



Exposing the Leadership Gap

by Barry Cooney

Yes, it's true. Indian gaming has become big business - over twenty billion dollars annually, and still growing. Will this expanding bubble ever burst? The answer is YES! Inevitably, all growth curves experience decline. But for some casinos this decline will happen in a much more accelerated form. In fact, it's happening this very minute to some casinos, at the same time that overall revenue for Native American gaming enterprises continues to soar.

The reasons for revenue declines are complex. However, one variable stands out clearly above all others: the inability of a gaming operation to generate and sustain effective leadership at all organizational levels. It does no good to have a dynamic leader sitting in the top rung when there is little or no leadership being carried out below. Leadership can be a very elusive concept. Let's take a look at some leadership dynamics that are critical to casino operations.

First and foremost, it's important to distinguish between leadership and management. The latter term has to do with organizing and controlling. Managers have to make sure that people know what their job responsibilities are. Within this framework, they need to control day-to-day activities to ensure a high level of accountability. Are there enough people available to service the guests playing slots? Do table games employees understand the policy, which says that breaks for dealers are limited to twenty minutes? Are people showing up on time? These are all common management questions. There are countless others. However, the point is that all of these questions have to do with elements of organizing and controlling.

Aspects of leadership, however, are much more subtle. Effective leadership entails the use of very subjective skills, skills that involve guiding and influencing rather than merely organizing and controlling. Peter Drucker, a noted management guru, has said time and time again that most companies are over-managed and under led. This means that there is far too little guiding and influencing going on in the management ranks of most businesses. Armed with this information, let's develop a simple working definition for leadership: Leadership is the ability to influence people to achieve certain desired outcomes. With this definition, it becomes easier to identify some of the attitudes and behaviors that are required to move a casino forward. For example, leaders must be able to coach and support people, as well as help them understand why they need to do what they are doing. They need to inspire and motivate people to reach new levels of performance. They need to articulate a clear vision about what the casino is trying to accomplish, and to foster

a greater understanding of what kinds of actions are required to turn a vision into a reality. Further, they need to earn the trust and respect of their subordinates, so that directives and initiatives will be carried out with little or no resistance. In addition, leaders must be perceived as fair in the way they attempt to resolve conflict or carry out corrective actions.

Obviously, the higher the person is in the management structure, the greater the potential for influencing a large number of people. However, for the most part, casino general managers must rely heavily on their directors and key lieutenants to translate the casinos vision, (assuming one exists), down through the organization, so that everyone is reading from the same page. But what happens if this intricate series of hand and glove communications is not functioning well? The long answer to this question could fill volumes of text. The short answer is easier to comprehend: people running around with different agendas, internal communication in disarray, high degrees of employee turnover, low morale, management by intimidation, operational screw-ups at all levels, turf wars, and worst of all, the poor servicing of guests.

Unfortunately, the truth of the matter is that because exemplary leadership in casinos is in relatively short supply, the dysfunctional elements described above, which severely jeopardize continued growth and profitability, are fast becoming the norm rather than the exception. As a result, guests are starting to vote with their feet, especially in gaming venues where the nearest competitor is just a little way down the road. This leadership gap is particularly evident in the ranks of supervisory personnel. Ultimately, it's the first line of management, the one closest to the employee, that will make or break a gaming operation. And it's often the case that these front line managers are the very ones that are most lacking in leadership skills.

Many people who find themselves in the role of supervisor did not get there because of their leadership abilities. They got there either because they were there the longest, or they were the best choice available at the time to fill a critical vacancy. The fact that many supervisors are hired internally also means that a good number of them end up supervising people they once worked with side-by-side. When this occurs, it makes it difficult to become a boss to people who were formerly your work buddies. That's why it's not uncommon to see line supervisors who ignore staff infractions and promote favoritism or, in a completely opposite vein, misinterpret their management responsibilities by becoming petty dictators.

How should casinos respond to this leadership gap that is incrementally eroding the success of their operation? To begin with, upper management needs to focus on the kind of on-going training that will foster leadership attitudes and behaviors. Within this context, three critical characteristics come to mind: the first is that anyone assuming a management position must have a real understanding of the fundamental principles of effective leadership that are embodied in any management position, and more importantly, that they are motivated and determined to become real leaders, as opposed to mere controllers and organizers. Secondly, in order to promote effective leadership, managers must learn how to both listen and dialogue with subordinates. Not many people really listen to what others are saying. As soon as someone hears something being said, an answer is immediately being formed. That isn't true listening. Employees need to feel that their voices are being heard; that their views are, at the very least, valued by the casino. In turn, managers must be aware that leadership is not a one-way street. It involves engaging in active dialogue, to promote a vision, to clarify policies and procedures, and to attempt to

discover if there are better ways to get things done. Lastly, it's important for leaders to actively develop people to assume leadership roles. This often involves mentoring others - taking them under your wing and sharing your knowledge and your perspectives. A little attention goes a long way in both building loyalty and identifying the best candidates for management positions. While there are many other significant leadership characteristics, these three are mandatory for establishing a foundation for successful leadership behavior.

The expansion of Indian gaming, as well as gaming in general, means that the customer, who is the life blood of every casino, has many more choices about where to play. Without a true understanding of the need for effective leadership throughout the organizational ranks, many now highly profitable casinos will soon find themselves in a desperate struggle for survival. ♣

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