



The Effects of Social and Economic Trends

by Lynnea Brinkerhoff

A trend exists when a group of people, not necessarily connected by proximity, develop similar preferences or tastes. Often, these people have interests and needs that are not currently satisfied. This creates an opportunity for those companies able to respond as new trends emerge.

Some thoughts for leaders to consider include:

- In the face of constantly changing cultural and economic trends, is your organization able to flex rapidly as market conditions shift?
- Are your organization's perceptual screens open so you can quickly respond to shifting conditions to capture new clients?

Seeing and Responding to Emerging Trends Within Indian Gaming

Changes in society have a direct impact on all areas of commerce. For instance, rising commodity prices, the growth of a multi-generational customer base and the increasing diversity of the workforce change the way people spend their discretionary income. New business opportunities arise from these types of social change. The most successful management teams recognize these changes and respond quickly and skillfully. How we take in information as an individual and as a team is a key determinant of our capacity to survive, and even better to thrive, in the rapidly changing environment we face today.

Many hospitality/gaming organizations have been successful in reaching out to older adults with various travel and lodging packages, as well as by creating tantalizing arrangements for younger children when their parents are busy at the casino. Other organizations find many of their machines and tables idle during the day. What makes the difference?

- Are there subtle trends that could open an untapped market?
- What 'perceptual lens' are you using to frame the challenges you face?
- Is that way of seeing helping you find creative solutions or keeping you stuck in old patterns?

Individuals see what they want to see. We get ideas about things and then look for evidence that supports our basic theory. This is also true for organizations.

We all have perceptual filters that determine what we think the 'truth' is. If, as the old adage goes, "perception is reality," then senior executive teams create their organization's reality. When managing a business, senior leaders need to stay abreast of changes in society that affect their businesses.

Key Social and Economic Trends to be Aware Of

Retirement of the Baby Boomers - The baby boomers, or those born between 1946 and 1964, are reaching retirement age. Sociologists, economists and demographers all agree that this shift will significantly impact how we do business. As a large cohort of baby boomers enter their 50s, new opportunities in finance, travel, housing, recreation, and clothing will emerge. In addition, their greater level of disposable income relative to past generations, will drive growth in many areas, including services, retailing, recreation and entertainment.

The Changing Face of the Population - The influx of immigrants is changing the face of America. According to the Bureau of Census, Hispanics will make up nearly a quarter of the population by 2050. The non-Hispanic white proportion of the population will decline from 73.6 percent in 1995 to 52.8 percent in 2050.

The Globalization of Business - Companies in the 21st Century must take into consideration a global economy and instant communication.

Mass Customization - Companies offer products that can be customized by potential buyers based on their preferences. Is there an opportunity here for the gaming industry?

Reinvention of Religion & Spirituality - As people cast off traditional beliefs and services, others return to them more vigorously. Consider how the tribal cultural experience can augment the hospitality experience.

A Yearning for both High-Tech and High-Touch Products and Services - This includes the nostalgia induced by high-tech solutions to everything. Consider the opportunities this creates for good, old-fashioned caring by friendly, service-minded staff.

Complexity - We are exposed to more information in 30 days than our ancestors were exposed to in 30 years. The

“The most powerful forces in our society are the emerging, counterintuitive trends that are shaping tomorrow right before our eyes.

- Mark Penn, Author, Microtrends

sheer number of choices can boggle the human mind. Can you find unique ways to capture your audiences attention without burying them with information.

Communication - This can be more difficult when the workforce is multi-generational, multi-cultural and “multi-modal.” Employers need to find creative ways to engage the changing workforce.

Capturing the Trends: Increasing Organizational Excellence in the Gaming/Hospitality Industry

Employee Attraction: The policies used to attract employees must now be flexible enough to draw qualified people from all sectors of society and from all age groups. The publications chosen for outreach, as well as the look and feel of the offerings, are extremely important. The approach must be both tailored and differentiated. From the first contact with the organization, including the interview process, the organization communicates the level of “fit” an employee can expect if they sign on. In addition, the benefit packages should appeal to the unique concerns of employees at different stages of life.

Employee Retention and Engagement: People value both a group identity, being part of something greater than themselves, as well as being seen as unique individuals. Employees deserve an honest appraisal from their supervisors regarding their work performance. Employees rarely leave a job. Rather, they leave a poor supervisor. When asked what people thought was most motivating on the job, research shows that managers say “good wages” while employees say “interesting and meaningful work.” (February, 2008, *Indian Gaming*, pg. 44.) Work is meaningful when it connects personal goals with the organization's goals as defined in the mission statement.

Perhaps most overlooked is the importance of the new-hire orientation to the integration of the employee into the company culture. Management guru Edward Demming emphasized that the first 15% of any process determines the remaining 85%.

Expanding and Developing the Business: “Reinvent your organization” by performing regular strategic planning activities with all employees. It is an iterative process of

scanning the environment, assessing strengths and setting priorities.

Creating customer loyalty through every interaction is the foundation of the “experience economy.” As one senior executive expressed it, the daily encounter between employees and customers creates a “moment of truth” that determines the future of the business. Did it ever occur to you that your clients are seeking a “spiritual experience” by being at your property? How can you capitalize on that?

Parting Wisdom About Trends

Microtrends author Mark Penn, in his recent book, offers us the keen insight that “only one percent of the public, or three million people, can create a microtrend capable of launching a business or a social movement.” To be successful, senior leaders need to find out what the microtrends are and make sure to lead the way in responding to them.

Management must weave customer trends and employee desires into a system and culture that succeeds. Effective leaders blend the softer leadership skills - trust, empathy and genuine communication - with the tough skills needed to keep an organization afloat during difficult times.

Employees carry the cultural DNA of the property and must be nurtured in order to enhance the “experience” of the customer. Running a large hospitality organization is more than just about making money. It's about serving the tribal and local community and improving the general situation of everyone involved. That includes serving the needs of employees by creating a healthy corporate culture.

The culture of our organizations is the water we swim in. Just as a fish cannot see the water it swims in, so too most of us are unaware of the culture that drives so much of organizational life. Invite in new perspectives on a regular basis so you can see the dynamics within your organization and the trends in society more clearly. An early understanding of emerging social trends can become your competitive advantage for the 21st century. ♣

Lynnea Brinkerhoff is Vice President of Flath & Associates Consulting, Inc., with 20 years experience in resolving unique organizational challenges. She can be reached by calling (203) 913-7398 or email lynneabrink@gmail.com