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Rethinking Critical Operational Infrastructure in the Age of COVID-19

How Seminole Gaming and Hard Rock Casinos Cracked the Code on Frontline Employee Engagement

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Red**e**app is **the** enterprise solution for maximizing workforce performance across industries that depend on highly skilled service, manual, and craft workers. Red**e**app coined a term to describe this major segment of the workforce. These are **"non-desk"** workers, often referred to as frontline. Through a combination of advisory, services, and software, Red**e**app has been uniquely and specifically architected to bridge the digital, behavioral and application gap that exists today between management and these unconnected workers. Eliminating this gap allows companies to unify their *entire* workforce around a culture of care that drives operational efficiencies, whilst empowering and retaining great employees.

For more than a decade, Red**e**app has sat at the complex crossroads of disruptive technology, generational change within the workforce, shifting corporate focus, and transformative business delivery models. Here, Red**e**app utilizes highly structured communication, content, automation and workflow to connect the unconnected so that employees are **always Rede for work**.

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Cover Photo Credit: Javon Swaby from Pexels

"Research indicates that workers have three prime needs: Interesting work, recognition for doing a good job, and being let in on things that are going on in the company."

- Zig Ziglar

Prologue

In the immortal words of the poet Robert Burns, *"The best-laid plans of mice and men often go awry"*. Could anyone in the gaming industry have been fully prepared for the disruption to business operations that the last six months has brought us?

The short answer is 'no'. Human nature dictates that even if a casino had in its employ an individual who could foretell of things to come, those predictions would likely be dismissed as false. Thus, said prophet would be resigned to the same fate as Cassandra of Greek mythology, who, having upset Apollo, was granted the power to see into the future but with the caveat that her prophecies would not be believed by anyone.

The long answer is 'some more so than others'. How? Preparedness lies not solely in having the perfect plan, but rather in the hands of strong, visible and empathetic leaders who have created a culture of care, utilize the right type of communication, put in place supportive policies, flexible processes, and adaptable, fit-for-purpose technologies.

In this article we explore one aspect of operational infrastructure - connectivity between critical middle managers and frontline, non-desk workers. We show how some within the gaming industry are moving ahead of their peers through deployment of enterprise technology solutions that enable frontline employee engagement and create work trust.
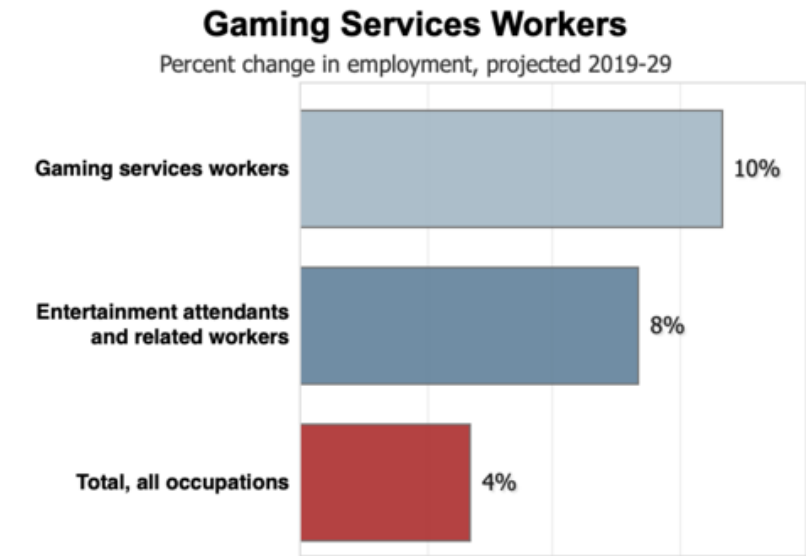
The gaming industry - current employment trends and insights

A ccording to the American Gaming Association's (AGA) <u>Casino Industry Employee Survey</u>, as of 2017 the gaming industry in the United States employed more than 750,000 people across 40 states in more than 1,000 casinos. **On average, 75% of a casino's total workforce are non-desk**. This group includes gaming services workers, hospitality, housekeeping, maintenance, floor security, food and beverage, retail, and entertainment.

Below, we look at three notable trends that will impact how employers need to engage with and manage their hourly workforce over the coming decade, during and beyond the pandemic.

Trend 1 - Gaming is a growth industry.

The Bureau of Labor and Statistics reports an expected 10% increase in a need for gaming service workers from 2019 to 2029, whilst all other occupations are expected to grow by just 4% on average over the same time period.

Gaming Services Workers

Percent change in employment, projected 2019-29

Gaming services workers	10%
Entertainment attendants and related workers	8%
Total, all occupations	4%

Note: All Occupations includes all occupations in the U.S. Economy.
Source: U.S. Bureau of Labor Statistics, Employment Projections program

Figure 1: Percent change in gaming services employment, 2019 - 2029

This trend is being driven by the increasing popularity of gambling establishments, and the anticipated construction of new casinos to generate additional tax income for states. One might reasonably assume therefore, that there will be 10% growth across all other hourly casino worker categories that employers will need to consider.

Insight: This trend will result in resourcing constraints within the industry, and casinos will need to increasingly focus on attracting and retaining top talent. In order to do this effectively, employers need to take into account not just compensation packages, but also ongoing engagement and connectivity with employees through the *critical middle* (operational managers and supervisors) of the organization.

Trend 2 - Increasing reliance on smartphones.

In their employee <u>survey</u>, the AGA notes that the gaming industry workforce is made up of 33% Gen Xers, and 36% Millennials. For these same groups, The Pew Research Center <u>notes</u> that 92% of all U.S. Gen Xers, and 96% of all U.S. Millennials own smartphones.

Insight: When combining increasing access to smartphone technology by the majority (69%) of the workforce with the changing generational demographic that will feed the upward trend in employment for the industry, it logically follows that in a very short period of time, the vast majority of all hourly employees will increasingly rely on their smartphones for information. Employers will need to consider how best to leverage this technology platform.

Trend 3 - Employee satisfaction continues to be derived from qualitative as well as quantitative measures.

In addition to attractive compensation packages, hourly <u>casino employees were asked</u> about a number of qualitative measures that affect their level of satisfaction. These

include being treated well by the company, having fun at work, ability to utilize skills and training, and being able to maintain a good work/life balance.
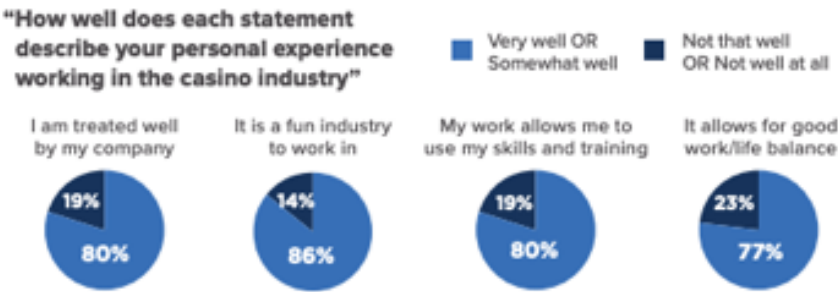
"How well does each statement describe your personal experience working in the casino industry"

■ Very well OR Somewhat well   ■ Not that well OR Not well at all

I am treated well by my company — 19% / 80%

It is a fun industry to work in — 14% / 86%

My work allows me to use my skills and training — 19% / 80%

It allows for good work/life balance — 23% / 77%

Figure 2: Survey results on qualitative measures of employee satisfaction. Source: American Gaming Association

Insight: As the reliance on smartphone technology increases amongst an expanding hourly workforce, employers will need to consider how this technology can be leveraged in order to engage effectively with staff, without negatively impacting any of these key satisfaction criteria.

Operational infrastructure - a critical tool for superior communicators

It's the lunch hour on the Tuesday after Labor Day weekend and Devin Francz, Training and Engagement manager for Hard Rock Sacramento, is taking some time out of her busy schedule to speak with us about how Hard Rock's critical middle management engages with non-desk employees. Her energy and passion is infectious, not hampered by Zoom, and it's clear she has found her calling.

"The foundation of any good business is the people that you put inside of it. [At Hard Rock] we really focus on driving team member engagement, making it a fun, inviting and easy place to work. If nobody is engaged or wants to be there, you aren't going to have a successful company."

With the global gaming industry representing a total market in the region of $600 billion, the coming of COVID-19 was the quintessential bad beat. The onset of the pandemic initially ground all casino operations to a standstill as people were encouraged to stay at home and businesses encouraged to close their doors. Casino executives and managers accustomed to navigating 'round-the-clock operations have experienced whiplash while rapidly pivoting from 'business as usual' to 'crisis management' mode. For casino employees, a seemingly never-ending period of uncertainty coupled with fear of job loss has added untold stress to households across the world.

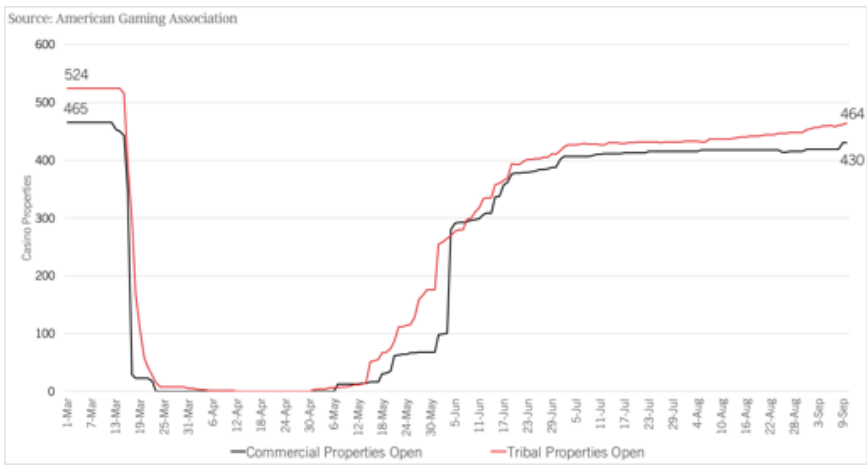### Casino Reopening Progress (March 2020 - September 2020)

Figure 3: Casino Reopening Progress as of September 2020. Source: American Gaming Association

In an attempt to stem the losses in March, in Las Vegas alone there were 216 casino closures and 206,000 employees laid off. In a recent article Tim Merrill, President

of Maverick Gaming LLC, notes that while short-term layoffs might ease the burden of labor overheads, other fixed costs remain and unintended consequences related to lost institutional knowledge abound. Air conditioning must stay on so carpets don't mold, security and insurance policies remain in place, and the list goes on. Fast forward six months to September. Most casinos have partially reopened and guests have started to return, but will it be enough? The importance of maintaining cash reserves is magnified by the uncertainty of the timing for a vaccine, and the potential for new waves. Those who remain agile during troubled times will fare best. What will be the key determinants of that success?

Let's focus for a moment on arguably the most important priority in times of crisis: Communication. In '<u>A leader's guide: Communicating with teams, stakeholders, and communities during COVID-19</u>', McKinsey and Company highlight five characteristics of superior communicators.

1. *Give people what they need, when they need it*. People's information needs evolve in a crisis. So should a good communicator's messaging. Different forms of information can help listeners to stay safe, cope mentally, and connect to a deeper sense of purpose and stability.
2. *Communicate clearly, simply, frequently*. A crisis limits people's capacity to absorb information in the early days. Focus on keeping listeners safe and healthy. Then repeat, repeat, repeat.
3. *Choose candor over charisma*. Trust is never more important than in a crisis. Be honest about where things stand, don't be afraid to show vulnerability, and

maintain transparency to build loyalty and lead more effectively.

4. *Revitalize resilience*. As the health crisis metastasizes into an economic crisis, accentuate the positive and strengthen communal bonds to restore confidence.

5. *Distill meaning from chaos*. The crisis will end. Help people make sense of all that has happened. Establish a clear vision, or mantra, for how the organization and its people will emerge.

A logical and helpful assessment. However, having superior communicators in place is only half of the battle. A superior communicator is **only as effective as the mechanism through which they reach their audience**.

Enter Seminole Gaming and Hard Rock Casinos (SGHRC). On the surface SGHRC looks like many other gaming operations. With approximately 20,000 team members spread across multiple properties including Florida, Ottawa, Cincinnati, Sacramento and Atlantic City, SGHRC faces constantly evolving work scenarios, fast-paced operations, and ever-present challenges for workforce management including 24-hour resourcing, labor optimization, and staff development. Of the 20,000 team members, upward of 80% are non-desk workers who do not sit in an office or have the luxury of working remotely.

Meaghan Ryan is VP of Talent and Team Member Relations for Seminole Hard Rock Support Services. With 15 years in the gaming industry, she has a deep understanding of what it takes to work in a casino, and all of the related challenges and benefits. Despite COVID, SGHRC is growing.

"Anything that you are interested in, there is an opportunity. You can get a little bit of everything under one roof. One year in a casino is like five years in any other environment. [The challenge] is for people to understand the flow. It's a fast-paced environment.".

Take a growing industry, a complex set of operational requirements, a large non-desk workforce that is *disconnected by default,* mix in a fast-paced environment, and top it off by introducing an unanticipated disruptor of epic proportions. Without a keen focus on communication, it's a potential recipe for disaster. Ryan summarizes the challenge well.

"Communication is key in general and in life. When you are talking closures, furloughs, and what that means for benefits, people want to know… 'when can I come back, what's the recall process?'. There are so many questions that team members have, and we have to able to communicate with them somehow. People who are still out on a line level don't have access to email… we can't physically call 20,000 people whenever we have an update.".

In responding to the challenge brought on by COVID-19, what has set SGHRC apart from the competition? Answer: Real connectivity with frontline staff through a well-conceived operational infrastructure that centers around the needs of the employee, first and foremost. Simply put, SGHRC **has a powerful mechanism in place that enables superior connection and communication**.

What is SGHRC's operational infrastructure ace in the hole? It's **Redeapp**, an enterprise solution that is the engine behind the alignment of culture, processes, and people.

For many organizations, the non-desk workers continue to be managed using outdated paradigms, even as technology advances abound. Devin Francz talks about the issue with using outdated approaches for modern day problems.

"From a training and engagement standpoint, I don't know what I would do without [Redeapp]. Posters are a thing of the past... when you have a poster up for two weeks, people stop looking at it. 94% of our people have push notifications [through Redeapp] enabled. People want to be in the know."

Team members working in a 24/7 operation benefit from having access to an 'always-on' portal for everything they need and want from their job, and nothing they don't.

Proof positive COVID use cases.

When dealing with a large, diverse workforce that is disconnected by default, maintaining open channels of communication is only part of the challenge. When properties started to reopen with new workflow and health and safety requirements, Meaghan Ryan in her HR role found Redeapp to be extremely helpful for many reasons. Keeping non-desk workers connected is clearly important, but so is managing the paperwork and administration associated with a massive recall of team members to the workplace.

"There are also documents and sign-offs for when [team members] do come back. What they are coming back to isn't necessarily what they left with, so we've had to make a lot of our in-house systems available externally, such as viewing paychecks. In being able to communicate that, Redeapp has certainly been really, really helpful."

Having opened in October 2019, Hard Rock Sacramento had their first open enrollment slated for March 2020, the exact same week they closed due to COVID-19. Running their first open enrollment completely virtual was a monolithic challenge that they were able to manage with daily COVID-19 updates, videos, feedback / question forms, etc. through Redeapp. Francz explains.

"We weren't able to push back enrollment, we were on a hard deadline and yes, I would say it was a successful open enrollment. Especially as the first one for this property.".

What's more is that Hard Rock Sacramento is currently rated #1 in compliance completion from team members among all Hard Rock properties, due in no small part to their ability to message employees via Redeapp.

"I remind people [via Redeapp] and notify them when space is available. I can find who needs to complete their training and message them individually as well as managers broadcasting to their teams.". - Devin Francz

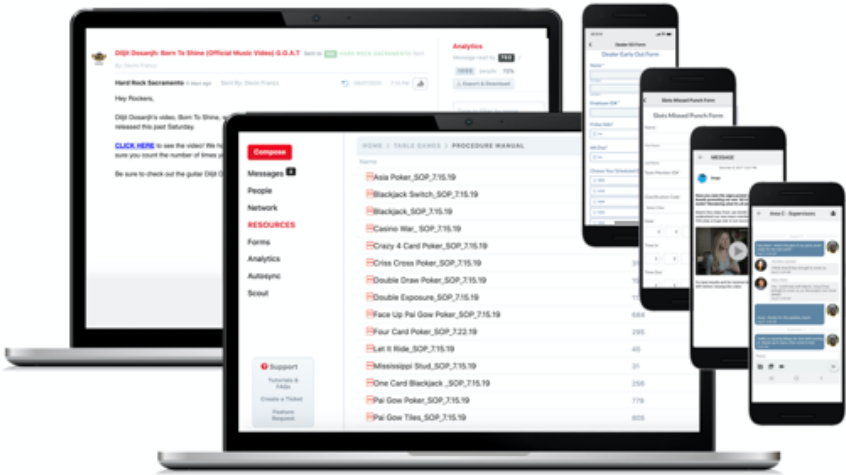## Redeapp Administrative Console and End User Mobile App

Figure 4: Redeapp's administrative console and end user mobile app

Think of Redeapp as the ultimate enabler of operational communications (ops comms), connecting the front office to the critical middle and most importantly, closing the gap to the non-desk worker where content is controlled from an administrative console and delivered via a mobile app.

Redeapp has been uniquely and specifically architected to filter and direct mission critical information so that the non-desk worker only ever receives information that is pertinent to them.

Why is this important? Knowing that business processes, ops comms, and critical workflow delivered through Redeapp are relevant and work-related, the non-desk worker has a real need to tune in, which leads to a number of measurable benefits and ultimately, a virtuous cycle of engagement. This is why Redeapp has read rates that

typically exceed 90%, which is down to its use of big data gathered from across the gaming industry that allows it to efficiently design a highly adaptable and relevant communication infrastructure based on the specific needs of the client.

It is important to note that it's not as simple as turning on a piece of tech. Being selective and purposeful in your choice of tech platform is critical to achieving your desired outcomes.

Not all platforms are created equal

In an age where <u>89% of working age adults own a smartphone</u>, companies have access to ready-made infrastructure through which they can connect with employees. With great power comes great responsibility, however, and there are just as many well-advertised pitfalls to this technology opportunity as there are benefits.

The challenges are two-fold.

1. Organizationally, companies will be trying to balance innovation and progress with compliance, legal risk, security, and wage and hour concerns. If platforms are not designed for both, then it will almost inevitably lead to internal stressors between departments and conflicting priorities.

2. Adoption needs to be driven by need rather than want. Social media platforms are not designed for practical work needs. Higher adoption is an indication that a need is being fulfilled, and benefits are derived from increased utilization.

The platform has to be private and secure, innovative yet compliant, and intelligent enough to automatically adapt to the ebb and flow of standard operations such as onboarding, shift changes, training, and personnel advancement. But above all, it has to match the needs and behaviors of the workforce it is intended to serve.

Hard Rock Sacramento Dashboard

Figure 5: Redeapp's analytics dashboard reports on adoption rates and messaging effectiveness

A recent underline article published in the Financial Times called out Slack as a "monumental distraction" along with other mobile platforms such as Facebook Workplace, WhatsApp, Facebook Messenger and Google Chat, whose use can

"splinter communications" and effectively make work more taxing. The reason? Platforms that are architected for desk-bound information workers rely on broad open channels, newsfeeds and social media style communication in order to attract users.

This dependency on 'viral' messaging founded in social connectivity can create regular disruptions that distract rather than help. According to the Washington Post, researchers say it can take around 23 minutes to return to the task at hand after being interrupted. Over the course of a typical work day, this adds up to a significant loss of productivity. While companies may be able to more readily bear the brunt of lost productivity in the front office, the same effect applied to non-desk employees would be devastating to the bottom line. In practice, trying to copy and paste the success of social media in our personal lives over to the workplace is often ineffective and has an inconsequential or worse, negative, impact on the business.

According to the Financial Times article, "Some jobs require ceaseless communication. But most do not, meaning a lot of this activity either dents productivity or creates stressful extra work to make up for lost time.".

Amongst the non-desk workforce, having a more tightly designed platform where a relevant signal can be found amongst the noise is key to real connection. Rather than dealing with a cacophony of sound, better to have controlled, standardized, culturally aligned messaging, tools and workflows that simultaneously allow for innovation whilst meeting the needs of compliance.

Connection leads to experience leads to engagement

Not to be taken for granted, *connection done correctly drives authentic employee engagement*, which in turn feeds increased retention, resilience in the face of change, and a more sustainable business model. So how does one convert something that is easy to define (***connection***) into something that is somewhat nebulous and elusive (***engagement***)? As mentioned previously, authentic connection is dependent on the existence of operational infrastructure that is fit-for-purpose. Furthermore, connection requires purposeful leaders who demonstrate an ability to deliver superior communication. The combination of these elements creates an environment that lays the groundwork for turning connection into a positive, engaging, and measurable employee ***experience***.
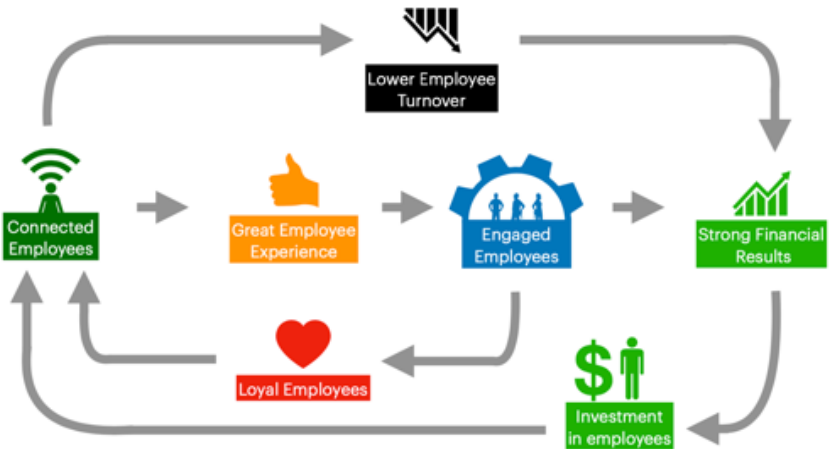
Connected Employees Fuel a Virtuous Cycle

Figure 6: Redeapp's virtuous cycle of connected employees

Engagement happens as a result of companies <u>focusing on human experience rather than strictly process</u>. In order to create positive human experience, organizations need to focus on connection first. It is imperative that the infrastructure is purposefully designed to improve the day-to-day experience of every employee. Full stop. When designed and deployed correctly, a 24/7 real-time operational infrastructure allows leadership to positively impact employee experience on a daily basis.

Poorly architected platforms that act exclusively as a bullhorn for management can be counterproductive. Thoughtful platform designs start with the needs of the employee and are made whole by superior communicators and purposeful messaging. In the case of the casino employee, these needs include on-demand access to critical information. Seemingly simple, but difficult to execute

without a dedicated channel supported by an enterprise class platform that maps content to appropriate groups and users automatically.

As Francz puts it,

"We went through a temporary closure from end of March to mid-May, and throughout that time period we continued to send out a sound check[1] every day. We sent out a newsletter three times a week. The level of team member engagement [during that time] was super important to us. No one had any idea of when we would reopen. Having that consistency of information was reassuring [for team members]. People knowing that we still cared about them [was important].".

Put a familiar face on the other end of the message, create a dialogue and you've got your first step for a more engaged workforce. Give them options to pick up more shifts (thereby earning more income), stick digital forms in their pockets and provide access to a portal with all of their daily work needs and you're well on your way to bridging the gap and improving the employee's day-to-day experience on the job. That builds **work trust** among employees leading to provable workforce engagement.

This leads us to a key question that organizations should be asking in relation to all investment decisions of significance. *How do we define and measure value for money*?

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[1] A sound check is a term used by Hard Rock Sacramento to describe a daily check-in with employees featuring daily events and key information. It is used to establish a culture of operational communications (ops comms).

It's OK to demand results

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Employee engagement is defined (in this piece) as a straight line to employee retention. What about the fact that engaged employees create a better customer experience? This is never more true than at a casino. Your bartender, dealer, etc. all shape the culture of the casino, which shapes the customer experience and ultimately, your revenues.

The gaming industry is primed for adoption of an operational infrastructure designed to connect through a personal mobile device. The profile of the typical casino worker - from table games to housekeeping to food and beverage - matches neatly with users of mobile-first, innovative technologies. They are *digital natives*.

In most enterprise technology implementations, results are typically tracked down to the minutiae. Scorecards and criteria for success are outlined and performance is measured. All answering the question, 'does this software have a positive impact on my bottom line?'. However, many companies give workplace connectivity platforms a pass. Why? Because they are typically seen as soft impact drivers, unable to:

A. *Effectively connect a sufficient number of employees (60% is the baseline) to drive real change; or*
B. *Nail down employee engagement to dollar amounts.*

We all 'know' engaged employees are better performers and likely to stay longer - but we don't typically have access to that data to back it up. Until now.

Hard Rock Sacramento opened in October of 2019 and from day one had connected to more than 1,200 of its employees through Redeapp. In an industry where underline turnover averages hover around 80%, connectivity, experience, and engagement are key. One measure of engagement is adoption, and the results are in. At Hard Rock Sacramento, 94% of all team members are connected via secure app on their personal device, with a 94% read rate on approximately 842,000 messages. Expand the view to the industry level, and Redeapp boasts an 88% connection rate across all casinos using the platform, representing approximately 24,000 workers.

Redeapp's clients have anecdotally identified a positive correlation between adoption rates of its technology and retention of staff. This leads to direct, measurable savings.

Retention is also commonly understood to directly correlate to employee engagement. Ergo, *those in the gaming industry who use Redeapp enjoy increased employee engagement and all of the associated benefits.* Just ask Seminole Gaming, who <u>received recognition for excellence in employee engagement and innovation</u> by deploying Redeapp in 2016.

By measuring leadership communication (referred to by Redeapp as 'Champ' scores), organizations are able to correlate positive increase in employee satisfaction to superior communicators. In one study looking at one of its clients over a two year period, Redeapp compiled over 500,000 data points across 110 sites and 15,000 employees. The 110 sites were split between four client campuses. Campuses 1 and 2 were put into Group A, and Campuses 3 and 4 were put into Group B. According to an average Champ score rating of 6.2, Group A had superior communicators and Group B had substandard communicators.

The results of the study led to several key conclusions:

1. The group with superior communicators (Group A) always had higher employee satisfaction than the group with substandard communicators (Group B).
2. Employee satisfaction increased at a faster rate across Group A than Group B.
3. **When giving superior communicators access to Redeapp, it drives increased employee satisfaction.**

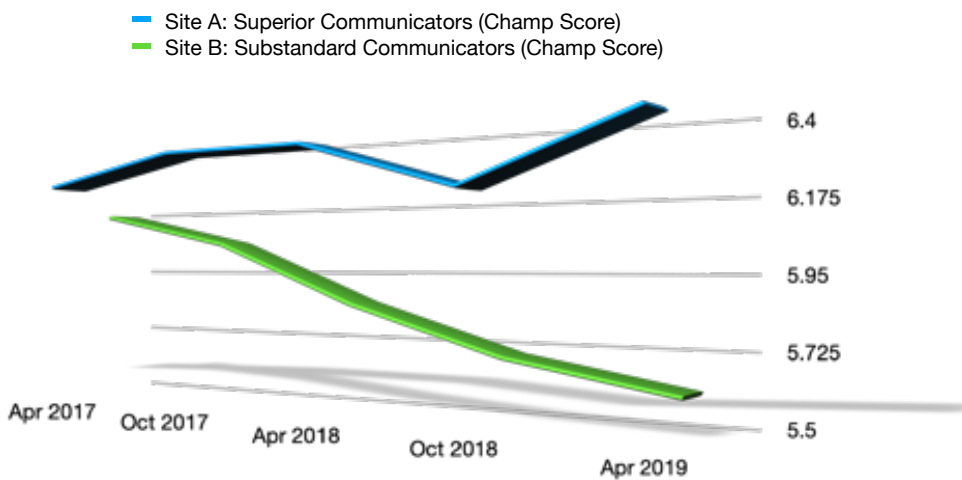## Champ Score Comparison across 2 Groups over a 2-Year Period

Figure 7: Champ score comparison between Groups A and B

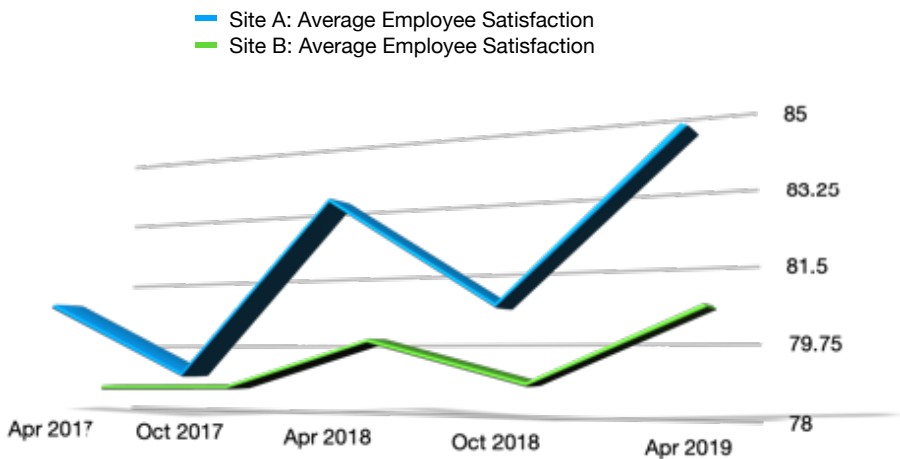## Employee Satisfaction across 2 Groups over a 2-Year Period

Figure 8: Employee satisfaction comparison between Groups A and B

As of September 2020, sixteen different casinos across multiple parent companies have employed the use of Redeapp. Seminole Gaming, Hard Rock, MGM and Desert Diamond are reaping the rewards of investment in operational infrastructure that enables authentic connection to non-desk workers.

They have enjoyed improved retention, greater business continuity, and agile infrastructure that has provided a lifeline for staff who are desperate for information in a world where communication related to layoffs, furloughs, and new processes for those returning to work change on a daily basis.

Now is the time to invest

Throughout history, in times of crisis the 'unskilled' non-desk laborer magically metamorphoses into an 'essential' worker. But even with transformation, this segment of the workforce is all too often left behind when it comes to investment in proper engagement. This has, and continues to, lead to innumerable unintended consequences not only for these workers but also for the organizations that employ them. So, why is now the time to invest in an operational infrastructure designed for a non-desk workforce?

COVID-19 has shone an inescapable spotlight on the glaring omissions in organizational tech stacks around the globe. Connection to the non-desk and 'essential workers' was one of many gaps to be filled. While many casino executives

were left scrambling to communicate via phone trees, unencrypted text messaging and word of mouth, SGHRC was able to effectively triage and manage closures, layoffs and obstacles brought on by the global pandemic. As casinos resume operations, an infrastructure designed to connect all employees is critical to the organization's ability to deliver policy updates, shift changes, health screenings, and the like.

A dedicated, architected digital channel creates **work trust** and employee engagement whilst delivering on the bottom line. And being prepared involves having fit-for-purpose solutions to complex scenarios.

In summary

Poetry and greek mythology provide us with allegories that continue to ring true even into modern times. Unanticipated challenges continue to impact best laid plans. Foretellers of the future are consigned to the realm of the cursed, never to be believed. At what point do we begin to sway the inevitable? What changes can we make today that will help us be better prepared for the next big thing? While we may never know what the future holds, we can at least ready ourselves through strong leadership, human connection, and investment in operational readiness.

SGHRC's willingness to invest in the infrastructure, employee experience, and leaders like Meaghan Ryan and Devin Francz has put them in a strong position to succeed.

For Francz the key to cracking the code of front line employee engagement is clear.

"You'd be surprised how many people have worked for a company where they don't know what's going on. That gap in communication doesn't exist here."

About the Authors

Justin Rudwell is a management consultant specializing in people strategy and organizational transformation. He has held advisory roles with PwC in London, England's Department of Health, and the National Health Service. He co-founded an international wine import and distribution business, and acted as Executive Director for a non-profit focused on environmental sustainability. He currently serves as the General Manager for Rede Advisory Group.

Thor Wiljanen is a business development and sales consultant with broad experience in the world of enterprise software platforms. In his career he has split time between the Fortune 500 and startup environments. Regardless of role or client, he always brings his passion for solving complex challenges. He lives with his wife and two daughters in Louisville, Kentucky and is currently the head of Sales for Redeapp.