12 Questions Private Club Search Firms Might Not Want You to Ask

For decades, boards at private clubs have relied on executive search firms to identify leadership talent. But in this new age of professional networking, LinkedIn advertising and posting, global connectivity, digital recruiting, and unprecedented access to information, boards should be asking a fundamental question: Are we paying for access to candidates, or are we paying for the expertise to identify the right leader? We believe that some of the private club and hospitality industry's largest executive search firms may be facing a fundamental challenge: Has the traditional executive search model kept pace with a rapidly changing world?

Clubs should realize that they need to better understand what they are paying for, the rights they have in terms of candidate pipelines after the search is over, and the information gained in connection to compensation and candidates. The most valuable search firm is no longer necessarily the one with the biggest proprietary database. It may be the one with the strongest judgment, the best ability to engage candidates, and the deepest understanding of the club.

Too often, private club boards leave the selection of an executive search firm to their general manager. Yet choosing the right search firm may be every bit as important as choosing the executive it is hired to recruit. This is not simply an administrative decision. It is a fundamental responsibility of good club governance.

And here's the uncomfortable question: Could the largest search firms, with their extensive client relationships, competing assignments, and established candidate networks, actually face more restrictions in finding your next leader than a smaller, independent firm?

Before appointing your next executive search firm, here are twelve questions every private club board should ask—but your search firm hopes you won't!



Why Executive Search Firms Are Searching for Their Place in a Changing Private Club Industry

As clubs continue to mature and staffing growth hits all-time highs, executive search firms are facing a faster pace to find the right talent. In this era of electronic communication and networking, perhaps just furnishing a list of candidates and a factory-like approach to each position and club is no longer the right process or, even, the right method to find a club's new general manager or department leader. Too often boards leave the decision to find the right search firm with the general manager. The search for the executive search firm might be even more important than the search for your new hire.

Here are the twelve questions to help your club and your board to decide which search firm might be right for your club.

1. Are you competing against yourself for the same candidates?

It will come as no surprise that the top 5 search firms have over 100 searches for General Managers on their dockets at this very moment. At the time of writing, one of the industry's most prominent executive search firms, KK&W, was advertising more than 100 positions, including 22 General Manager and General Manager/Chief Operating Officer opportunities alone. Let's think about what might happen if a search firm is simultaneously recruiting general managers for, say, just five prestigious clubs. Isn't it potentially competing against itself?

- Does the firm present the strongest candidates to all five clubs?
- Does the payment received by the search firm affect which clubs receive the best candidates?
- What happens when two clubs might want the same candidate?
- Are candidates every withheld from one club because they are being considered by another club?

The question to ask your next search firm: Are you working exclusively in our club's interests, or are you balancing the interest of several paying clients?



2. Are your existing client relationships preventing you from recruiting the best candidates for our club?

One of the greatest potential weaknesses of a large executive search firm may be the very thing it promotes as its greatest strength: its extensive network of existing club clients. Many executive search firms operate under off-limits agreements or professional policies that restrict them from recruiting executives employed by current or recent clients. The larger the firm's client portfolio, the more significant these restrictions could become. A series of further questions arise:

- How many clubs are effectively off-limits? If your firm has worked with dozens or hundreds of private clubs, how many of their general managers and senior executives are you prohibited from approaching? Are we paying for access to the industry's best talent while potentially being excluded from a substantial portion of it?
- Who owns the relationship with the candidate? If an executive was previously placed by your firm, does that individual remain part of your candidate pool for future searches? Can you recruit that executive again, or do contractual restrictions, client relationships, or professional loyalties prevent you from doing so?
- Will you disclose the limitations of your candidate pool before we appoint you? Can you tell our search committee how many potential candidates or clubs are excluded from consideration because of existing client relationships, contractual obligations, or other conflicts? And how do you ensure those restrictions do not compromise our ability to recruit the very best executive?

The question every board should consider: Because of your size, are you necessarily the one with access to the largest available talent pool?

A search firm's extensive client list may look impressive in a presentation. But if those relationships restrict whom the firm can recruit, that same client list could become a liability rather than an asset to your club.

3. Is our current general manager or department head also a potential client for you, our search firm?

Your club's general manager, in particular, might recommend a particular search firm to the board while simultaneously hoping that same firm might recruit him or her for a more prestigious position in the future. This doesn't constitute an actual conflict, but it creates a potential one that certainly deserves disclosure. Any search firm will always be incentivized to keep a decision maker who can affect future assignments.

A subset of further questions puts your club's GM in a possible compromising position.

- How can we be confident that our GM's recommendation is entirely independent when our GM may also be seeking career opportunities through your firm?
- What safeguards prevent confidential information obtained through our club's working with you from being used to by you as a benefit for another client or candidate?
- Will you challenge our GM who sends you business? Will the candidate pool be quickly picked to keep a smooth relationship?

The bottom line is this: A search firm should be appointed because it is the best choice for the club—not because it is the best-connected firm to the individual recommending it. This can be rectified by the board

actually making the final decision as to the selection of the search executive and firm. Simply better governance.

4. **Are you giving us a customized search or an assembly-line recruitment process?**

A New England yacht club looking for a Director of Racquets on a small island is very different from a country club in Arizona looking for the same position. An elite family-oriented club in suburban Philadelphia looking for a general manager is far different from a city club in Detroit. Leadership skills for each role are different. However, the big five search firms rely on remarkably similar, cookie-cutter procedures: member surveys, committee meetings, standardized candidate profiles, interviews and final presentations.

The question here for the search firm: What will you do differently for our club, and why?

A polished process doesn't always mean it is a personalized or right process.



5. **Are actively discovering new talent, or are you simply recycling the same candidates?**

Given the growth of LinkedIn and the ease to find new talent through national and international professional networks, clubs now have direct access to thousands of clients without hiring a search firm. The traditional candidate database is out there in the open.

- How many candidates in your last three or five searches were people you had never previously interviewed or represented?
- How many were identified through proactive research rather than an existing database or job advertisement?

The final question here is: Why do we need you and a $50,000 bill when there are LinkedIn and Facebook databases and group of talented candidates?

6. **Who is actually conducting the search after we sign your agreement?**

Who is doing the progressive finding of talent? A senior partner might make the presentation, impress the board or committee, and secure the agreement. But who's doing the real work?

- Who is actually conducting the aggressive finding of talent?
- Who is actually researching the candidates, conducting the initial interviews, evaluating leadership ability?
- Who is talking with the candidates former clubs and personal references?

The initial question any club should ask before digging deeper as above: Who in your firm will be doing the actual work of finding us the right candidate?

This work is the classic distinction between selling a professional service and delivering a true search.



7. **How will you measure success beyond filling the position?**

Just recently, a metro DC club hired an executive search firm to fill the Director of Racquets position. That hire lasted just a few months. The search firm hadn't really done its due diligence with the family of the candidate and hire who moved from Colorado. Strangely enough, the candidate returned to the same club in Colorado. What happens if this occurs?

- What percentage of your placements remain in their positions after three or five years?

Question here: How many departures were voluntary, involuntary, or the result of a poor organizational fit not realized by you, the search firm?

A search firm that cannot provide meaningful retention data and information should explain why.

8. **Are you assessing leadership qualities with our search committee or simply handing us an impressive resume?**

The search firm might push a candidate from a prestigious club, with an impressive title, and years of experience. It doesn't mean that candidate knows how to recruit staff or run a payroll.

An example from this past August, a well-known search firm put forward a candidate from a prestigious Long Island club to a Platinum Club of America on the East Coast of Florida. We have to wonder how thoroughly the candidate's leadership and management abilities were assessed before the appointment. After the hire, the search firm advised the club to place the new hire under a PIP – a Performance Improvement Plan - a formal document and structured process used by employers when an employee's job performance, productivity, or behavior falls below expectations. While a PIP can be used at any stage of employment, it is often associated with serious performance concerns and, sometimes, the final stages of an employment relationship. To see one introduced so early in an executive's tenure raises questions about the recruitment and evaluation process completed by the search firm and it's communication with the search committee.

The question for this important facet of search: How do you independently evaluate management competencies rather than relying on reputation, references, and previous job titles?

9. Are your fees influencing the advice you give our club and search committee?

A mainstay of executive search agreements involves fees linked to the placed executive's first year compensation. This practice creates an economic incentive worth examination.

- Will your firm's compensation be based on the salary of the executive we ultimately hire? If so, what safeguards are in place to ensure your compensation recommendation to our club remains independent?

The deeper question here: Are we paying a premium for an executive because your firm has persuaded the committee that a higher compensation level will attract better leadership? How can we measure this?

10. What if the best candidate is already working at our club?

This pertains especially to larger, elite clubs with a very strong staff. Capable assistant general managers, department heads and other directors might already be on staff. An external search can be useful for benchmarking a club's internal talent. However, is the search firm equally motivated to recommend an internal promotion? Or will the search firm mark the talented staff members for future searches?

- If our strongest candidate is already employed at our club, will you recommend that individual with the same enthusiasm as an external candidate?
- Have you previously approached, represented, or considered any of our current employees for positions at other clubs, and how would you manage any resulting conflicts?
- What safeguards prevent your firm's potential future placement opportunities from influencing your assessment of our internal candidates?
- Will your fee change if the club appoints an internal candidate?

Main Question: If, in the end, the best candidate already works here, will you recommend that person even if it means a shorter search?

This is a true governance question, not to be left to the general manager, as it tests whether the recruiter is truly independent.

11. **Will you challenge our search committee, or simply tell us what we want to hear?**

Too often search committees themselves are biased before a search even commences. They have preconceived notions about what might make a great general manager, director, or department head. A particular candidate from a famous club might have reached out to two of the search committee members and those members want to complete the proverbial "poach". The search committee might want someone who may not challenge tradition and pocket veto progress and change. But a strong and independent search executive will advise and challenge the board or search committee.

Here's the question: Can you give us an example of when you told a search committee that its expectations, compensation package, or preferred candidate profile were wrong?



12. **Here's the Big One: Who owns the candidate research our club is paying for?**

- **What exactly are we purchasing?** Are we paying solely for the successful placement of an executive, or are we also purchasing the market research, candidate mapping, and industry intelligence developed during the assignment? What information will our club actually receive?
- **Can the research we financed benefit your next paying client?** If our assignment leads your firm to discover talented executives who were previously unknown to you, can that knowledge subsequently be used to identify candidates for another club? What restrictions govern the reuse of research developed during our engagement?
- **What happens to our candidate pipeline after the search concludes?** Will our club receive an agreed report identifying the market surveyed, the recruitment methodology, and suitable individuals who have consented to future contact?

Artificial intelligence is making candidate discovery and market mapping increasingly accessible. A club can now commission targeted research, build professional networks, and maintain a talent pipeline more easily than in the past. That does not eliminate the need for professional executive recruiters. But it changes the value proposition.

The final note: If our club is paying you to discover the next generation of leadership talent, why shouldn't we retain some lasting benefit from that discovery after the search is over?

The Final Question: Who Is Really Working for Whom?

Executive search firms play an important role in the private club industry. The right firm can introduce exceptional talent, challenge a search committee's assumptions, and help a club make one of its most consequential hiring decisions. But the industry is changing. Access to candidates is no longer the exclusive domain of a handful of established search firms. Technology, professional networks, and artificial intelligence have fundamentally changed how talent can be identified and approached.

What hasn't changed is the responsibility of a club's board to make the right appointment.

The largest firm isn't necessarily the best firm. The longest client list doesn't necessarily mean the strongest available candidate pool. And the most polished presentation doesn't necessarily translate into the most thorough search.

Private clubs should demand ***transparency, independence, accountability, and a search process*** designed specifically for their needs. After all, the board isn't simply hiring someone to find its next general manager or department head. It is choosing a partner who may influence the direction of the club for years to come.

Perhaps the most important search a private club undertakes isn't the search for its next executive. It's the search for the right firm to find that executive.

