation.

RELOCATION

When relocating, it is a standard business practice to have the employer cover reasonable moving expenses. Most employers would consider covering the cost of a moving company. However, there are a number of subtle expenses associated with a move

negotiation points. The following are examples of existing forms of compensation that I am aware of or have helped to negotiate.

Golf ball concession on the ponds can be a small revenue source. There are also bonuses for project management, construction or significant tournaments are common. Then there are goals such as the development of an Audubon Cooperative Sanctuary Program at your facility, which can serve as a bonus incentive.

Some facilities provide annual stipends for maintaining GCSAA certification and also for serving as a volunteer leader in the golf course superintendent industry with your chapter or GCSAA.

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that can add up. There are costs for house hunting, mortgage fees and temporary housing. I suggest placing a reasonable value on those at the time of hire. Golf courses are like any business and there is an expectation that attracting the best candidate requires a financial expense.

SEVERANCE.

Nobody likes the word “severance,” but it's a business reality.

While most states do not require an employer to provide any severance it is a prudent discussion point to have with an employer. After all, the goal is for both parties to have a mutually beneficial agreement. Most agreements are part of a contract with the employer but can also be stipulated as a letter of agreement. Should the situation develop that it is time for a change of the guard at the facility it will make the transition much smoother for both parties.

OTHER OPTIONS.

There are many other possible

FAIR AND REASONABLE.

I cannot overemphasize that the whole premise of negotiating compensation and benefits is based on what is fair and reasonable for both sides.

Short-sided thinkers try to get the most up front without thinking of a long-term relationship. In any relationship the two parties must develop trust, a track record and mutual respect. The ultimate goal is a win-win outcome that pleases both parties.

A number of golf courses have seen the wisdom in this and have done and offered the right things to retain a quality superintendent for the long term.

Good luck and remember: You can get what you want if you negotiate correctly. **GCI**

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