



## Providing Leadership in an Uncertain Economy

by Rick Flath

Providing leadership in an uncertain economy is a significant challenge for senior managers. It takes mental and physical stamina, constant and consistent communication skills, creative insights to spot opportunities, and the intellectual fortitude to make decisions that have lasting effects for thousands of employees. Top managers must also be an unflagging inspiration to all to ensure that morale does not suffer and that operations run smoothly.

Economic downturns also challenge the CEO to be creative with shrinking financial resources – doing more with less. The stress of the position is unrelenting, with 24/7 newscasts, screaming headlines of doom, shrinking 401k investments, and the constant need to respond to employee questions – it is no wonder that mental burnout happens.

However, uncertainty also allows the opportunity for bold moves, organizational change, and new dynamics within the work environment to meet the future with confidence. The following checklist reviews practical and immediate steps for providing leadership in challenging times.

### Check List for Leadership

**Be Visible** – Managing by “walking around” is extremely vital during unsettling times. Senior management must be highly visible to all shifts. Employees want to see and be able to speak with senior management and have their questions answered. The worst thing that management can do is to remain isolated in separate work areas, which has the effect of rampant rumors of impending gloom. Encourage all senior managers to do the same.

**Planning tip:** If getting out of the office consistently is difficult, then schedule time and rotate all senior managers through the shift. Have a plan for visibility and not just an occasional stroll through the employee dining room.

**Communicate** – Communicate constantly by letter, intranet, and employee television about the organization’s values and senior management’s interpretation of those values. Explain what is happening in the economy and how it affects everyone including the gaming/hospitality industry. A review of local and national economic factors will help put the downturn in perspective.

- Ensure that all senior managers are consistent in using talking points and in the overall communication of the state of the organization and how it relates to the greater economy.
- If a layoff is necessary, clearly explain why. Remember – yesterday your associates were valued members of the property, do not treat them like villains and criminals. Provide career transition programs and treat this life-changing event with respect and dignity. Show empathy

for your employees. So many companies just “march the employees out the door,” causing the remaining employees to become bitter and highly resentful of management. In a small community, laid off employees are probably related to others who still work on the property.

- Explain to the remaining employees how a layoff will help now and in the future. Layoffs are not the only option during challenging economic times, so have a plan for the future other than “more layoffs might be needed.”
- Finally, get the message out to the local newspaper and social service agencies. Remember – for every person laid off, many others are affected.

**Planning tip:** Keep a constant stream of communication. Assign someone to be responsible for organizing and following through on the message. Treat layoffs with respect and dignity.

**Use Management Meetings Effectively** – A common occurrence during economic recessions is for collective doom and helplessness to pervade meetings. Focus on what can be changed, not bemoaning what cannot be changed. Taking into account the economy and the organization’s clients, customers, and region – focus the meetings on what can be done together to make a positive difference for the future.

- Encourage active insights and tap the imagination of all. Expand the meetings beyond the usual participants to get new ideas.
- Use a portion of the meeting as a brainstorming session as well as an operational meeting.
- Avoid endless analysis and “report backs” that have doubtful results other than to create busy work and redundant data collection.
- The need for bold confident leadership is critical during senior staff meetings to inspire confidence. It is here that the CEO can significantly leverage the power and prestige of the office on the organization. If these meetings are counterproductive, then solicit ideas on how to redesign the meeting format. Consider reducing the number of meetings, allowing people the time to reflect, act, and follow-up with the best ideas.

**Planning tip:** Do not let senior level meetings become counterproductive and exhausting – shake things up! Be bold with new ideas.

**Support Employee Strengths, Not Weaknesses** – Support visible personal projects for the most creative employees. Allow mini projects to keep the most talented people engaged

in the process of recovery. While the budget may be very tight, allow for a few highly visible projects that spotlight the future.

**Planning tip:** Keep your best employees engaged in the challenge to move ahead. Concentrate on the top 20% who provide leadership to the rest.

**Provide Supervisory/Management Training** – Do not ignore your first line supervisors. In large gaming and hospitality properties, there may be 100-200 first line supervisors. Engage them in the challenge. Keep them informed. They are the link to the staff that are the ambassadors of the property. If the supervisors are worried and demoralized, then so is the staff, and this will be evident to your customers.

One of the best ways to show confidence in the future is to provide supervisory/management training. Invest in the supervisors' future by facilitating new ideas, work flow, and collaborations. Use any lull time in the schedule in a productive manner by gaining commitment to weather the economic storm together. Committed, engaged supervisors are vital because as the economy begins to improve, the supervisors' floor presence can greatly impact customer service initiatives and bring back the customers.

**Planning tip:** Provide avenues for the supervisors to be part of the process and be positive forces for change to their staff.

**Seek Executive Coaching and Study Historical Trends** – All great leaders throughout history had people they could talk with privately to discuss plans, decisions, doubts, and insecurities. Find a confidant with whom you can ensure that frankness and confidentiality will be maintained and information will not be leaked. Many times that person is outside the company.

Take the time to study trends in the industry and large macro economic challenges. Learn from history rather than repeating it. Use this time to contemplate organizational changes that will enhance the long term viability of the property. By looking back to plan forward, new opportunities will appear.

**Planning tip:** Use a trusted executive coach to study history and look for opportunities that will pay dividends in the future.

Use all of the management and financial tools available to encourage and support the management team and team associates. Take time to be visible and empathetic – listen to the fears of the employees during uncertain times. Now is the time to rally all of the employees to meet and embrace the current challenges so that a better and stronger organization emerges for the future. ♣

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