

Casino HR Directors Must Take Risks in Employee Development

By Martin R. Baird

Experiment or die! I'm sure most people would agree that's a rather harsh statement. But it's one that casino human resources directors should take to heart. It is especially important for employee development this year as it relates to providing outstanding customer service.

The notion behind experiment or die is that we will perish if we don't try something new. Microsoft must think there is value in that philosophy. I once visited a friend at one of their offices, and I noticed posters that said "Experiment or Die." I don't know what that means to Microsoft, but I'm wondering what it could mean to casino managers. If you went to your executive team and told them they must experiment or die, what would they do? Would they sit in shock thinking you had flipped?

Ninety-five percent of what casinos do these days doesn't qualify as experimenting. Some people in gaming like to think they are innovators, trend setters and visionaries. Please read this carefully: taking the things you did at your last casino as the slots guy or the table games director and doing them again at your new casino is not experimentation or innovation. That is flat out old-fashioned copying. Look at the cars and trucks that have come out of America for so many years. They all look and drive the same because auto industry leaders moved from company. Frank Burns on the "M*A*S*H" television sitcom made my point quite well when he once said, "I believe in individuality as long as we all do it together." So much of what I see in gaming is nothing more than follow the leader, and that is the slow road to the same place the leader has already been.

So what do you have planned for 2008? What percent of your budget have you set aside for experimentation? What percent do you want for research and development in your department? When I participate in trade shows, I see the R&D that suppliers dump into new games and products. But what about the casinos? When was the last time a general manager or chief executive officer heard the vice president of human resources say the casino needed to invest \$1 million in researching and developing the property's people?

I hear it all the time that "our people are our most important resource." That sounds great, but it is nothing more than warm, fluffy air if you don't back it up with an investment in your people. If HR is not demanding money to develop the casino's employees, the property is losing the battle with its customers. Your people deliver the service that keeps guests happy. Even employees who have no direct contact with guests have an impact on them. The chef must understand that he or she needs to cook the guest's meal to order if the casino wants that person to come play again. I also hear this all too often: "We don't have money to invest in our people." That is sickening! A million dollars is a drop in the bucket for many casinos, so surely it could be earmarked for trying something new that can pay dividends down the road.

I don't want to hear any other excuses, especially the all-too-common one that the employees will just leave after all the money has been spent on them. That's merely a guess. You can't possibly know if people will leave after you introduce them to a new way of training and development. Here's the hard truth. You're afraid of the risk. It's odd to me that people who are in the business of risk are afraid to take calculated risks.

I understand the issues surrounding investment in employees and the granddaddy of them all is return on investment. Department heads and the chief financial officer usually want to know the ROI on training employees. You won't get any argument from me on that point. Generating an ROI on training and development is a sound business practice. But ROI is illusive because most casinos just slap a customer service training program together or buy one at the lowest price. They can't measure ROI because employee improvement is as short lived as a bologna-and-mayonnaise sandwich left in the sun. This is not experimentation, either.

This approach does not yield an ROI because it isn't a system that measures progress and predicts future results for the property. A system that creates and measures the level of guest and employee advocates does precisely that and it generates an ROI. Such a system is also new in gaming. Please don't say you have a system and hold up a comment card. Those cards are a waste of paper and ink. The people who fill them out are either lovers or haters and they give you no real data to work from. Also, comment cards usually measure "satisfaction," which research published by Harvard University shows is a waste of time and money.

This brings me back to my visit at Microsoft. You many not love Microsoft but my guess is you know it. Microsoft owns the market in many categories. People who put presentations together are addicted to PowerPoint. When was the last time someone used a term other than Word when describing an electronic text document? Microsoft owns these areas and, being king of the hill, it could easily question the need to spend money on developing its people. Why would its employees need to be forward thinking?

I like Microsoft's call to "Experiment or Die." The gaming industry needs to invest more in experimentation and R&D than it does on bed linens and flat-panel TVs. Nice rooms are great, but that is not experimenting. At best, it's just being current.

As competition increases, the companies that excel will not be the followers of today. They will be the risk takers!

Martin R. Baird is chief executive officer of Robinson & Associates, Inc., a customer service consulting firm that helps casinos worldwide determine their Advocate Index, a number that indicates the extent to which properties have guests who are willing to be advocates, and then implements its Advocate Development System to create more guest advocates and generate future growth and profitability. Robinson & Associates may be reached at mbaird@casinocustomerservice.com or 480-991-6420. The company Web sites are www.advocatedevelopmentsystem.com and www.casinocustomerservice.com.