

HOW DALLAS C. C. SOLVED ITS STAFF RETIREMENT PROBLEM

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The earliest Clubs were simply groups of persons who associated themselves to form organizations for some common object. Today the great majority of our clubs exist because these persons, whom we call members, formed organizations to provide pleasure for themselves, their families and their friends. The particular function of the Club may be to provide facilities for some athletic activity, to provide a pleasing atmosphere where food may be enjoyed to its fullest, to provide tranquility, or to provide a combination of these and other services for the Members.

From the beginning of the small Clubs of the past there has been a natural evolution to the large Clubs of the present. Where originally the services for the Members were performed by the members themselves, it became necessary, or at least desirable, to have the services accomplished for them by others. So people were employed for this purpose. Whether these employees help the Members to master some sport, maintain the necessary equipment and grounds, plan menus, prepare or serve food or beverages, or wash dishes and mop floors, they are performing a necessary and integral part of the services that provide for the comfort and pleasure of the Members, without which there would be little desire on the members' part to be joined together in a Club. So we take nothing from the importance of the Members in saying that the employees are quite important. In my way of thinking, the Members are the Club and the employees make the Club.

How to Treat Employees

Much has been said through the years about how employees should comport themselves—how they should treat the Members. They should give prompt courteous service. They should be capable, efficient, understanding and pleasant. May-



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be just as much has been said and written about the treatment that employees should receive—I don't know. But I do know that is a very important phase of the Club-employee relationship. Good employees, employees with a high sense of responsibility, employees who want to give full value for wages received, loyal and stable employees, are a diminishing race. Anything we can do to build up these attributes and to retain good employees, is worth serious consideration.

While we don't hold our employee-relations plan at the Dallas Country Club as being perfect, we do feel that we have taken some steps in solving our own problems. At the start we had the usual working conditions. That is to say that we all had one day off each week, we got two weeks off each year and the members contributed to the Christmas fund. The Club was a pleasant place to work and the Members were generous, but there just wasn't a program for the good of the employees.

We do have such a program now, and like Topsy, it just grew. We adopted a

system of service awards based on length of service. This recognition produced a marked effect and helped build esprit de corps in the staff. A pension plan was next considered, but was thought to be too expensive, so as a compromise measure a plan of group hospitalization and life insurance was installed for the employees. A Club as old as ours usually has quite a number of employees who have a long term of service with the Club and consequently it was thought that the initial cost of a pension plan would be prohibitive.

Pension Plan Adopted

The matter of a pension plan came up again, and probably the deciding factor in our adoption of such a plan was that two of our grounds men, both over 65 years of age and both with 28 years of service, were forced to retire because they were physically unable to work. It would be unjust for men to devote their lives to the Club as these men had done, and then simply to discard them. The Board voted to retire them on pensions to be paid out of operations.

The Golf Professional was also retired soon on a similar pension, and with the probability of several more men soon to be in the same circumstances, it was decided that some provision had to be made for these people, something that wasn't dependent on the whim of future boards, something that could be expensed over a period of years instead of being allowed to strike a sudden crippling blow. The Board adopted a full-fledged retirement plan.

Cost Not High

We weren't able to find any other Country Club pension plans on which to pattern our own, but with some actuarial help, we came up with a plan that did provide for the employee retirement, and yet wasn't prohibitive in cost. First of all the employee has to be with our Club for five years before he is eligible to participate, and it is not compulsory that he enter the plan. If he does enter, a certain percentage of his salary is deducted each month and put into the fund, with the Club contributing an amount each month that is determined by a set formula, with the employee's age, salary, and length of service being the determining

factors. His interest in his policy is funded at the rate of 10% a year. In other words, at the end of ten years participation in the plan, he can leave the Club in good standing and receive not only all he has contributed to the fund, but all the Club has contributed on his account, as well.

The interesting thing is this. At the time of entering into the plan, we had three employees to whom we were paying pensions. These pensions amounted to \$5,000 a year and were a direct cost to operation. Our plan was installed with 30 employees participating, and the cost of the retirement plan to the Club was \$8,500 a year. In other words, for an increase of about \$3,500 or about 70%, we provided for the future of not three but 30.

Past service costs for the employees who had been with the Club for more than five years were assumed by the Club. There was no lump sum deposit necessary, as the cost for past service for each individual is spread over the time between his entrance into the plan and his normal retirement date. There can be no past service for future entrants, so that cost will eventually be eliminated. As a matter of fact, in about 10 years the total cost of the plan to the Club should decrease to some extent.

Stabilizing Influence

While it is possible for an older Club to work out such a plan, it is indeed a simple thing for a relatively younger Club. With other industries bidding for good employees and offering pensions and other fringe benefits, it is well for Country Clubs to give serious consideration to a retirement plan for their employees. We have found that it has not only made a start in providing for the employees, but it has been a stabilizing influence. It has made the employee think more carefully before doing anything that might jeopardize his job, and at the same time it has made management be more deliberate in dealing with him. We are just as anxious for him to participate in the pension plan and stay on it as he is. The pension plan not only helps provide for the employee, but it helps him to help himself.