

Human Resource Departments Must Be A Strategic Partner?

By
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After being involved in opening ten (10) Native American Casinos and five (5) corporate casinos and consulting with over 40 casinos and 7 Management Companies, I can honestly say that most Human Resource departments are NOT viewed as a strategic partner in the business. If a casino wants to be even more successful, the casino's Human Resource function must not just process and "shuffle" paper, it must play a key, strategic role in growing the business.

Why Aren't HR Departments Strategic?

There are several obstacles that prevent Human Resource Departments from being strategic in their approach to the business. Some of the more prevalent ones are:

- *Management's View and Use of the Function* – Too often casino management only expects HR to get them out of problems that have been created. They call for help after the fact, when they have taken an action that has created an issue they do not know how to handle. Casino management views the HR function as the enforcer of policy and not a partner in the business.
- *Human Resource Staff* – Frequently the HR staff does not have the experience or knowledge necessary to be strategic partners in the business. Usually casino management does not have the appropriate expertise to mentor the HR staff (including the HR Executive). HR Departments often wait to be told what to do and when to do it, which is usually when something has fallen apart. HR often does not take accountability for what they should be doing, but rather blames others for their ineffectiveness.
- *Lack of a Plan* – Many times HR Departments are working on a great number of projects without a Plan. They have a lot of "To Do" lists within the department, without understanding how they interact or affect others within the organization. Often HR department efforts are not aligned with those initiatives that management wants and the casino needs.
- *Lack of Direction and Focus* - There is little direction or understanding of how the actions and decisions of HR Departments will impact other departments, employees or the business. They tend to take action and make decisions in a vacuum. Putting out the immediate "fire" is all that matters.

- *Infrastructure Falls Behind* – Human Resources is the department responsible for ensuring that HR Policies, Employee Handbooks, Compensation Plans, Job Descriptions, etc. are kept current. Yet, they are not formally reviewed on a regular basis (once a year) and are only addressed when an issue or concern brings something to light.

Human Resource's Strategic Initiatives

The Human Resource Department in every Casino, regardless of casino size, needs to be the strategic force in addressing many issues that face the enterprise. Human Resources departments must get away from the traditional “we have always done it that way” syndrome and start being creative and thinking “outside the box.” They need to be the driving force for the strategic initiatives relating to, among other things:

- **Infrastructure Soundness** – Are policies and practices current, legally compliant and practiced consistently? Revise, update or create policies as needed, and communicate changes or new policies formally and in a timely manner. Do not create policies via memo. Review all policies at least once a year. Remember as you change, add or remove policies, the Employee Handbook more than likely will need to be updated. Ensure Job Descriptions accurately reflect the position and ADA requirements and have a method to update and develop new ones as needed.
- **Employee Retention** – Have a strategic plan for identifying and putting in place effective methods for retaining quality employees. Don't just rely on internal Exit Interviews. Develop a strategy for reducing employee turnover, which should include many of the initiatives mentioned.
- **Compensation** – Create compensation programs which are competitive in the market and ensure internal equity within the organization. Have a strategy to continually review and update the plan as needed. Have as part of any compensation plan, how the company will handle promotions, demotions, lateral transfers, attracting quality applicants, etc.
- **Employee Recognition** – Develop effective methods (monetarily and non-monetarily) that will recognize and reward high levels of performance and not reward mediocrity, poor performance or favorites.
- **Employee Performance Management** – Develop a program that fairly and consistently evaluates and motivates all employees regardless of their level in the organization. It should also tie to you compensation philosophy and retentions strategies. The use of “SMART” Goals, especially for managers, is vital. Goals should also include those that relate to personal development as well.
- **Internal Communication** – Develop programs that regularly and effectively communicate to all employees the company's expectations, departmental and company goals, marketing strategies and programs. Employee Opinion Surveys are important to improving employee communication and assist management in developing retention strategies.
- **Recruiting and Staffing** – Find effective and new ways to recruit and staff the casino with quality employees who can perform the job and grow within the company. Remove the focus from the “warm body” syndrome to one that identifies employees who will be a meaningful part of the team.

- **Succession/Manpower Planning** – There should be a manpower plan developed to ensure a more effective way of identifying current and future manpower needs and identifying those who are acceptable candidates for promotion. The criteria used should go beyond a person’s technical knowledge and take into account the supervisory skills necessary to enhance the person’s success ratio, i.e. communications and leadership. A sound process also helps management identify persons who fall short of expectations and the developmental needs of individuals that are necessary.
- **Training and Development** – Go beyond job skills training and basic management training. Don’t assume once a person has gone through a training program that they know what needs to be done and how it is to be done. Develop a strategy to measure training effectiveness and encourages employees to want to learn more and be more effective in their job. Assess training needs on a regular basis and have measurements in place to assess the effectiveness of any training.
- **Casino Expansion/Changes** – Human Resources must be involved in the initial stages of planning for a casino expansion or significant changes to a property from the beginning. They should provide management with a sound strategy for recruiting and staffing needs (including internal transfers or promotions that may take place), for communicating internally what is and will be taking place and for establishing the processes and timelines to meet the casino’s needs.

Developing a Sound Strategic Plan vs. “To Do” Lists

When developing a Strategic Plan for any department, including Human Resources, the end result must be aligned with the casino’s overall strategic business plan, must be realistic and actionable and prioritized, must have accountabilities assigned, and must have timelines for completion defined.

There may be a lot of strategic initiatives, but before they can be addressed, it must be determined if they can be realistically accomplished. When addressing specific initiatives, the HR department must first look *at Current Business Conditions and/or Constraints* (both external and internal) that may exist, surrounding such factors as:

- Economics
- Cultural
- Industry trends
- Local and National impacts
- Political

Once this has been determined, it is time to begin developing the Strategic Plan. Human Resources should look at the following initiatives and define the appropriate strategies to address each:

- Compensation & Benefits
- Policy & Procedure Development
- Succession Planning
- Job Descriptions
- HRIS & HR Administration
- Employee Relations

- Recruiting/Staffing
- Tribal Member Development
- Training - Employee Development (all)
- Sr. Management Development
- Performance Management
- Diversity
- Expansions/New Venues
- Employee Retention Strategies
- Union Avoidance
- Other

In Summary

If you expect your Human Resource Department to just process paper, keep records and be there to get you out of trouble then leave them alone. However, if you would like the above issues addressed **strategically**, then mentor HR Executives, tell them what you expect and make sure the strategic plan is aligned with the company's goals, that the proper priorities are set and that timelines for accomplishing each initiative are realistic and measurable.

Bob Orr founded Human Resources Group, Ltd., a human resource consulting company in 1991 and has focused on Indian Gaming, Corporate Gaming, and the Hospitality industry. He has provided products and consulting services to management companies, Native American Casino/Resorts, in addition to several corporate casinos. Services have included but have not been limited to: HR Strategic Plans, Employee Opinion Surveys, HR Department Assessments, Compliance Reviews, Succession Planning, HR Department Infrastructure, Policies & Practices, Employee Handbooks, Job Descriptions, and more. To inquire about the products and services offered, Call (708) 946-9652, e-mail rorr@humanresourcesgrouppltd.com or visit our Web site: www.humanresourcesgrouppltd.com.