

Harrah's  
entertainment, inc:  
rewarding our people  
essay



**ASSIGN  
BUSTER**

Harrah's strategy was to shift from service-driven company to a customer-driven company, and it invested in people development and bonus rewards. Company has introduced a gain-sharing program where employees were rewarded for improving customer service. This program has required employees to have more interacts with customer such as hand shake " employees can lose their jobs for not interacting with customers in the regulated manner", Loveman, the new COO of Harrah has said.

Employees were rewarded for percentages of improvement in customer service scores within the department and within the property, collected through the Targeted Player Satisfaction Survey. The great thing about this program was that it was not tied up to the financial report, " if you improve service, irrespective of financial performance, you will still get rewarded" (6, Case). As the result, by mid-2001, Harrah's has paid out more than \$16 million in bonuses to non-management employees through the gain-sharing program.

More employees were participated in the program, and this could be a real differentiating factor in regaining and keeping bigger market share. The gain-sharing program pay plan was an effective motivator, employees of each Harrah's location viewed this program differently, one can view this program to benefit them to motivate his food and beverage employees, others may view it as symbolic confirmation of the company's goals. This program has not only increased customer satisfaction, but also successfully retained employees' loyalty.

As the result, company saw turnover go down from 70% to under 50% in one year, and employee set his own standard achievement " The two things I want to achieve this year are best in brand scores and breaking 99 seconds on how fast our employees get to our customers when called" (7, Case).

Gain-sharing program has effectively implemented in casino industry, and it paid for employees to focus on customer service. However, this program has some weaknesses that limited the program expanding to the fullest.

While handshake was one of the contacts in customer service, employee still chosen less contact with customers, simply because he/she has to turn both palm up to the ceiling and roll back his shirtless to make sure the camera could record. This way was one way of company's requirement to avoid employee had taken a bribe, but employee would feel very uncomfortable. Less contact was better than more. Moreover, one of the disadvantages of this program was individual and team effort, if the team missed their payout, individual would not get anything from the program.

If this continued long enough, employees would lose motivation, and he/she would not try hard to meet the company's goal. In addition, the amount of customer satisfaction payout up to \$200, this amount was not big enough for employee to commit in innovation ideals, or improve customer service program. Regardless some of weakness of gain-sharing program, Harrah has been successful in achieving results through its employee bonus program, its turnover has been dramatically dropped each year, and it provided the ideals of excellence customer satisfaction.