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The University of Southern Mississippi

STRATEGIC HUMAN RESOURCES IN CASINO OPERATIONS:
REVEALING THE PERCEPTIONS OF CASINO
OPERATORS AND HUMAN RESOURCE LEADERS

by

Gary Burrus Jr.

A Dissertation
Submitted to the Graduate School
of The University of Southern Mississippi
in Partial Fulfillment of the Requirements
for the Degree of Doctor of Philosophy

May 2014

ABSTRACT

STRATEGIC HUMAN RESOURCES IN CASINO OPERATIONS: REVEALING THE PERCEPTIONS OF CASINO OPERATORS AND HUMAN RESOURCE LEADERS

by Gary Burrus Jr.

May 2014

The casino industry in America continues to grow. As the industry expands, the competition for revenue generation and market share increases. This requires the ability to differentiate from the competition and create competitive advantage, within a highly commoditized industry. In service of this need, capable gaming executives are necessary to design and execute the strategy required. Human resource (HR) leaders are not immune from this requirement. Human resource leaders are in an excellent position to create an HR strategy aligned with organizational strategy to capitalize on an employers' workforce in support of differentiation and sustained competitive advantage.

Six research objectives were established for this study to describe the perceptions of casino HR leaders and casino business-unit leaders relating to the perceived value of the HR function as a viable method to achieving sustained competitive advantage in the Mississippi casino industry. The study employed a cross-sectional, non-experimental, descriptive research design and a 23-question survey to collect descriptive, quantitative, and qualitative data. The researcher used online survey software to distribute the survey and collect data. The population consisted of approximately 294 property-level HR and Business-Unit Leaders employed in the Mississippi casino industry.

Study results revealed a majority of respondents were college graduates, between the ages of 30-59 years of age and averaged approximately 18 years of experience in the gaming industry, and approximately 14 years in the Mississippi casino industry. Findings demonstrate a perception gap between HR Leader and Business-Unit Leader Groups in many areas. HR leaders overvalue their contribution to strategy development and business partnership compared to the business-unit group's perception. HR leaders perceive their understanding of human capital and their ability to add value through talent decisions more than the management group. However, business-unit leaders perceive real value in the HR function more than just as a cost-based center of operation, and perceive the HR leaders to have the business skills necessary to be successful in the Mississippi gaming industry. Both groups report satisfaction with the HR leader's knowledge and skills, although HR leader rank their satisfaction higher than management. However, management perceives HR leaders spend more time in file maintenance roles and less time in strategic business partnership. Although there were several benefits and barriers of achieving strategic HR alignment, the HR leader's cross-functional knowledge was both a potential benefit and barrier to achieving alignment. Although HR has some role in strategy in Mississippi casinos, it is not as a full business partner. Results demonstrate HR plays more of a strategy implementation role. Analysis indicates when HR's perceived role in strategy increases, anticipation of HR budget growth and HR inclusion in strategy formulation increases. Both groups perceive the HR function in Mississippi casinos has the potential to help create a sustained competitive advantage for casino organizations. Additionally, as perception of an integrated HR

strategy increases, the perception of HR as a competitive differentiator and source of sustained competitive advantage increases.

Recommendations for research include replicating the study in Mississippi during a period of economic growth for Mississippi casinos to account for the financial declines associated with the recession and the BP oil spill. Study replication in other jurisdictions would determine if the results of this study remain constant in other states. Additional research is warranted to understand how other casino departments add value to casinos' strategic positioning.

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May 2014

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CHAPTER I

INTRODUCTION

Across the United States, individual states are continuing to witness economic distress from the housing crisis, high unemployment and underemployment, and the changing dynamics affecting gross tax receipts from both personal and industrial revenue (Gallup, 2013). Each state attempts to attract industries to provide the tax receipts necessary to support their constituents and provide infrastructure. As with other states attempting an expansion of economic development, Mississippi seeks to provide numerous methods of incenting industries to the state. Groups such as the Mississippi Department of Economic and Community Development as well as the Mississippi Development Authority are the state's leading organizations for economic and community development (<http://www.mississippi.org>). A review of related Mississippi state websites demonstrate multiple methods, credits and incentives for attracting organizations and supporting workforce development for key industries. In addition to areas such as manufacturing and defense, the leisure services industry is a vital source of job creation and revenue growth in Mississippi (AGA, 2012).

U.S. Casino Industry

One specific industry influencing state and local economies is the commercial casino industry (the casino industry). The casino industry demonstrates continued growth from its legal inception in Nevada in 1939, having branched out into several states in America with the largest share of growth, influence, and economic impact taking place within the last twenty-five years (AGA, 2007, 2010). Commercial gaming is now readily accessible to large portions of the U.S. adult population. Thirty-four percent of the adult citizenry visited a casino during the last year and 84% view casino gaming as a suitable

form of entertainment (AGA, 2013). Casinos provide considerable economic benefits in terms of taxes to the local and state governments in which they reside. In 2011, casino revenues exceeded \$35 billion, with almost \$8 billion going to local and state governments employing over 300,000 individuals directly by the industry (AGA, 2012a). Due to increasing economic stressors and the needs of constituents, the additional tax revenues from casino operations are increasingly enticing to state and local governments. However, not all gaming states and operators realize the expected benefits which led to the approval of legalized gaming. Several jurisdictions are witnessing declining casino visitation rates, less revenue earnings, and reduced profitability because of increased competition and economic conditions (AGA, 2012c).

Competitive Pressure and the Need to Innovate

As states throughout America continue to adopt legalized gaming and the technology that supports the industry continues to evolve (AGA, 2012b; D'Angelo, 2012; Hashimoto, 2008), competition increases. Casinos are in competition for business market share, leading to the need for product and service innovation, differentiation among the operators, and gaming executives capable of conceptualizing and executing strategy for competitive advantage (Chung-Herrera, Enz, & Lankau, 2003; Hashimoto, 2003). Within the casino industry, most of the standard services and products are similar and consequently commoditized (Kale, 2005). Most casinos have the same slot machines and table games, and have to follow a strictly prescribed set of gaming regulations, which leads to difficulty in differentiation. "Despite billions of dollars being invested to differentiate one casino from another by way of spectacular architecture, the games offered by various casinos are almost identical and therefore commoditized" (Kale, 2005, p. 56). Research suggests if one casino installs a new video gaming device that becomes

popular with clientele, other casinos will discover this advantage and seek to overcome the advantage by offering this same device (Thalden, 2011; Zarlengo, 2011). As a result, each of the major departments within a casino naturally seeks to find new strategic ways of innovating and differentiating their employer from the rest of the market's competition — organizations seek strategic competitive advantage (Hashimoto, 2008; Lovat, 2012; Palmer & Mahoney, 2005; Ross, 2005). The human resource department is not immune from the requirement to innovate on behalf of the employer.

Human Resource Management's (HRM) Value/Cost Proposition

In an industry of similar products and services, the human resource (HR) leader influences the usage of a company's human capital. As a result, the HR leader has the capability to leverage an employers' workforce and execute HRM as a strategic differentiator. If properly aligned with firm strategy, the HR leader has the ability to develop and implement strategic responses to the pressure of competitive forces (Buyens & De Vos, 2001). Currently, however, disconnects exist between organizational business unit leaders and HRM practitioners over the strategic value of human resources (Boudreau & Lawler, 2012; Lawler, 2005; Subramony, 2006; Woods, 1999). This is often due to HRM's inability to adequately demonstrate real proof of value (Huselid, Becker, & Beatty, 2005; Phillips & Phillips, 2012a; Phillips, 2012; Vance, 2011). The competition for valuable and limited resources in casino organizations is high and HRM must demonstrate its value as a strategic partner rather than exist as a cost center (Agrusa & Lema, 2006; Ross, 2005). The role of HRM is changing throughout American companies and the need to demonstrate value and become a strategic component is important (Boudreau & Lawler, 2012; Phillips, 2012; Vance, 2011). Human resource's role in strategic management is relevant to the Mississippi gaming industry due to the

highly similar product and services offered by casinos and the need to differentiate among the competition (Kale, 2005).

The Changing Role of Human Resources

HRM has struggled for decades with the concept of proving its value to the organizations it serves (Phillips & Phillips, 2012a; Wright, McMahon, Snell, & Gerhart, 2001) and moving beyond the perception of business unit leaders as a cost center.

Human resource management continues to evolve having gained traction outside the early responsibilities of personnel and file management associated with the 1960s and 1970s into HRM in the 1980s (Cascio, 2005; Schuler & Jackson, 2005). Unlike years past, the modern HRM leader faces a new globalized reality including advancements in technology, a workforce more diverse than ever before, and economic pressures requiring the function to demonstrate added value to the organizations they serve (Huselid et al., 2005).

HRM's Strategic/Technical Capability Perspectives

The 1990s witnessed a growth in competition among organizations leading to a greater focus on strategic management approaches to business challenges (Cascio, 2005; Jamrog, 2004; Wei, 2006). In response, HRM departments began to focus on integrating HRM within the greater organizational strategy (Bahuguna, Kumari, & Srivastava, 2009; Jamrog, 2004). The growth in technology enabled many of HR's historical functions such as payroll and benefits to become automated and outsourced, freeing HR to contribute in other ways (Cascio, 2005). The process of human resource management began to transform into a strategic focus now known as strategic human resource management.

Strategic HRM has become increasingly relevant over the last few years as it becomes more active in the formulation of business strategy versus simple strategy implementation. Through this focus on firm strategy, strategic HRM differs from historical HRM (Christensen, 2005). The ways in which human capital is organized today are increasingly important to firm effectiveness (Lawler, 2005; Lawler & Boudreau, 2012) facilitating the need for strategic HRM to demonstrate value to firms (Christensen, 2005).

Strategic HRM emphasizes the place HR management systems should occupy in formulating solutions to business problems and minimizes the isolation of HR practices outside of strategy. Although no universal agreement for a singular definition or approach to Strategic HRM exists, Armstrong (2011, Chapter 3, para. 4) proposes, “SHRM is an approach to managing people that deals with how the organization’s goals will be achieved through its human resources by means of integrated HR strategies, policies, and practices.”

Theoretical Foundations

Understanding strategic HRM requires knowledge of the theoretical foundations supporting HRM. Among the many theoretical platforms, the research-based view (RBV) is the most widely supported in the literature. Competitive advantage occurs when a firm implements a value creating strategy not simultaneously implemented by any current or potential competitors (Barney, 1991). The RBV advocates a firm may create and sustain a competitive advantage by attracting and retaining superior human resources/human capital (Katou, 2009) and serves as a bridge between the fields of strategy and strategic HRM (Wright, Dunford, & Snell, 2001).

Arising out of the work made popular by Barney (1991), the RBV proposes firms gain sustained competitive advantage from the resources it possesses if the resources are valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991; Christensen, 2005; Delery, 1998; Wei, 2006). The gaming industry is by its nature a commoditized industry, meaning gaming organizations offer similar goods and services in both gaming and non-gaming attributes such as games, hotels, restaurants, entertainment and regulatory requirements. With little room to differentiate among the competition, organizational human capital (like other forms of capital) demonstrates value, rareness, inimitability, and non-substitution (Wei, 2006).

Although significant research and practice support the RBV in developing sustained competitive advantage, detractions arise to this view. One of the most significant challenges to the RBV includes the inability to test the linkages between human capital and eventual organizational outcomes (Paauwe & Boselie, 2003). This disconnect is known as the “Black Box,” the pathway between an organization’s HR architecture and the organization’s resulting performance (Becker & Huselid, 2006; Kaufman & Miller, 2011).

Unlocking the Black Box in HRM

Through understanding the link between HRM strategy, firm strategy and eventual firm performance, strategic HRM can demonstrate its effectiveness as a value-added partner, overcoming the traditional view as a cost center. Current HRM research and practice demonstrates the connection between HRM performance and firm performance. Return on investment (ROI) research, for example, demonstrates in clear terms the relationship between specific HRM programs and resulting organizational outcomes (Phillips & Phillips, 2012a; Phillips, 2012; Vance, 2011). However,

disconnects persist in the perception of the overall value of HRM's longer-term strategic contribution. A number of variables must be considered when connecting HRM performance to organizational outcomes (Holbeche, 2009). Return on investment and scorecards are part of the solution. However, HRM leaders must overcome negative perceptions of business unit leaders about the strategic value of HRM and HRM leaders' business literacy (Phillips & Phillips, 2012a; Vance, 2011).

Aligning HRM to Organizational Strategy

Being part of the strategic plan creation is different from being an implementer of the strategy. Implementation of organizational strategy is not enough, and having a seat at the strategy table only to offer opinions or provide requested data is insufficient (Armstrong, 2011). To achieve the value-added strategic position, HRM practitioners must overcome stereotypical perceptions of business managers (Lawler & Boudreau, 2012). Human resource management practitioners struggle to translate a firm's strategic goals into strategic HRM goals and behaviors (Wright, et al., 2001b).

This translation problem leads to HRM being more effective in the traditional, less valuable HR activities (technical HRM) but less effective in the much needed and more important strategy creation and implementation. The perception of HRM's strategic value between HRM and the business leaders they serve remains disconnected. Alignment or fit between HRM programs and firm strategy is an effective way to overcome this perception and reduce the HRM strategy gap (Phillips, 2012; Subramony, 2006).

Best-Fit Approach to Alignment

Multiple models in Strategic HRM research relate to HRM strategy design, creation, and implementation with no dominant model prevailing in the Strategic HRM

landscape. Among the most common theoretical approaches are the best fit (contingency approach) and best practice (Universalist approach) (Lepak & Shaw, 2008; Purcell, 1999). In general, the contingency model of best fit highlights how HRM aligns its abilities with specific firm strategy and the specific environment (Khilji & Wang, 2006). The Universalist (best practice) approach proposes all organizations will benefit from the adoption of similar best practices (Katou, 2009).

Compared to the Universalist perspective, the contingency perspective or “best fit” purports a necessity of alignment between HRM and firm strategy if HRM is to support the creation and implementation of an individual organization’s strategic plans (Katou, 2009; Lepak & Shaw, 2008; Purcell, 1999). The concept of HR fit/alignment emphasizes the execution of human resources to achieve organizational goals and is necessary to achieve Strategic HRM (Kazmi & Ahmad, 2001; Wei, 2006). So important is the concept that Armstrong (2011) indicates achieving fit/integration of HRM strategies to organizational strategy as well as integration among all HRM strategies is the first objective of effective strategic HRM.

The Two Sides of Fit in Support of the Contingency Perspective

Within the overall concept of HRM/organizational fit, one notes several ways of envisioning fit to support a firm’s strategy (Delery, 1998; Wei, 2006; Wright & Snell, 1998). By necessity, HR leaders must ensure efficiency in execution of technical HRM practices such as recruiting, talent management, and employee relations. For years, HR leaders strived to demonstrate the value of individual HRM practices in supporting overall firm effectiveness (Phillips & Phillips, 2012a; Ulrich, Younger, & Brockbank, 2008; Vance, 2011; Wei, 2006). Focusing on the alignment or fit between HRM and

organizational strategy (vertical fit) is one method demonstrating HRM's added value over the traditional cost-based approach.

One may visualize HRM fit as either horizontal or vertical. Horizontal fit refers to the degree in which individual HR practices and policies are integrated among themselves (i.e. recruiting, training, engagement, etc.) and represents a partial goal of HRM (Kaufman & Miller, 2011; Wei, 2006). However, HRM practices in isolation, regardless of firm strategic necessity, do not lend themselves to value added benefit (Lepak & Shaw, 2008). Consequently, achieving horizontal fit of HR practices alone is insufficient. The concept of HRM alignment to organizational strategy within this dissertation focuses on vertical fit

Vertical fit refers to the alignment and integration of the overall HR core functions to the overall firm strategy (Armstrong, 2011; Wei, 2006). Wright and Snell (1998) describe vertical fit as the process of directing human resources toward the primary initiatives of the organization. Although both types of HRM fit are necessary to supporting positive firm outcomes, the strategic nature of vertically aligning strategic HRM practices to company strategy warrants more investigation. Without a vertical fit perspective, HRM may fall prey to implementing modern HR practices simply because others implement them (best practice) without connecting HRM to the firm's strategic needs (Ulrich et al., 2008). HR would remain a function operating as though disconnected from the business (Adelsberg & Trolley, 1999). The capabilities of HRM leaders influence vertical fit in aligning the human resource strategy to firm strategy (Wei, 2006).

HR Manager Capabilities

HR managers must possess competencies and capabilities relevant for implementation of strategic HRM within an organizational context (Wei & Lau, 2005). Managing the HR function includes both technical and strategic knowledge, skills, and abilities. The capabilities required may vary depending on the specific organization's strategy for success (Wright & Snell, 1998). The ability to collaborate and participate in the early stages of strategy formulation, where the strategic concepts take shape, is an example of a capability associated with enacting strategic HRM (Buyens & DeVos, 2001). Understanding one's organizational business strategy is important because the concept of strategy is core to strategic HRM. In addition to understanding technical HRM processes, the HR manager requires a grasp of rudimentary business literacy, an understanding of their organization's business model, the ability to communicate and listen effectively, and maintain some skill at developing influence (Cunningham & Kempling, 2011; Swanson & Holton, 2009). Human resource leader capabilities, when effectively implemented affects how management views HRM and ultimately the support for the HRM function (Budhwar, 2000; Cunningham & Kempling, 2011; Lawler & Boudreau, 2012; Wei & Lau, 2005). The support of business unit leaders is highly important to the HR function.

Barriers to Strategic HRM Application

Advice such as given by Ulrich (1998) to HR practitioners during the 1990s is reflective of frustrations evident with HRM's alleged disconnect from business needs. Examples of problems addressed in the 1990s included perceptions of HR as an enemy to business, inefficient, and out of touch (Woods, 1999). Today, regardless of attempts to rebrand HRM as strategic and value-added, much of the nature of HRM has not changed

significantly from earlier years (Armstrong, 2011; Kaufman, 2012). Human resources frequently defaults to a consultative or support role where the HR leaders have some mastery (Fazzari & Levitt, 2008) and maintains the traditional HR view as a cost center subject to cost controls (Wei, 2006). Additionally, knowledge gaps among HRM leader skill sets combined with the ability to run the HR operation regardless of strategy (Vance, 2011; Wright & Snell, 2005) cause difficulty for HRM leaders. Rynes, Colbert, and Brown's (2002) research found a significant disconnect between HR leaders' perception of HRM knowledge and the required HRM knowledge needed in practice. Faulty perceptions among HR leaders may explain why HR leaders perceive human resource's contribution to firm success much more favorably than other managers do from the same organizations (Subramony, 2006; Wright et al., 2001b). Although research may point to the valuable importance of HRM's strategic ability to add value, it remains today, one of the least popular organizational functions (Welbourne, 2012). A cause and effect between HRM practices and the resulting firm performance is evidenced in the literature but frequently the HRM leaders are either not grasping the concepts of strategic HRM, refuse to bridge the gap, or fail to garner the necessary support for making the leap to full strategic partner (Rynes et al., 2002; Subramony, 2006). For HRM to transition to a strategic business partner position, the HRM leaders must figure out how to make a strategic contribution and how to rebrand themselves in the eyes of the leaders they serve.

Human Resource Management Alignment, Program Support and Integration

Senior executives (business unit leaders) shape their organization's strategy and determine whether HR will have a seat at the strategy table (Cunningham & Kempling, 2011; Losey, Meisinger, & Ulrich, 2005; Pilenzo, 2009). "No group is more important to the HR function than the senior executives. They allocate funds, commit resources, and

show support for the HR function. They must understand the value and impact of the HR function” (Phillips & Phillips, 2012a, p. 27). Since effective HRM exists only when senior management acknowledges and accepts the importance of human resources (Cunningham & Kempling, 2011) HRM leaders must demonstrate value and acquire support from the organization’s critical management team. The connection is clear. If the organization’s management sees a track record of HRM success and believes HRM’s involvement in the strategic process is important, HRM benefits through involvement in the strategic process, and gains increased credibility, visibility, power, and HRM investment (Buyens & De Vos, 2001; Wei & Lau, 2005). The opposite also holds true (Wei, 2006; Wei & Lau, 2005). Without management support and the ability to demonstrate HRM value, management relegates HR leaders to the realm of “just talk” (Pritchard, 2010).

Ambiguity in the concept of what “being strategic” means to HRM leaders, as well as the HRM work organizational leaders most value should be of concern to HRM leaders (Pritchard, 2010; Wei & Lau, 2005). “By analyzing the level of agreement or disagreement, it may be possible to strategize more effective ways to provide, document, and communicate the value-added of HR” (Wright et al., 2001b, p. 112). The benefits of strategic alignment for HRM include support for HRM programs, inclusion in strategy formulation, and investment in HRM. Ultimately, the benefits of HRM integration to the organization include the potential for improvements to the business, HRM as a competitive differentiator, and HRM as a source of sustained competitive advantage. However, disconnects among HRM leaders’ technical HR knowledge, demonstrated business knowledge, and varying ability to demonstrate knowledge is a barrier to strategic HRM.

Statement of the Problem

The Mississippi casino industry remains commoditized in the similarity of the amenities and services offered throughout the market. Competition among casinos for increased revenue generation, profitability and market share requires differentiation from the competition (AGA, 2012c; Eadington, 1995; Kale, 2005; Low, 2009; Zhang, Dewald, & Neiryneck, 2009). Capital investments and marketing initiatives alone are not enough to differentiate one organization from the competition within an industry of similar products and services. An organization's human resources, however, can be valuable, rare, difficult to imitate, and can lead to sustained competitive advantage when aligned with an organization's strategic goals and perceived by management as a value-added differentiator (Delery, 1998; Katou, 2009; Wei, 2006; Wei & Lau, 2005; Woods, 1999).

However, flawed perceptions between HRM leaders and business unit leaders about HR's strategic competence and business alignment results in lost opportunities to use HR as a competitive advantage differentiator (Cunningham & Kempling, 2011; Lawler, 2005; Lawler & Boudreau, 2012; Phillips & Phillips, 2012b; Pilenzo, 2009; Wei & Lau, 2005; Wright, et al., 2001b). Within the casino industry generally, and specifically the Mississippi market, disparate perceptions of business-unit leaders and HRM leaders regarding the strategic value of the HRM function can potentially limit the capacity of the HRM function as a strategic business differentiator capable of influencing sustained competitive advantage.

Purpose of the Study

The purpose of this study is to describe the perceptions between HRM and business unit leaders of the value of the HRM function as a potential strategic business differentiator and a viable method to achieve sustained competitive advantage in the

Mississippi casino industry. The study will describe the perceptions between HRM and business unit leaders of HRM's value/cost position, HRM skills and status (technical versus strategic), the necessity of having HRM as a strategic partner, barriers to achieving strategic status, and the potential benefits to both groups. The study will determine if business unit leader's perception of HRM's strategic capability and alignment to firm strategy is associated with HRM's influence and management's intent to demonstrate support for HRM programs (Boudreau & Lawler, 2012; Lawler, 2005; Lawler & Boudreau, 2012; Wei, 2006; Wei & Lau, 2005; Wright, et al., 2001b). The study will determine the relationship between business unit leader's perception of HRM's strategic capability and integration with firm strategy and the perception of strategic differentiation and sustained competitive advantage (Cunningham & Kempling, 2011; Delery, 1998; Lawler & Boudreau, 2012; Pilenzo, 2009; Wei, 2006; Wei & Lau, 2005).

Research Objectives

The objectives of this study focus on the perceptions of HRM leaders and business unit leaders relating to HRM's strategic capabilities and potential as a business differentiator in support of sustained competitive advantage within Mississippi casino companies. The objectives include

- RO1: Describe the characteristics of participants including (a) position title, (b) years of experience in current field, (c) years of experience in Mississippi casino resort industry, (d) age, (e) gender, and (f) education.
- RO2: Compare HRM leader and business-unit leader perceptions of HRM's current (a) value and (b) cost within their organizations.
- RO3: Compare HRM leader and business-unit leader perceptions of HRM leader knowledge of (a) business literacy, (b) organizational strategy, (c) technical

HRM knowledge, (d) alignment of HRM strategy to organizational strategy, and (e) HRM leader management capabilities within their organizations.

RO4: Identify HRM leader and business-unit leader perceptions of the benefits and barriers to achieve strategic application of HRM practices within their organizations.

RO5: Determine the relationship between business-unit leader perception of HRM strategic capabilities/alignment to their organizational strategy and business-unit leader intent to (a) support HRM programs, (b) include HRM in strategy formulation, and (c) invest in HRM funding.

RO6: Determine the relationship between business-unit leader perception of HRM strategic capability/alignment in their organization and (a) intent to integrate HRM strategy into business strategy development, (b) increased use of HRM as a business differentiator, and (c) perception of HRM as a method to sustain competitive advantage.

Conceptual Framework

The conceptual framework for this study illustrates the elements supporting the concepts of the HRM value/cost proposition; HRM's strategic capability and business alignment; the barriers/benefits of strategic HRM application; and the comparison of HRM and business-unit leader perceptions of HRM's strategic capability. The conceptual framework further depicts the relationship between business-unit leader perception of HRM strategic capabilities and the intent to support and include HRM in strategy formulation, and the intent to integrate HRM strategy into business strategy (Figure 1). The study will compare HRM leader and business-unit leader perceptions of

HRM leader business literacy, knowledge of organizational strategy, knowledge of technical HRM, alignment of HRM strategy to firm strategy, and HRM manager capabilities. The study will determine the relationship between business-unit leader perception of HRM's strategic capabilities and support for HRM, inclusion of HRM in strategy formulation, and intent to invest in HRM development. Finally, the study will determine the relationship between business-unit leader perception of HRM's strategic capabilities and the intent to integrate HRM strategy into firm strategy, the perception of HRM as a competitive differentiator, and the perception of HRM as method for achieving sustained competitive advantage.

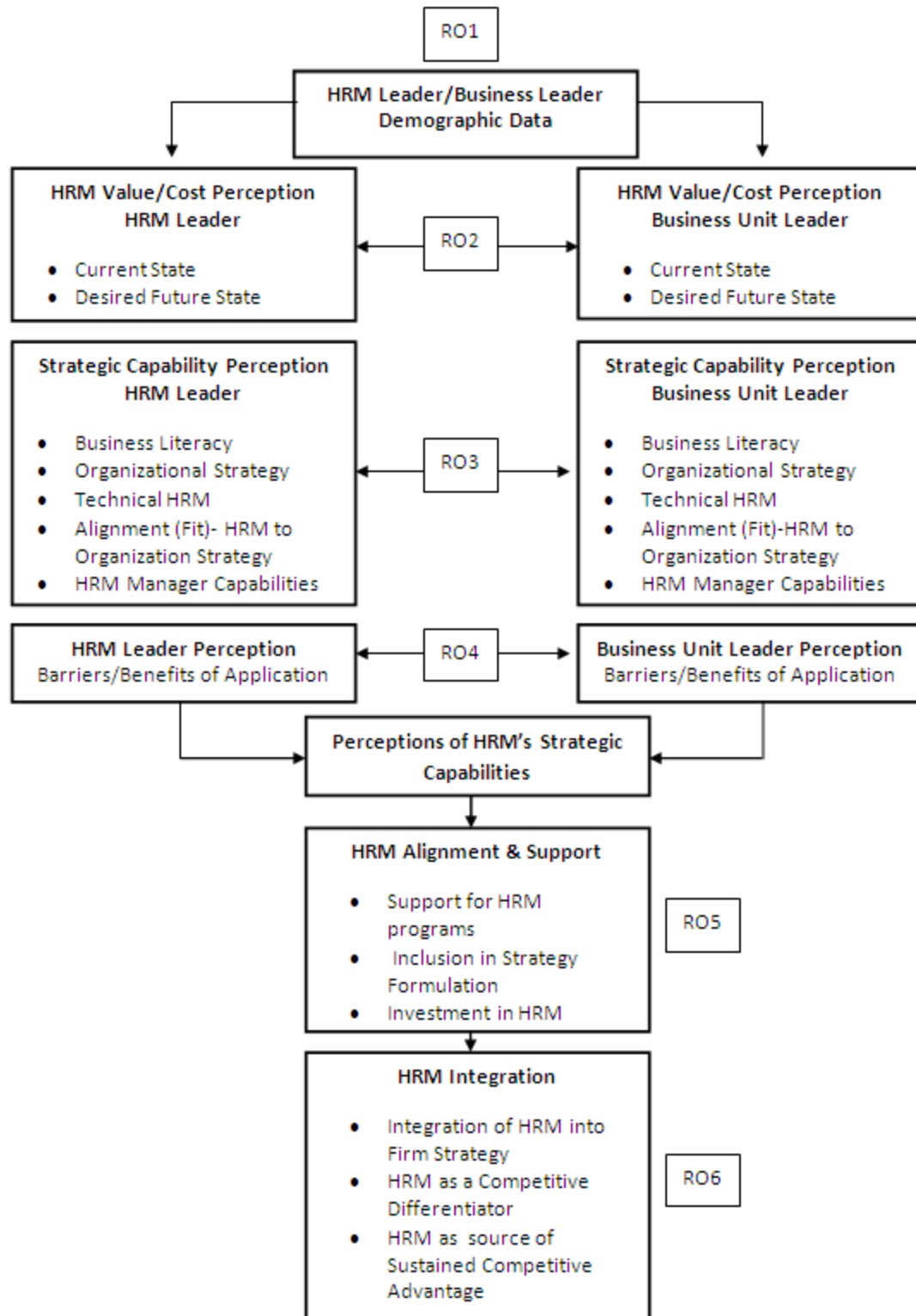


Figure 1. Conceptual Framework.

Significance of Study

Findings of this study demonstrate the current status of the HRM function within the Mississippi Casino Industry as perceived by both HRM leaders and casino business-unit management. The findings characterize the perceived value/cost of the HRM function and determine whether the function is realizing its full potential for delivering sustained competitive advantage in the population of interest. This study explores previously undiscovered disconnects between casino HR Leaders and Business-Unit Leaders and lays the foundation for improving alignment of HR strategy to organizational strategy to deliver value for both groups. Results reveal HR Leaders perceived status and potential practices and competencies, which may lead to higher status, greater support from business leaders, and improved investments in the HRM function. Senior business leaders may benefit from the results of this study by understanding how HRM functions can contribute to differentiation and sustained competitive advantage through alignment of HR strategy to organizational strategy in support of strategic business initiatives.

Limitations

Study limitations include the study population (Mississippi casino industry leaders), scope of study, and availability of data. The study is limited to corporate casinos located in the state of Mississippi and is dependent on the number of responses from a relatively small group of potential respondents. The study is limited by the study of perceptions between two groups (HRM leaders and business unit leaders) in the Mississippi casino industry. Based on anticipated non-availability of proprietary financial and business data, the researcher anticipates the study will not explore direct financial connections between the perceptions of both groups and resulting financial variables (the black box) leading to suggestions for future research in this area. Finally,

the study is limited by the potential turnover of senior HRM leaders and business unit leaders in the industry, which may lead to a reduced population size meeting the threshold for inclusion in the study.

Delimitations

Study delimitations limit the specific population of interest to include only those who operate as the senior-most operations leaders in Mississippi casinos. The study does not include the supervisory ranks of leaders such as shift managers, supervisors, or leads instead focusing only on those leaders who have the most exposure to business strategy and HR partnership. This study focuses only on corporate-owned casinos in the state of Mississippi and excludes Native American-owned properties who do not operate strictly under the control of the Mississippi Gaming Commission and who do not belong to the Mississippi Gaming and Hospitality Association. Additionally, participants must have at least one year of experience in their current workplace to qualify for inclusion in the study. The results of this study are therefore, most generalized to those HR leaders and business-unit leaders employed by corporate-owned casinos in the state of Mississippi.

Definitions of Key Terms

The following terms apply to this study and are useful in describing non-standard terms for the reader's benefit.

Black Box – Refers to the difficulty in empirically testing the resource-based view model due to “a lack of clarity with respect to the relationship between the independent variables (characteristics of organizational resources) and the dependent variable (competitive advantage)” (Paauwe & Boselie, 2003, p. 58). According to Priem and Butler (2001) the black box refers to the frequent indications of organizational resources being useful without particular attention to the when, where, and how of its usefulness.

Business Alignment – as defined by Phillips and Phillips (2012b, p. xiv), “ensuring that a new project, program, or process is connected directly to business impact measures, usually expressed in terms such as output, quality, cost, or time.”

Commercial Casino Gaming – “Casino gaming is the largest part of the commercial gaming market, and it continues to grow in popularity due to the creation of new casino destinations and the expansion of existing casino locales. A casino is usually characterized by the offering of banked games. Banked games are those in which the house is banking the game and essentially acting as a participant, meaning the casino has a stake in who wins. Commercial casino gaming takes a variety of forms, the most recognizable of which consists of what are called Las Vegas-style casinos. Other commercial gaming venues include excursion (mobile) and dockside (permanently moored) riverboats, card rooms and racetrack casinos, commonly called racinos” (AGA, 2012b, p. 3).

Competitive Advantage – Occurs when a firm implements a value creating strategy not simultaneously being implemented by any current or potential competitors (Barney, 1991).

Contingency Model– Also known as the *best fit* perspective, this logic spotlights the manner in which the HR function appreciates firm strategy and the relationships among HRM practices and reasons HRM strategy is more effective when properly assimilated into firm strategy (Khilji & Wang, 2006; Lepak & Shaw, 2008).

Fit – “The primary logic of melding the HR function into the strategy of a firm and reflects the interactive role of HRM practices and their relationship with the organizational strategy” (Wei, 2006, p. 49). The fit perspective proposes the HRM function must be aligned in order to support the creation and execution of an

organization's strategic priorities (Cunningham & Kempling, 2011; Lepak & Shaw, 2008).

Horizontal Fit – Refers to the coordination among a variety of human resource practices and policies including how they work together as a system to achieve organizational objectives (Baird & Meshoulam, 1988; Delery, 1998; Wei, 2006).

Human Capital– Derived from economics, human capital is the productive abilities of human beings an organization acquires at a cost and is useful in producing services and goods to organizations (Parnes, 1986). In referencing the human resources of organizations, “They are called human capital because people cannot be separated from their knowledge, skills, health, or values in the way they can be separated from their financial and physical assets” (Becker, 2013).

Human Resources – also known as personnel– a body of persons usually employed (as in a factory or organization) (<http://www.merriam-webster.com/dictionary/personnel>).

Human Resource Management (HRM) – Responsible for activities such as human capital management, organizational design and development, recruiting, selection, talent management, learning and development, rewards and recognition, and employee relations (Armstrong, 2011).

HRM Competency – The HR function's ability to develop and implement an internally consistent HRM system aligned with an organization's strategic desires (Wei & Lau, 2005).

Resource-Based View of the Firm (RBV) – Indicates an organization can gain sustained competitive advantage from the resources it possesses if those resources are valuable, rare, imperfectly imitable, and non-substitutable (Barney, 1991). Relating to

human resources, the RBV theory demonstrates HRM assists in transforming employees (human capital) into rare, inimitable, and valuable assets, resulting in an organizational benefit which is difficult to imitate (Wei, 2006).

Strategy – “is the creation of a unique and valuable position, involving a different set of activities” (Porter, 1996, p.68).

Strategic Human Resource Management – Research demonstrates no consensus on an exact definition of strategic human resource management (Wei, 2006), however broad agreement of its function persists. For this study, strategic human resource management refers to a strategic approach to managing people that determines how the organization’s goals will be achieved through its human resources and through integrated HR strategies, policies and practices (Armstrong, 2011). Strategic human resource management differs from traditional human resource management in the emphasis placed on an organization’s strategy and plays an important role in initiating organizational change (Christensen, 2005).

Sustained Competitive Advantage – is distinct from the concept of competitive advantage. “A firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy” (Barney, 1991, p. 102).

Technical Human Resource Management – “The traditional HRM function, or technical HRM activities, covers a wide range of employment practices, including recruitment, selection, performance appraisal, training and development and the administration of compensation and benefits” (Wei, 2006, p. 49).

Universalistic Model– Also known as, the *best practice* perspective, this logic argues certain individual HRM practices have strategic value and all organizations will benefit if they adopt similar best HRM practices (Khilji & Wang, 2006; Lepak & Shaw, 2008).

Vertical Fit– refers to the alignment and integration of the HRM overall practices with the strategic plan of the organization and focuses on the compatibility between the HR practice package and firm strategy (Armstrong, 2011; Wei, 2006).

Summary

The casino industry in America strongly influences state and local economies, demonstrating considerable growth during the last twenty-five years. Commercial casino gaming is now readily accessible to a large portion of the U.S. adult population and is considered acceptable as both a source of job opportunity and an approved form of entertainment. Due to the continued expansion of commercial gaming in the United States and the commoditized nature of the industry, the competition for customers, revenue generation, and market share is unyielding. Casino organizations require differentiation where possible to achieve sustainable competitive advantage. The human resource management function has the ability to leverage a casino's human capital in support of sustained competitive advantage. However, the perceived benefits of HRM may be limited due to disconnects between HR and business leaders about HR's strategic competence and business alignment. No systematic studies exist exploring the concept of strategic human resource management in casino operations.

The purpose of this study is to describe the perceptions between HRM leaders and business unit leaders relating to the value of the HRM function as a potential strategic business differentiator and a viable method for achieving sustained competitive

advantage in the Mississippi casino industry. The study will identify current perceptions between HRM and business unit leaders relating to HRM's strategic role and competitive advantage in casino settings. The study may lead to discoveries benefiting casino organizations in casino jurisdictions. Response rates, potential turnover in the senior ranks and the proprietary nature of the researched information limits the study. A review of related literature supports the problem statement and conceptual model.

CHAPTER II

REVIEW OF RELATED LITERATURE

This chapter provides a review of literature supporting the conceptual framework for this research. The review of literature includes an overview of the casino industry and the changes to the industry leading to the need for competitive responses by all leadership functions including human resources. Within the general field of human resource management (HRM), the review of related literature examines the changing role of human resource management, a discussion of the nature of strategic human resource management including associated challenges to the field. Included is a review of the primary models used in strategic HRM research with a focus on contingency (fit) of HRM practices to organizational strategy. The review provides insight into the nature of HR leader capabilities, perceptions of line management pertaining to HR effectiveness, HRM's strategic role in business performance, and the resulting HRM performance and ancillary problems identified in the literature. The literature surrounding the concept of strategic HRM is applicable to the casino industry and provides an overall support for the conceptual framework and research objectives within the study.

The Casino Industry and Its' Connection to Mississippi

U.S. Casino Industry

“So, being easily convinced, and, like other respectable creatures, satisfied with small reason, when it is in favour of what I have a mind to, I shuffle the cards again, and begin another game” (Franklin, 1786 as cited in Rychlak, 1995). Predating even Mr. Ben Franklin, games of chance and gambling existed since the early times of man (Hashimoto, 2008; Lucas & Kilby, 2012). According to Rychlak (1995), games of chance existed among ancient Chinese, Egyptians, Hebrews, Greeks, and Romans.

Excavations in London, England unearthed dice dated approximately two thousand years old and other estimations demonstrate the advent of dice games prior to 2,300 years B.C. (Roberts, 1997). “Casinos—permanent places for gambling activities in the form of games—were probably in existence in some form during the Roman Empire. They were certainly reestablished during the Renaissance era, and they were exported to the Americas as the European settlers reached the shores of the New World. The casino-type games followed as settlers moved to the interior and then to the west” (Thompson, 2001, xxvi).

From very early on, the government has been involved in regulating gambling. Records indicate in India as early as 321 BC, a government department existed to regulate gambling, taking 5% of the receipts (Durant, 1954 as cited in Rychlak, 1995). Today, the modern gaming industry thrives in America demonstrating major economic impact within host communities. In 1931, Nevada legalized casino gaming marking the beginning of a transition in America’s beliefs about the acceptability of the industry. Additional changes occurred later. Important dates include the creation of the first state gaming commission in 1959; the passing of corporate gaming acts in 1967 and 1969, which allowed corporate involvement in the industry; and the first *pure* casino company to trade on the New York Stock Exchange in 1973. Further important dates include the beginning of the largest expansion of legalized gaming in new jurisdictions in U.S. history in 1989 and the creation of the American Gaming Association in 1995 (AGA, 2012b; Hashimoto, 2008; Lucas & Kilby, 2012). Legalized gambling in America experienced accelerated growth over the last twenty-five years, becoming readily accessible to a large portion of U.S. citizens, and its status continues to influence state and regional economies (AGA, 2007). Research by Peter D. Hart on behalf of the AGA

demonstrates approximately 27% of the U.S. adult population patronized a casino during 2011 equaling approximately 59.7 million people, second only to the lottery in popularity (AGA, 2012b). “According to 2012 public opinion polling, 81 percent of Americans view casino gaming as acceptable for themselves or others, which is in line with survey results during the past decade” (AGA, 2012c, p. 3).

National Commercial Gaming Economic Considerations

Although legal casino operations existed for several years in places such as Las Vegas and Atlantic City, the 1990s witnessed an expansion of gaming throughout the United States (AGA, 2012c; Eadington, 1995; Gross, 1998; Hashimoto, 2008; Lucas & Kilby, 2012). During 2011 alone, commercial casino operations generated revenues of approximately \$35.64 billion, demonstrating an increase over the 2010 year of approximately 3% with approximately \$7.93 billion delivered to local and state governments in the form of taxes (AGA, 2012b). During 2011, approximately 339,098 people were directly employed in the industry earning approximately \$12.9 billion in earnings including tips and benefits (AGA, 2012b). Based on both direct and indirect impacts, the casino industry sustained approximately \$125 billion in spending and approximately 820,000 jobs in the United States in 2010 (AGA, 2012b). According to the Battle Group, in 2011, the commercial casino industry demonstrated significant economic impact to its top host communities in excess of \$56 billion including consumer spending, casino purchases with vendors, and employee spending in the greater local community (AGA, 2012c). “During 2011, consumers spent more at commercial casinos than they did on music, movies and outdoor equipment combined” (AGA, 2012a, p. 6).

Mississippi's Commercial Casino Economic Considerations

Mississippi's legislature legalized casino gaming in 1990, and since then the state has grown its industry (AGA, 2012c; Gross, 1998; Oliver, 1995). One of the most influential arguments for the creation of legal casino gaming in Mississippi referred to the economic status of Mississippi counties along the Gulf Coast and the Delta. The Gulf Coast area was still seeing slow recovery from Hurricane Camille in 1969, and Tunica County during the 1980s had the lowest per capital income of any county in the nation and was referred to by Jesse Jackson as "America's Ethiopia" (Nelson & Mason, 2003-04). As an economic stimulus early on, *U.S. News & World Report* ranked the state's economic recovery number one, having slashed the stated unemployment statistics from 10.8% to 5.4% during 1993. At one point, Mississippi ranked number three nationally as a gaming jurisdiction. As with several jurisdictions, Mississippi's legislature did not limit the number of licenses permitted, deferring to market and other factors to restrain the number (Nelson & Mason, 2003-04; Oliver, 1995). The industry-friendly model adopted by the State (often referred to as the Nevada model) did not restrict the amount of casino licenses, including no caps on maximum bets, or hours of operations. Coupled with the ability to remain dockside and an 8% tax rate (about half of other states) Mississippi quickly realized early success with this new industry (Nelson & Mason, 2003). In 2011, Mississippi hosted 30 casinos including both dockside and land-based and witnessed visitations equaling 28.87 million guests. During this same period, the casino industry employed approximately 23,721 people who earned approximately \$826.64 million in wages. Gross gaming revenues equaled \$2.24 billion during this period and paid \$274.42 million in gaming taxes (AGA, 2012c). In the last 20 years in Tunica County alone, the combined 12% gaming tax (state and county) created over \$2.1

billion in tax revenue with \$704 million invested directly in the local community (TCVB, 2012). Through varying economic and environmental variables such as the most recent recession, Hurricane Katrina, the Gulf oil spill, a massive flood event in the Delta and competition from other emerging gaming markets, Mississippi witnessed lost market share nationally as it sought to compete with other regional operators. Similar economic issues affect the national commercial gaming industry as well.

Commercial Gaming's Growth and Economic Implications

Although national statistics demonstrate some growth in 2011, not all jurisdictions benefited. In fact, despite overall growth in the economic impact numbers, some states demonstrated weakening returns in gross gaming revenue, taxes, and employment numbers including New Jersey and Delaware, primarily associated with competition (AGA, 2012c). As early as 1995, Eadington (1995) predicted excess profits earned earlier in the decade by the initial operators of expanded gaming would not be repeated by those entering the market later primarily because the shortage of supply would continue to fill in by later operations. Gross (1998, p. 206) supports Eadington's (1995) assumption through the stated phenomenon of "destructive competition" among jurisdictions, which leads to the expansion of casinos. This prediction has come true in several jurisdictions. With increased competition among cash-strapped states to attract casino operators to increase state tax incomes, gaming continues its expansion throughout the United States. As a result, the competition for customers of the decreasing market is becoming more competitive requiring a greater focus on strategy and the employment of gaming leaders capable of increasing organizational revenue. In addition, the advances in technology are changing the face of commercial gaming.

The advent of online gambling is growing quickly as a new frontier.

Internationally, online gambling alone accounted for 30 billion in revenue in 2010, with approximately \$4 billion generated from the United States (D'Angelo & Irwin, 2012). Although not specifically outlawed at the federal level, the Justice Department has a history of challenging online gambling through enforcement of federal statutes such as the Wire Act. Most recently, the U.S. Department of Justice issued an opinion, which gives hope to organizations wishing to expand into online gambling as it may be reversing its opposition to this stream of gaming business. Some states such as Nevada have since enacted laws to allow within-state online gambling to capture the additional tax revenues associated with the opportunity. National gaming companies have made overtures to prepare for the opportunity to move into this new arena when legally allowed to do so (D'Angelo & Irwin, 2012). Due to the expansion of commercial casino gaming nationally, the growth in technology, and the variable economic indicators, the competition for customers and revenue growth is becoming more competitive requiring a greater focus on strategy and differentiation. The role of human resource leaders in creating and implementing strategy and the variables surrounding the HRM function in Mississippi casinos is important to the study of business differentiation and competition. However, several strategy disconnects exist between what is needed by organizations and what is provided by some HRM functions.

Strategy Disconnects

The precise nature of strategy as a concept is debatable and definitions of strategy relating to specific units such as businesses fluctuate. However, strategy is a term regardless of its vagueness, used abundantly (MacLennan, 2011). Grundy and Brown (2003) demonstrate a considerable number of incongruent connections between corporate

and HR strategy requiring exploration to determine how corporate and HR strategy are linked. For example, when looking at differences of opinion on strategy a report issued on behalf of The Conference Board indicated, “On a global basis, CEO’s again ranked Human Capital as a critical challenge for their companies in the coming year. And again this year, human capital professionals take issue with the global and regional CEO ranking of the strategies for successfully addressing this challenge” (Ray, 2012, p.1). Although the report does show some alignment between CEOs and HCP professionals in the areas of human capital criticality towards success, (growth of internal talent is an area of focus both groups agree on), they agree on little else (Ray, 2012). This can lead to trouble in strategy execution and business growth. HR strategy is widely believed to be important and necessary to supporting an organization’s response to competitive environments, however many organizational leaders (including HR leaders) lack a clear conception of what strategy is (Grundy & Brown, 2003). From its earliest inception to today’s business ally, the human resource function is continuing through a period of change in how the function is organized, what it does, and how it adds value to the organizations it serves.

Changing Role of Human Resource Management

The pursuit of status and esteem within organizations and the ability to prove the value of the human resource management (HRM) function within organizational settings has haunted the profession for over 60 years (Phillips & Phillips, 2012a; Phillips & Phillips, 2012b; Phillips, 2012; Vance, 2011; Wright, et al., 2001b). “The constant worry of all personnel administrators is their inability to prove that they are making a contribution to the enterprise. Their preoccupation is with the search for a ‘gimmick’, which will impress their management associates. Their persistent complaint is that they

lack status” (Drucker, 1954, p. 205). Proof HR matters is what Ulrich and Smallwood (2005, p. 137) term, “The Holy Grail of HR.”

Major global developments, such as the growth in technology, connectivity, political change, and the emergence of new countries onto the global playing field of business (Friedman, 2007), shape new competitive pressures for HRM at both the practice and research level above those realized during Drucker’s period (Wright et al., 2001b). HRM leaders face a combination of a rapidly changing and diverse workforce comprised of demographically dispersed cohorts of workers (mature, mid-career, and young) (Dychtwald, Erickson, & Morison, 2006), as well as disparate imbalances in education, education funding, and ambition (Friedman, 2007). These and other forces challenge HRM leaders in developing strategies for the business, workforce, and HR, which adds demonstrable value to organizations (Huselid et al., 2005; Vance, 2011). As Drucker (1954) and other researchers and practitioners demonstrate, HRM has historically been pressured to compete and prove the worth of the function from early on. The evolution of HRM continues today.

Origins/History of HRM

The founding of the modern field of human resource management (HRM) in the 1970s set the stage for advancement to strategic human resource management (Strategic HRM) in the 1980s (Kaufman, 2012). Human resource management, according to Armstrong (2011) is responsible for a wide variety of services including managing human capital, organizational design and development, and what is referred to as resourcing – the areas such as workforce planning, recruiting, and talent management. Historically, HR served the role of employment, compensation, and training of personnel and today these functions are too limited and narrow and become less predominant to the

HR leader's role (Wei, 2006). Technical HRM includes elements such as attracting high potential employees, appropriate positioning of employees, firm specific training, and motivation (Wei, 2006). Armstrong (2011) indicates HRM is fundamentally strategic, is commitment-oriented, believes people should be treated as assets or human capital, and believes employees and management share the same interests. Further, HRM is a management-driven initiative focused on business values and has an ethical dimension expressed in social responsibility.

Movement through 1980s and 1990s

Wright, Snell, and Dyer (2005) report although human resource management, in all of its differing titles, has existed for over a century, the subfield of HRM known as strategic human resource management (Strategic HRM or SHRM) has existed about a quarter of this time. In describing the developments in research during the 1980s and 1990s, Kaufman and Miller (2011) indicate the focus of HRM research turned to defining and energizing the new subfield of Strategic HRM. It was during this period in which the focus of Strategic HRM research turned toward exploring the linkages between HRM practices and the resulting impact on organizational performance. According to Wei (2006), "Compared to technical HRM, SHRM is considered a relatively 'new' concept, despite its continuous development over the past two decades" (p. 49). Several researchers and authorities on human resource management agree the historical HRM function, also known as technical HRM or personnel, covers a large range of practices, including recruiting, employee selection, performance appraisal processes, training and development (T&D) and compensation/benefits administration and was easily understood and executed. The department hired, paid, and ensured contribution of people to organizational requirements (Bahuguna, Kumari, & Srivastava, 2009; Huselid, Jackson,

& Schuler, 1997; Wei, 2006). During the 1970s, the term *personnel management* began to be replaced by *human resource management* because of an emergent recognition of human resources as important to the firm achievement and an orderly requirement to manage the resources (Schuler & Jackson, 2005). The HRM field evolved over time from the maintenance of files in the mid-1960s and accountability period relating to the Civil Rights Act of 1964 as non-HR managers became more aware of the HR function, demanding increasing performance (Cascio, 2005). The 1980s was a period of greater accountability for all business functional areas including the HR function (Cascio, 2005). As the HRM field continued to emerge and develop during the 1980s, it became distinct from the earlier personnel functions due to the change in perception of employees as capital assets (Grundy & Brown, 2003; Kaufman & Miller, 2011) and led to HRM professionals being viewed as possible partners who should be involved in the strategic process (Schuler & Jackson, 2005).

Over time, as competition among organizations grew, the resulting organizations focused on a strategic approach to answering the challenges, which filtered down to the individual departments within the firm causing them to reshape the strategic management process, including the integration of the human resource function (Bahuguna et al., 2009; Jamrog, 2004). Organizational restructuring and the growth of the Internet in the 1990s caused many of HR's routine transactional functions such as payroll, benefits, and some training to be outsourced (Cascio, 2005). As a result, a new process of human resource management emerged, known as Strategic HRM. Wei (2006) indicates the combination of HRM and business strategy is Strategic HRM. It provides a greater focus on the strategic application of the HRM function to achieve the goals of the host organization and leads to competitive advantage. The evolution of HRM during this period overlaps

with Cascio's (2005) four stages of HR development including file maintenance, government accountability, organizational accountability, and finally strategic business partner. This evolution based on the strategic needs of the host organization sets the stage for today's HRM requirements.

Addressing Today's HR Challenges

Increasingly management calls upon the HR function as one of the primary functions for developing and implementing strategic responses to competitive pressures (Buyens & De Vos, 2001). The field of Strategic HRM has enjoyed exciting growth during the past two decades in both academic and management practice (Becker & Huselid, 2006; Lepak & Shaw, 2008). As stated by Lepak and Shaw (2008) "The origins of the field can be traced to a few influential and innovative perspectives by authors such as Dyer (1984), and Schuler and Jackson (1987), and its growth was aided by the momentum created from pioneering empirical studies by authors such as Huselid (1995), Delery and Doty (1996) and MacDuffie (1995)" (p. 1486). Wright et al., (2005) indicate although strategic human resource management initiated its emergence during the 1980s, many of the field's greatest theories and empirical strides occurred during the last decade. Bahuguna et al. (2009) believe, "The central challenge facing HRM is to provide a set of services that make sense with the company's strategic plan" (p. 567). Like most forms of investment, adopting and executing HR practices are costly in terms of time, resources and funding, which could be dedicated to other strategic needs (Subramony, 2006). "Budgets are not unlimited, and there is always competition with others for those resources. Inside an organization, there is always another department, function, or unit needing more budget than has been approved" (Phillips & Phillips, 2012b, p.xxi).

Pilenzo (2009) demonstrates a need for human resource organizations to redefine what they are, whom they serve, and the methods used to distinguish themselves as value-added strategic assets to their organizations. The HR function continues to struggle to define itself including the perceptions of the business operators they serve.

Predominantly Pilenzo (2009) questions what HR does, which provides a measurable return on investment and believes HR either will rise to the challenge, demonstrating value or will begin the slow and inevitable decline into a support function. Pilenzo indicates a new paradigm for HR is required focusing more on strategy and less on HR programs with the goal of creating stockholder, customer, or community value. This position adds credence to other researchers, indicating this focus will assist HR in overcoming the perception in many circles that HR is not a real part of the business plan and they lack an understanding of the business (Adelsberg & Trolley, 1999; Barney & Wright, 1997; Fazzari & Levitt, 2008). As a strategic role for human resources becomes apparent, HR is at a crossroads and failure to embrace the opportunity will leave it with traditional and transactional HR duties requiring justification based on cost (Becker & Gerhart, 1996; Pilenzo, 2009). Throughout much of the history of HR, the function served as an employee controller/regulator leading to specialization focused on following the rules. However, today's employees are taking more responsibility for their own careers and the role of *policeman* is becoming less important (Woods, 1999).

Strategic Human Resource Management

The argument for HRM as a strategic partner is growing and resides within the reality human capital, and how it is organized is essential to organization effectiveness (Lawler & Boudreau, 2012). Research demonstrates human resources is capable of moving past its traditional role in most organizations to become a strategic partner,

however researchers recognize the potential of HR does not inevitably guarantee the function will rise to meet the challenges (Becker & Gerhart, 1996; Boudreau & Lawler, 2012; Christensen, 2005; Kaufman, 2012; Pilenzo, 2009; Pritchard, 2010). As a result, some researchers are anxious about HRM practitioner's adoption of the *rhetoric* of strategic partnership leading to broad generalizations of Ulrich's stance (Pritchard, 2010).

Human resources are one of the few organizational assets having the ability to not become obsolete and transfer across a multitude of products, technologies, and markets (Wright, McMahan, & McWilliams, 1994). Subramony (2006) demonstrates several benefits of strategic alignment, including prioritizing decisions based on perceived business impact, prioritizing HR resources, and influencing adoption of high performance work through alignment with business objectives. The sub-field of Strategic HRM, committed to investigating HR's role supporting strategic business plans provides a path for demonstrating value to organizations (Boudreau & Lawler, 2012; Christensen, 2005; Holbeche, 2009; Wright et al., 2001). Strategic HRM covers overall human resource strategies implemented by businesses and it seeks measurement to gauge performance impacts (Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009). Fitting HR practices to business strategy has become increasingly relevant over the last few years (Bahuguna et al., 2009; Christensen, 2005; Holbeche, 2009; Subramony, 2006). These authors, as well as Wei (2006) argue the role of human resource management in today's business environment exceeds the traditional scope of payroll management, recruiting, benefit administration and implementing the strategic intentions of senior management and extends to an active role in the critical formulation of business strategies. (Delery, 1998; Huselid et al., 1997; Wei & Lau, 2005; Wei, 2006) informs researchers continuing research demonstrates the methods used by organizations to manage human resources

have the potential for substantial impact to those organizations, including better performance than other firms do. Human resource management practices demonstrate significant influence in such business areas as employee turnover, productivity, finance, business survival, and organizational valuation (Arthur, 1994; Delery, 1998; Delery & Doty, 1996; Huselid, 1995; Ichniowski, Shaw, & Prensushi, 1997; MacDuffie, 1995; Welbourne & Andrews, 1996). With some exceptions, most Strategic HRM research places the main emphasis on overall organizational performance at the macro level such as financial performance and management's perceptions of organizational performance (Lepak & Shaw, 2008). The research literature reveals several definitions of strategic HRM (Armstrong, 2011; Becker & Huselid, 2006; Holbeche, 2009). Armstrong (2011) indicates Strategic HRM is a systematic approach to the function of human resources playing a strategic role in organizational outcomes, human capital serving as a major source of competitive advantage, and understanding human capital as a significant source of competitive advantage. Christensen (2005) underscores the basic requirement of administrative competence as a prelude to the path between human capital and success in the marketplace. "It looks at the relationships among the human, financial, market, and technological assets of an organization in order to build organizational capabilities that enable companies to win in the marketplace" (Christensen, 2005, p. 160). Researchers may differ on the specific nuances of the distinctive features between Strategic HRM and other positions of HRM research (Lepak & Shaw, 2008).

Understanding Strategic Human Resource Management

There is no complete agreement on a specific definition of strategic human resource management. This is not surprising as there is little agreement as to what specific practices form a coherent HRM system (Becker & Gerhart, 1996; Kaufman &

Miller, 2011). However, there are similarities in both approach and function. “But SHRM, from the beginning, has been viewed from different perspectives” (Kazmi & Ahmad, 2001, p. 133). Strategic HRM is “the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals” (Wright & McMahan, 1992, p. 298). Strategic HRM focuses on the overall human resource strategies companies adopt which link the HR function with strategic organizational objectives and goals. Strategic HRM is focused on improving performance, the culture of the organization, cultivating needed flexibility, and innovative thinking (Bahuguna et al., 2009; Buyens & De Vos, 2001; Wei, 2006). The term “strategic human resource management” among HR leaders generally indicates HRM actions should play a part in firm effectiveness (Schuler & Jackson, 2005). It focuses on improving business performance and organizational culture, which improves both innovation as well as flexibility. The concept of strategy pertains to building sustainable competitive advantage, which in turn creates greater than average financial performance (Becker & Huselid, 2006) and the main objective of Strategic HRM is to create and sustain competitive advantage for an organization (Huselid, 1995; Kazmi & Ahmad, 2001). Delery (1998) believes Strategic HRM has been based to a large degree on the belief a firm must parallel its human resource management (HRM) practices to support business objectives. Kazmi and Ahmad (2001) believe Strategic HRM suffers from semantics problems, which is understandable because emerging disciplines in the early stages often face the problem of semantics and shortcomings in the uniformity of terminology and there is some confusion between the two disciplines. They remind researchers HRM is sometimes used by authors interchangeably with Strategic HRM and as researchers eventually refine the terminology, this issue will subside.

Theoretical Foundations

Choosing a singular correct and practical model among the numerous theoretical models available is not a simple issue (Bahuguna et al., 2009). Each model points out different portions of the process for developing Strategic HRM. Kaufman and Miller (2011) share "...the goal of HRM theory is to explain why individual firms choose a particular expenditure level and package of HRM practices" (p. 530).

Considering the impact Strategic HRM, HR practices, and specifically human resources (capital) can have on an organization's performance, research demonstrates the majority of research and development of Strategic HRM supports the research-based view (RBV) of the firm (Barney, 1991; Christensen, 2005; Collins & Clark, 2005; Delery, 1998; Grundy & Brown, 2003; Lengnick-Hall et al., 2009; Paauwe & Boselie, 2003; Wright et al., 2001a). Lengnick-Hall et al. (2009) indicate, "Needless to say, the resource-based view of the firm has become the dominant theoretical paradigm in most recent SHRM literature" (p. 69). The primary proposal of the RBV is to utilize HR to build competitive advantage for firms through recruitment, training, and purpose to create *hard-to-imitate* knowledge and abilities, which creates extended high performance (Katou, 2009; Kaufman, 2012; Wei & Lau, 2005). The RBV advocates a firm gains competitive advantage by attracting and retaining the best human resources (Buller & McEvoy, 2012; Katou, 2009). Several authors support the resource-based view as significant in strategy literature; however, Barney's (1991) RBV characteristics for sustainable competitive advantage popularized the theory within the strategy literatures (Wright et al., 2001a). "The RBV has significantly and independently influenced the fields of strategy and SHRM. More importantly, however, it has provided a theoretical bridge between these two fields" (Wright et al., 2001a, p. 716). The RBV did not directly

cause the creation of strategic HRM but RBV undoubtedly influenced its development. Due to the need to justify the value of human resources (Buyens & Devos, 2001; Pilenzo, 2009; Cascio, 2005; Jamrog, 2004) and strategic HRM's propensity as a field to use theories from the strategy literature, RBV's integration into strategic HRM literature is unsurprising (Wright et al., 2001a). The resource-based view of the firm as proposed by Barney (1991) indicates an organization can gain sustained competitive advantage from the resources it possesses if those resources are valuable, rare, difficult to imitate, and non-substitutable. A central tenet of the RBV in sustained competitive advantage requires firms to be able to utilize human resources in ways, which are rare, inimitable, and cannot be copied (Buller & McEvoy, 2012; Christensen, 2005; Delery, 1998; Paauwe & Boselie, 2003; Purcell, 1999; Wei, 2006; Wei & Lau, 2005). As Delery (1998, p. 290) explains, "This shifts the focus from the external environment and how the firm positions itself in a competitive market, to the internal resources of the firm and how the firm is able to use these resources to gain a competitive advantage". The basic assumption serving RBV is the concept of resource heterogeneity, which indicates the resources of different firms are unlikely to be similar. Historical sources of competitive advantage such as natural resources, technology, and others do create value, however the RBV proposal indicates these traditional sources are increasingly easy to imitate compared to the complexity of social structures (Becker & Gerhart, 1996). Barney (1991) does not include physical technology, regardless of its form because if one firm can purchase the physical tools of production, then other organizations can purchase them as well. As a result, these tools are not sources of sustainable competitive advantage. In understanding the human capital of an organization, the RBV theory indicates HRM assists in transforming employees (human capital) into those rare, inimitable, and valuable assets,

resulting in an organizational benefit, which is difficult to duplicate (Buller & McEvoy, 2012; Delery, 1998; Katou, 2009; Wei, 2006). Because it is difficult to understand how exactly the policies and practices of human resources adds value, it becomes difficult if not impossible to imitate them. “Firms can imitate practices that appear to make other firms successful, but it is only through the use of these human resource practices in a unique context that human resources can be developed as a source of sustained competitive advantage” (Wright et al., 1994, p. 320). “In spite of the fact that the relationship between HR practices and competitive advantage is complex, a resource-based view of the firm points out the potential for managers to play an active role in developing such an advantage through focusing on human resources” (Wright et al., 1994a, p. 321). Based on RBV and competency beliefs, Strategic HRM is a strategic maneuver enhancing an organization’s market competitiveness (Wei & Lau, 2005). According to Wright et al., (2001a), following Barney’s (1991) article, RBV has become the theory most often used within Strategic HRM and proven to be integral to the conceptual and theoretical SHRM literature development. “The RBV provides the framework from which HR researchers and practitioners can better understand the challenges of strategy, and thus be better able to play a positive role in the strategic management of firm” (Wright et al., 2001a, p. 717). In Strategic HRM research, ranging from human capital and groupings of talent to the concept of fit between skills and strategy, a routine logic pervades the literature: HR activities and behaviors supposedly develops a skilled workforce, which then engages in specific firm behavior resulting in a source of competitive advantage (Wright et al., 2001a). There are several criticisms of the RBV in the literature associated with the ability to test the concept empirically. Challenges include the issues of testability of the concepts between independent variables

such as the specific organizational characteristics and the associated dependent variables of competitive advantage or firm outcomes (Paauwe & Boselie, 2003). These issues make up the heart of the concept of the black box, which is the largest challenge to the resource based view.

The Black Box

Becker and Huselid (2006) indicate among the many challenges facing SHRM is the ability to properly identify and articulate the theoretical concept of the “black box.” They indicate the black box describes the strategic logic between an organization’s HR architecture and the eventual firm performance. A major focus of research in Strategic HRM has been to identify the causal connection between the HRM practices and the resulting better organizational performance. Strategic HRM research refers to this as the “black box” (Kaufman & Miller, 2011; Paawe & Boselie, 2003; Roehling et al., 2005). There is a lack of clarity regarding the explanation of how HRM affects business performance (Katou, 2009) and critiques of neglect for the social factors such as firm specific requirements, traditions, relationships, and external market factors (Paauwe & Boselie, 2003). In other words, where is the testable or observable linkage between RBV and the resulting economic benefits? Cunningham and Kempling (2011) examined the concept of Strategic HRM in public service organizations and investigated the use of an HR scorecard to improve the way in which HRM contributed to successful execution of the organizational goals, objectives, and strategic initiatives. The scorecard served as a tool to ensure HRM interpreted correctly the organization’s strategies and converted them into clearly measurable HRM objectives, strategies, and tactics.

HR Effectiveness

The search for perceived and demonstrable human resource value above the cost center focus continues to be a necessary requirement of human resource practitioners in today's business climate. Even though strategic HRM offers a coherent framework for acting strategically, it may not have lived up to its original assurances due to a number of factors (Grundy & Brown, 2003). "For many Human Resource practitioners, it's an act of faith that people management is a key factor in determining profitability and HR practitioners are under pressure to prove that value is being added by HR activities" (Christensen, 2005, p. 89). There are large amounts of research and useful value-added HR processes, methods, and practices dedicated to providing HR leaders with tools for demonstrating HR's value. This includes the insightful research in return on investment (ROI) for organizational applications or balanced scorecards for demonstrating impact to strategic alignment (Becker, Huselid, & Beatyy, 2009; Phillips, 2012; Phillips & Phillips, 2012a; Phillips & Phillips, 2012b; Vance, 2011). These examples demonstrate the ability to change the image of human resources from one of a 'nice-to-have' support department to one of significant contribution to a firm's bottom line (Phillips & Phillips, 2012a).

Calculating the return on investment from longer-term HR activities can be difficult even with straightforward equations because when focused on any one area of HR, there are numerous other variables to take into account (Grundy & Brown, 2003; Holbeche, 2009). However, ROI is a necessary process that can ideally be used to ensure the proper focus is placed on the functions most strategically important to an organization's effectiveness to ensure the maximum ability to create a direct impact on the bottom line. These concepts discussed within the ROI literature are a significant

method for countering the effects of the Black Box in demonstrating the direct relationships between HRM processes and firm performance. Beyond the concepts of ROI, human resource practitioners must be concerned with a greater strategic orientation towards their organizations. Researchers and practitioners contributed to the great strides in measuring effectiveness of HR programs and processes. However, the concept of a strategically aligned HRM requires additional investigation. HR strategy is complex, less obvious in the tangibility of value, relatively hard to measure, and sometimes not clearly aligned within the organizational culture (Grundy & Brown, 2003). This requires HR practitioners to be able to combine a sensible short-term delivery focus with a greater strategic view (Holbeche, 2009).

Central to the concept of effectiveness is the balance between strategy creation and formulation, versus implementation and compliance. Authors such as (Bahuguna et al., 2009; Cunningham & Kempling, 2011; Wright & Snell, 1998) demonstrate HR leaders need to support organizations' productivity and performance requirements and be involved in designing the strategic plan depending on the nature of the organizational needs, and not just executing the strategic plan. Armstrong (2011) stresses the strategic role of human resource leaders includes promoting the achievement of organizational goals and values through designing and executing HR articulate strategies within the organization's strategic plan and ensuring the HR actions are strategic in nature. Implementation of a firm's strategic plans is not enough. However, a series of research surveys over several years by Lawler and Boudreau (2012) demonstrate, although HR has a role in strategy, it usually is not as a full partner. The more common role in their research is one of HR providing data and opinions when it comes to strategy creation. In many cases, organizational strategy is an assumption and HR is presumed to simply

decipher and respond to the issues through implementation when obviously strategy formulation or design is an essential function as well (Wright & Snell, 1998). An issue of alignment arises between HR goals and organizational needs. Huselid et al. (1997) discovered HRM leaders' demonstrated weakness in their ability to translate their organization's strategic and operational goals and execute them into HR goals and actions. Between the two groups (management and HR leaders), the areas perceived to be most important by both groups were also the areas where HR was least effective as determined by management and HR (Wright, et al, 2001b). This indicates both HR executives and line executives believed HR to be more effective at delivering the less important service and least effective at delivering the most important services as required by strategy. Pritchard (2010) conducted a yearlong ethnographic study of HR leaders as they transitioned to the role of strategic partner and discovered their descriptions of strategic partner work were relatively vague and unclear. Although the HR leaders were clearly enthusiastic to be freed from the *execution* of older HR work and ready to add *value* in their strategic role, they were unsure about what exactly being strategic involved (*the stuff*). Subramony (2006) believes although the research on the concept of fit between organizational strategy and HR practices is an excellent start, not enough is known about how the strategy is implemented. Collaborating with senior management is an effective way for HR to become an instigator, designer, and an innovator in bringing about change, instead of a simple function whose purpose is to carry out the instructions of others (Woods, 1999). Through the understanding of the varied models and theories for HR business alignment (Phillips, 2012; Vance, 2011) strategy creation, and implementation, human resource practitioners become more strategically adept at demonstrating value to the firm.

Primary Models in Strategic HRM Research

To add strategic value to operations, it is helpful for HR leaders to explore Strategic HRM wisdom relating to the varied models and concepts. There are several aspects of strategic HRM thinking pertaining to strategy design, creation, and implementation, including the universalistic, contingency and configurational perspectives and researchers in the field of strategic HRM tend to adopt one of the three (Hope-Hailey, Gratton, McGovern, Stiles, & Truss, 1997; Katou, 2009; Khilji & Wang, 2006; Lepak & Shaw, 2008). The largest quantity of Strategic HRM research historically represents two major models: the best fit (Contingency approach) and best practice (Universalist approach) (Hope-Hailey et al., 1997; Katou, 2009; Khilji & Wang, 2006; Lepak & Shaw, 2008). There is a lack of researcher agreement regarding which model is predominant (Purcell, 1999; Woods, 1999). The contingency model of best fit spotlights the manner in which the HR function appreciates firm strategy and the relationships among HRM practices and policies and reasons human resource strategy is more effective when properly assimilated with firm strategy and environmental circumstances (Buyens & Devos, 2001; Katou, 2009; Khilji & Wang, 2006; Paawe & Boselie, 2003). The Universalist (best practices) approach argues all organizations will benefit if they adopt similar best human resource practices (Huselid, 1995; Katou, 2009; Khilji & Wang, 2006). Unlike the Universalistic perspective, which is focused on individual HR practices, the configurational perspective argues, “a given HRM practice — regardless of its situational superiority – is unlikely to yield substantial benefits at the organizational level unless it is combined with other effective practices” (Lepak & Shaw, 2008, p. 1488). Researchers focusing on this perspective tend to use terms such as *horizontal fit*, *internal fit*, or *complementarity* to show focus on alignment among practices (Lepak &

Shaw, 2008). The contingency perspective extends the thinking associated with universalistic and configurational perspectives, which focus on the direct relationships between HRM practices and firm outcomes, to include the situational factors within which a firm operates, specifically, the concept of strategy (Lepak & Shaw, 2008). The concept of strategy is at the heart of the debate between best fit and best practice (Purcell, 1999). Roehling et al. (2005) indicate HR research into organizational capabilities is best served by the contingency (best-fit) perspective due to the wide array of firm, strategic, and external environmental issues.

Strategic HRM and Business Fit

In order for HRM to become Strategic HRM, it is necessary for the strategic HRM to acquire a connection or fit between the HRM process and the business strategy of the organization. The “fit” perspective, well known in the Strategic HRM literature, proposes the HRM function must align in order to support the creation and execution of an organization’s strategic priorities (Baird & Meshoulam, 1988; Cunningham & Kempling, 2011; Katou, 2009; Kazmi & Ahmad, 2001; Khilji & Wang, 2006; Lepak & Shaw, 2008). One can visualize fit as a state, which exists at a place in time, which has as its focus the interface between variability in both internal aspects such as HR and external aspects, such as strategy (Wright & Snell, 1998). As a result, Wright and Snell (1998) believe the purpose of Strategic HRM is to encourage a fit within the boundaries of the competitive environment. Strategic HRM researchers tend to emphasize fit among HRM practices (internal alignment) and the fit between HRM and factors of the firm (external alignment) (Baird & Meshoulam, 1988; Cunningham & Kempling, 2011; Lepak & Shaw, 2008). “Not only must human resource management fit the organization’s stage of development, but also the components of human resource management must fit with

and support each other” (Baird & Meshoulam, 1988, p. 122). External fit connects programs, activities, and strategies developed by firms responding to the external environment whereas internal fit directs attention to how organizations and HRM systems are connected (Cunningham & Kempling, 2011). According to Armstrong (2011), the first objective of Strategic HRM is to achieve fit (integration) by aligning the human resource strategies with the strategies of the organization and by integrating all of the human resource strategies with one another. The second objective according to Armstrong (2011) is to provide a sense of direction in difficult environments to meet the needs of organizations and employees through HR policies.

Researchers demonstrate there are two types of fit in Strategic HRM: horizontal and vertical fit (Baird & Mesholaum, 1988; Becker & Gerhart, 1996; Delery, 1998; Wei 2006; Wright & Snell, 1998). Whereas horizontal fit speaks to the synchronization or coordination among multiple HR practices and policies (Wei, 2006), vertical fit is more concerned with the HRM overall package and its congruence with the organizational strategy (Wei, 2006; Wright & Snell, 1998). “Indeed, creating this strategic impact very likely requires a system focus and a degree of attention to alignments both within HR systems (internal fit) and with operating and strategic objectives (external fit) that necessarily involves a closer relationship between HR and line managers” (Becker & Gerhart, 1996, p. 781). Armstrong (2011) comments, “A defining characteristic of strategic HRM is its concern with the vertical integration of HR strategies with the business strategy, and with the horizontal integration of individual HR strategies with one another” (p. 16). Vertical fit is viewed as directing human resources toward the principal initiatives of the firm, whereas horizontal fit is involved in efficiently allocating those resources (Wright & Snell, 1998). Both types of fit contribute to the competitiveness of

an organization, and it is essential to position HR practices in methodical ways (Wei, 2006). Wei (2006) discusses three aspects affecting both horizontal and vertical fit: the HR manager's abilities, ability and support from senior managers, and the knowledge and skills possessed by employees. Ability and support from senior leaders is necessary for horizontal and vertical fit (Wei, 2006). Firm values and culture influence vertical fit in the speed of adoption and in the quality of the merger between HR practices and firm strategy (Wei, 2006). According to Baird and Meshoulam (1988) "Obviously the two fits interact and must be managed simultaneously" (p. 123). However, not all researchers agree on its value. Early Strategic HRM research focusing on "fit" was frequently plagued with an inability to find a positive effect for fit between HR and firm strategy, possibly because of the use of generic HR practices to support generic organizational strategies when in fact newer models may be best served by becoming more specific (Roehling et al., 2005).

Horizontal and Vertical Fit

According to Delery (1998, p. 291) "Horizontal 'fit' in Strategic HRM research deals with the internal consistency, and complementarity of HRM practices. Specifically, how HRM practices work together as a system to achieve organizational objectives." This stands in contrast to the universalistic perspective focused on individual HRM practices (Lepak & Shaw, 2008). A failure to coordinate separate HRM practices may decrease HRM effectiveness (Wei, 2006). In this view, the focus is on not just a single HRM practice, but also the entire system of practices. Horizontal fit (effective technical HRM) refers to the synchronization among the variable HR practices and accomplishes a partial goal of Strategic HRM, the horizontal fit among various HR practices (Wei, 2006). The manner in which the system or combination of individual HRM elements fit

together, sustain each other, and create the greatest synergy influences the performance outcome of the HRM practices (Kaufman & Miller, 2011). Internally configured HRM practices provide greater ability to describe variability in organizational performance than isolated individual HRM practices (Lepak & Shaw, 2008). “Here, the potential performance effects of HRM choice are multiplicative rather than additive, implying low returns if all but one or two of the HRM elements fit together, but high returns if all are successfully implemented as a complete package” (Kaufman & Miller, 2011, p. 532).

Vertical fit involves aligning and integrating HRM overall practices with the strategic plan management pursues for the organization (Armstrong, 2011, Baird & Meshoulam, 1988; Wei, 2006; Wright & Snell, 1998). Vertical fit is concerned with the congruence between the HR practices as a package and the strategy of the firm (Wei, 2006). HR departments should be organized to *mimic* the business organization it operates within; “make sure you align your HR organization with your business organization. Do not fall prey to modern HR practices just because others are doing them” (Ulrich et al., 2008, p. 847). The complexity of the fit issue in research literature between HR practices and organization context indicates a complexity requiring continued research (Subramony, 2006) with potential expansive views to include external factors such as environmental fit or the context in which organizations operate (Paauwe & Boselie, 2003). As research demonstrates, HRM leaders must continue to demonstrate firm value to achieve value-added status within organizations and to assist in sustained competitive advantage. Achieving contingency and value within an organization requires the HRM leader to execute crucial internally consistent and companionable strategic HRM systems (Wei, 2006). The capabilities of the HR leader are important to the discussion of HRM system alignment and fit.

HR Manager Capabilities

Managing employees for competitive advantage in a period of globalization requires HR practitioners to possess competencies and capabilities relevant for effective implementation of strategic HRM policies and procedures and is necessary to the adoption of Strategic HRM (Bahuguna et al., 2009; Wei, 2006; Wei & Lau, 2005).

“Insuring that members of the HRM function have the appropriate capabilities has been suggested as one way to increase the likelihood of effective HRM” (Huselid et al., 1997, p. 173). HRM competency is the HR function’s ability to develop and implement an internally consistent HRM system aligned with an organization’s strategic desires (Wei & Lau, 2005) and different firm strategies require different role behaviors (Wright & Snell, 1998). “By being responsible not only for helping to project the future strategy but also by melding the processes, people and cultures that will attain it, HR can become THE integral part of an organization” (Woods, 1999, p. 449). “HR professionals who learn to collaborate have greater impact than those who work alone” (Losey et al., 2005).

Involvement is important for the HRM leader to realize effective HR policies. Early involvement at the point of problem formulation is important because at this point, different players influence the definition and the potential solutions for the strategic problem, therefore, the earlier the involvement of HR (at both the formal and informal levels) the larger the leader’s impact on strategic impact can be (Buyens & De Vos, 2001). The HR manager can only design sophisticated HR systems aligned with an organization if the HR manager has a complete understanding of the organization’s business strategy (Baird & Meshoulam, 1988; Wei, 2006). Armstrong (2011) believes the role of HR professionals can be divided into two main areas: transactional activities associated with service delivery including functions such as recruiting, training,

employee relations, and compliance and the more strategic activities supporting achievement of an organization's goals. The latter requires the creation of "forward-looking" human resource strategies integrated and aligned to the objectives of the business. Rather than just isolated or individual practices, human capital components such as stocks of skills, people support management systems, and strategically aligned behaviors lead to sustained competitive advantage (Wright et al., 2001). HR manager capabilities influence vertical fit. The capability of the HR manager influences the creation of vertical fit because of the character of vertical fit influenced by an organization's strategy (Wei, 2006). For the HR function to add value to an organization, specific competencies must be present. Areas include understanding an organization's business model, achieving basic business literacy, understanding the functional areas of HR, great listening skills, developing influence with management, and developing strategic business skills because partnership alone is insufficient (Cascio, 2005; Cunningham & Kempling, 2011; Huselid et al., 1997; Roehling et al., 2005; Swanson & Holton, 2009; Wei & Lau, 2005). Swanson and Holton (2009) agree, "Presumably, those who participate in strategic planning possess the business acumen and understanding needed for meaningful contributions to long-term planning" (p. 375). Even if the HR leaders possess the necessary competencies, contextual factors such as firm-level characteristics, centralized HR functions, amount of resources dedicated to HRM, and the location of particular HR leaders on the organization's hierarchy impact outcomes (Roehling et al., 2005). These authors found for example, HR professionals in organizations with centralized decision-making had less ability to act strategically even when they desired to act strategically compared to HR leaders in organizations with decentralized decision-making platforms. Strategically HR can improve decision

making through distinctive insights about the connections between human capital and strategy where human capital contributes most to strategic success (Lawler & Boudreau, 2012). As Strategic HRM unfolded, the concept of business-related capabilities began to emerge as a requirement due to the belief the business-related capabilities in HRM members generates increased understanding about the relationships between unique firm requirements and the associated HRM needs (Huselid et al.,1997). According to Wei and Lau (2005), HRM capabilities include the ability to utilize business knowledge in facilitating HR issues, the ability to institute changes, and the capacity to synchronize HR changes in alignment with organizational strategic changes. “Senior personnel/HR managers still need sophisticated networking and personal influencing skills in order for the function itself and the general management of people to be considered adequately at a strategic level” (Hope-Hailey et al, 1997, p. 16).

Senior leaders are demanding alignment with business strategy in exchange for their support. “They want to see evidence, even proof. Even for the hard functions of quality and technology, executives want to see a clear line of sight to the business in a very credible way” (Phillips & Phillips, 2012b, p. xxiii). This includes the field of human resource management. As with other lines of management, business skills, HRM skills, influence, and the ability to synchronize all these factors into a coherent HRM system aligned with organizational strategy affects the support of management for the HRM leader and the resulting programs.

Organizational Management Support

“No group is more important to the HR function than the senior executives. They allocate funds, commit resources, and show support for the HR function. They must understand the value and impact of the HR function” (Phillips & Phillips, 2012a, p.27).

Developing organizational support for the HRM leader and resulting HRM programs is increasingly important to the development of strategic HRM. Most of HRM's clients are internal including line managers and other employees who rely on human resources properly responding to external clients (Cunningham & Kempling, 2011). Line managers are more responsible than in past periods for human resources within their groups and HR leaders frequently must work through the managers who bear ultimate responsibility for their business results (Losey et al., 2005). HR needs to know how to overcome barriers including areas such as employee capability or the opinions of top management in order to achieve a business status (Huselid et al., 2005; Pilenzo, 2009; Woods, 1999).

Primarily because effective HRM takes place only when senior management acknowledges and accepts the importance of human resources (Brewster, Sparrow, & Harris, 1997; Budhwar, 2000; Cunningham & Kempling, 2011). If an organization's critical management believes, HRM is important to the business management focuses on integrating HRM with the firm's strategy resulting in a larger HRM involvement in the strategic process (Wei & Lau, 2005). A potential lack of understanding of strategic alignment and HRM's role influences HR leaders to declare their value sometimes without really appreciating why they are compelled to do so (Losey et al., 2005). For HR departments, a reputation of adding value by adopting effective HR practices aligned with organizational strategy is beneficial in terms of credibility, visibility, and power as measured by improved training expenses, staffing, and a culture of learning. A history of unsuccessful programs could be damaging to the department's image among managers and employees and make it difficult to design HR practices according to firm strategy (Buyens & De Vos, 2001; Wei & Lau, 2005; Wei, 2006). Regardless of the motivation and ability of HR leaders to devise and introduce firm strategic compatible HR initiatives,

adoption of the practices may be hampered if the top-level managers lack support for the HR department (Wei & Lau, 2005). HR leaders have to work through the concept of strategic work and the ambiguity around the nature of the alleged added-value of HRM. This echoes a concern raised about the potential of Strategic HRM simply being *just talk*. Pritchard (2010) noted as much in recording the observations of an HRM junior strategic partner caught in the process of attempting to become 'strategic':

I find it sometimes, even for me, I find it sometimes difficult to say what am I really bringing to these guys. Yeah, I'm sitting in their management team. Yeah, I'm talking to them but am I really adding value...yes, they listen to me when I present the HR agenda...they say "yes" but how much is a polite yes and how much is a thought that "yes this is really what we need to do to make our business better. (p. 181)

Managers are potentially subject to judgment and decision-making errors due to a combination of heuristics, frequently vague conditions, and multiple demands on their time (March 1994) as read in Subramony (2006). As a result, decision makers might make untimely decisions to accept or reject HR practices, not based on many important criteria, but instead on a subset of the necessary criteria (Subramony, 2006). Although there are numerous theories, models, and techniques in the literature, it is beneficial to gather information pertaining to how management perceives the HRM function, how the HRM function perceives its own contribution, and if the perceptions are consistent between groups. "By analyzing the level of agreement or disagreement, it may be possible to strategize more effective ways to provide, document, and communicate the value-added of HR" (Wright et al., 2001b, p.112). For example, Huselid et al. (1997) investigated the relationship between HR effectiveness and firm financial performance by

surveying both HR and executives, noting improved corporate performance in relation to surveyed strategic measures. Buyens and De Vos (2001) used a combination of interviews and surveys to determine the perceptions among top managers, line managers, HR managers to HRM effectiveness and found the added value of the HR function is not only restricted to strategy but also other valuable areas such as transformation and change management. As a result, these authors believe the full value of HR to the business cannot be determined by only focusing on its strategic role. Relating to the concept of strategy, Pritchard (2010) conducted a yearlong ethnographic study of HR leaders as they transitioned to the role of strategic partner and discovered their descriptions of strategic partner work were relatively vague and unclear. Results of these studies inform the concept of a difference in perceptions of effectiveness for HRM and implies HR leaders must do a better job of “internally marketing” HR activities to demonstrate their contributions to organizational success (Wright et al., 2001b). As an example of improving vertical fit through internal marketing, Wright et al. (2001b) suggests “To the extent that this is causing these observed differences, it implies that HR needs to devote more effort to working with line executives through influence, training, and communication to help them effectively implement the systems developed by the HR function” (p. 120). “Is the successful evolution of the HR function due to leadership within the HR function, the vision or receptivity of the top management teams, the firm’s unique change management processes, or some combination of these and other factors?” (Roehling et al., 2005, p. 211).

Business Performance and Strategic HRM’s Role

Organizations increasingly require human resource departments to operate as a business within a business instead of a detached set of individual HR practices (Ulrich et

al., 2008). “Probably no field in business schools, at least as I judge it, has more status anxiety than HRM” (Kaufman, 2012, p. 21). Kaufman refers to the pursuit of proof of changes in HRM impacting firm performance as the “holy grail” for the Strategic HRM field because it may provide a way to transition from management’s perception of HRM as secondary and value-diminishing to one of influence and respect, finally achieving the promises of Strategic HRM (p. 21). Research by Huselid et al. (1997) demonstrated results suggesting the levels of technical HRM effectiveness were higher than levels of strategic HRM effectiveness in human resource professionals. Additionally, general professional HRM capabilities achieved greater scores during their research than did their knowledge of business-related capabilities. These results indicate an institutionalization of technical HRM activities the authors argue do little to differentiate organizations from competition and do not lead to growth in competitive advantage. As stated by Cunningham and Kempling (2011) “...if HRM is to be useful in helping the organization achieve its strategies and objectives, it must define its work so that it is useful and supportive of those who have key line responsibilities” (p. 197). HR directors need to understand the strategic goals of the organization, grasp the business requirements and business model, determine how HR practices contribute to attaining strategic goals, figure out how organizational human capital contributes to sustainable competitive advantage, and contribute to the development of the organizational business strategy (Armstrong, 2011; Ulrich, 1998). Regardless of rank within an HR structure, (corporate-wide versus specific HR function), the strategic role remains essentially similar. So important is this strategic role, the credibility of HR practitioners at all levels depends on the HR leader’s capacity to make a strategic contribution. This contribution exceeds the scope of simply responding to the strategic requirements set by management. The

integration of human resources and the proper strategy has the potential to generate sustained competitive advantage to an organization and surpasses the simple concept of matching human resource policies with business strategy. The extent to which human resources are perceived to be important for a business will determine the perceived value (Buyens & De Vos, 2001; Wei, 2006). It appears organizations in the United States are under-investing in human resource management and they could significantly improve their performance by improving and increasing their people management scheme (Kaufman & Miller, 2011). The process is the same across countries as well.

Investigating Strategic HRM in international settings, Khilji and Wang (2006) claim, "First, our research proves that a mere imitation of HRM in the hopes of improving organizational performance creates no value" (p. 1187). Partnership with top management is one way for HR to bring about change and improvement allowing HR to become the instigator, the originator, and designer of change instead of just the utility called upon to carry out the orders of others (Woods, 1999).

According to Huselid et al., (1997), "For practicing managers, evidence supporting the assertion that strategic human resource management effectiveness enhances firm performance may help bolster arguments intended to procure the resources needed to implement strategic HRM systems" (p. 185). Their research suggests professional HRM capabilities as well as business related capabilities increase the effectiveness of strategic HRM activities. The implications of their research demonstrate, along with professional HRM knowledge, skills and abilities, business-related capabilities appear to be important in contributing to firm strategic alignment. However, research in the field of HRM demonstrates significant performance issues requiring attention.

Strategic HRM Performance Problems

Stewart (1996) showing his frustration with HR at the time believed HR had outlived its purpose (Woods, 1999) and offered the assessment HR should be blown up. His specific instructions included, "I don't mean improve HR, improvements for wimps. I mean abolish it. Deep six it. Rub it out; eliminate, toss, obliterate, nuke it, force it to walk the plank, turn it into road kill" (p. 443). Charges such as this were wide-spread during this period from higher to lower management and within and between organizations and included a lack of HR vision, perceptions of HR as an enemy to business, noticeable frustration with HR inefficiencies, and the perception of an out of touch HR (Woods, 1999). Many years later, practitioners and researchers still lament the problems of Strategic HRM. Kaufman (2012) reviewed 30 years of Strategic HRM research and concluded American HRM / SHRM research deserved a written grade of an F considering the ROI associated with the resources committed for the return. Armstrong (2011) indicates regardless of terminology such as human resource management, people management or employment management, the essential nature of how organizations manage their labor force has not changed significantly from early personnel management. Armstrong believes although new methods continue to be introduced many times they are treated as functions of people management and are not true philosophical offshoots of human resource management. The HR function's importance is not about itself but instead about how it optimizes individual's contributions to organizational success. However, although research continues to speak of the importance of HR, why does it remain one of the least popular functions in several organizations (Welbourne, 2012)? Boudreau and Lawler (2012) believe there is currently very little change in how HR work is carried out although there are increasing reports of the department being more strategic

than in previous years and having increasing positive impacts. According to Adelsberg and Trolley (1999), when reflecting on HRD functions such as training and development, many business leaders think HR operates outside the strategic boundaries of organizations, as though the function is, “something separate from the business” (p. x). Organizational managers may perceive the HR function as disconnected from real organizational work whereas HR managers tend to view the HR function’s contribution to organizational success more favorably (Subramony, 2006; Wright, et al., 2001b). In fact, on the three most important measures of the Wright, et al. (2001b) study (enhancing competitive position, providing a value-added contribution, and building core competence), HR rated their performance significantly higher than did the line executives. Buyens and De Vos (2001) researched the concept of perceived HR value through top managers, HR managers, and line managers and found evidence the perceived value of HR is more than just the fulfillment of a role as strategic partner and there was varying beliefs about what forms the *strategic definition* of the HR function. Fazzari and Levitt (2008) indicate most operational departments routinely lead logistics and demonstrate return but the HR function frequently defaults to a support role focused on administration (HRM) and does not appear to appreciate business strategy in the eyes of operations. Not only must HR leaders understand the convergence of global forces including social, economic, and technological issues to create value, but also they must also clearly provide a demonstrable impact through aligning and promoting issues critical to the organization (Wright & Snell, 2005). “Firms create value through either decreasing product/service costs or differentiating the product/service in a way that allows the firm to charge a premium price. Thus, the ultimate goal of any HR executive is to create value through the human resource function” (Barney & Wright, 1997, p. 5).

There are several debates about the value and substance of the HR department in firms (Wei, 2006). Although activity cost and amount are the traditional measurements of value of HR's contribution, the better estimate is the results of support for organizational objectives (Becker & Gerhart, 1996; Huselid et al., 2005; Ulrich et al., 2008; Wei, 2006). "In times of plenty, firms easily justify expenditures on training, staffing, reward, and employee involvement systems, but when faced with financial difficulties, such HR systems fall prey to the earliest cutbacks" (Wright et al., 2001b). This underinvestment mentality may be explained realistically by the immediate and material cost of HRM investments versus the future-oriented vague benefits associated with the investment, which causes management to underestimate the ROI of human capital investment (Kaufman, 2012; Phillips & Phillips, 2012a; Wright & Snell, 2005). Ulrich (1997) "HR practices seem to matter; logic says it is so; survey findings confirm it" (p. 305). Ulrich (1997) however cautioned the direct relationships between HR practices and investments are often blurry and tend to vary according to population and measurements. Khilji and Wang's (2006) research explored the gap between intended and implemented strategic HRM in Pakistan's banking industry and found support for improvements in firm performance associated with implemented Strategic HRM practices versus just those practices HR leaders intend to implement. Because of the historical view of HR as maintenance functions or cost centers, Subramony (2006) suggests the HR function should take a more proactive approach to collaborating with management in creating and executing an organization's business strategy. HR is well equipped to change because the profession typically leads change management efforts and what the function needs to change is a better understanding of what is and is not working — this is where researchers can help (Welbourne, 2012).

In contrast to Welbourne, however, Rynes et al. (2002) demonstrate an HR manager/researcher disconnect pertaining to a lack of knowledge by HRM professionals of HR research findings. In many cases HR managers are either unaware of recent advances in HR research or simply fail to implement them for some reason. Their research suggests there are large differences across companies pertaining to HR knowledge of best practices and the HR leader's average level of knowledge is not significantly impressive. Pertaining to competencies, only 50% of HR managers agreed to its importance in contrast to research findings relating to this competency's value. "This would seem to be a particularly important finding, in that it suggests that modern HR managers need to know far more than the 'traditional' HR knowledge covered in HR textbooks and certification exams" (Rynes et al., 2002, p. 158). The perceived value of HR visibly increases with improvements of the execution of HR activities; however meeting the value delivery challenge requires running the HR function as a business (Phillips & Phillips, 2012b; Vance, 2011; Wright & Snell, 2005). Future HR professionals may not only need to pass HR certification tests but also be capable of passing relationship tests to insure the necessary impact of their efforts. This includes development and training within HR education, developmental assignments, and performance accountability (Losey et al., 2005).

Losing People Focus in Pursuit of Management Alignment

Human resources may be caught in a difficult spot in its development. As evidence in this literature review demonstrates, researchers and practitioners alike historically show organizational business leaders bemoan the lack of demonstrable alignment and proof of value of HRM as a function (Phillips & Phillips, 2012a; Vance, 2011). Positioning the HRM function as a valuable organizational function is

increasingly fashionable to HR professionals with an increasing use of the term *business partner* (Francis & Keegan, 2006). As such, significant focus is dedicated to the attempts to align HRM with business and to demonstrate the value in terms of business language. In pressing to demonstrate HR value and gain influence within organizations, it is possible for HRM to lose touch with the necessary, employee-focused portion of organizations as HRM leaders attempt to demonstrate business value. Several models in the research literature demonstrate the split between strategic aims and technical or traditional HRM practices. Ulrich (1997), for example, demonstrated several proactive business partner roles for HRM leaders along a dual axis: strategy versus operations, and processes versus people. Where HR partners with line managers is the strategic partner role. The change agent role is responsible for organizational and cultural change. Administrative experts seek to advance firm efficiency through reinvention of the HR function. Finally, the role of employee champion focuses on people and daily operations. Because of the split between the strategic and non-strategic HR roles, and an increasing focus on firm outcomes, HRM leaders may increasingly attempt to boost their influence in the strategic decision-making process by enacting what Francis and Keegan (2006) term as a *conformist* strategy. In studying the concept of strategic and engagement balance within the HRM function, Francis and Keegan (2006) quote one of their respondents, “Everybody claims to be a strategic partner, people struggle with the change agent, everybody likes to be the administrative expert, and nobody want to be the employee champion” (p. 239). The potential to diminish their employee representation role exists. As a result, HR leaders are faced with critical decisions: either continue along the path to business leadership with equality of influence in decisions or potentially take shortcuts and sacrifice ethics and HR values for the “seat at the table” (Wright & Snell,

2005, p. 177). “Steeply climbing salaries and an increased perception of status and prestige mean that the business partner term seems to have become the title of choice for ambitious HR practitioners” (Francis & Keegan, 2006, p. 236). In today’s globally competitive landscape, HR practitioners have a significant challenge in providing real benefits to their organization, balancing the needs of their host organizations with those of the human capital, and demonstrating the function’s benefit on par with other elements of the organization.

Summary

The rationale behind strategic human resource management and casino operations is the commoditized nature of casinos and the need to differentiate among competitors to increase revenues and market share. In general, all casinos offer similar products and services in both gaming and non-gaming amenities (slots, table games, food and beverage operations, hotel operations, and assorted resort amenities). Casino companies spend millions of dollars each year on advertising, marketing schemes, and reward systems, to attempt to gain advantage over their competition. The problem, almost every incentive or program one company brings to market first is easily imitated by the competition, which reduces the power of the new program to support sustained competitive advantage. In the declining Mississippi market, casino companies could benefit from strategically aligning their human capital with their business strategy in ways which are valuable, rare, and difficult for the competition to imitate. Strategic human resource management is the purposeful and thoughtful alignment of HRM strategy to organizational business strategy and supports sustained competitive advantage. Through the resource-based view and contingency model of best fit and vertical alignment, HRM leaders can demonstrate significant value to their casino organizations above the traditional value of HR as a cost-

based center. Although HRM shows great promise as a driver of organizational value and a strategic business partner, the profession remains fraught with performance problems including the difficulty of proving the value of the HRM function to senior leaders who perceive HR as detached from organizational strategy. A study exploring HRM's current technical and strategic roles in casino operations and its potential for supporting sustained competitive advantage is necessary to identify any gaps in necessary knowledge, skills, and abilities between HRM leaders and the business leaders they serve.

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

Introduction

The casino industry is heavily commoditized in the similarity of offerings and services among competitors (Kale, 2005) and gaining and maintaining advantage is challenging (Thalden, 2011; Zarlengo, 2011). The HRM function has the ability to position human capital to support sustained competitive advantage if perceived as strategically competent and aligned with an organization's business. The purpose of this study is to explore and determine the perceptions of senior business leaders and senior HRM leaders within the Mississippi casino industry of the HR function's strategic capabilities and potential for supporting sustained competitive advantage (Lawler & Boudreau, 2012; Wei, 2006; Wright et al., 2001b). This chapter describes the research objectives, study population, research design, data collection method, data collection instrument, and data analysis plan used in the study.

Research Objectives

- RO1: Describe the characteristics of participants including (a) position title, (b) years of experience in current field, (c) years of experience in Mississippi casino resort industry, (d) age, (e) gender, and (f) education.
- RO2: Compare HRM leader and business-unit leader perceptions of HRM's current (a) value and (b) cost within their organizations.
- RO3: Compare HRM leader and business-unit leader perceptions of HRM leader knowledge of (a) business literacy, (b) organizational strategy, (c) technical HRM knowledge, (d) alignment of HRM strategy to organizational

strategy, and (e) HRM leader management capabilities within their organizations.

RO4: Identify HRM leader and business-unit leader perceptions of the benefits and barriers to achieve strategic application of HRM practices within their organizations.

RO5: Determine the relationship between business-unit leader perception of HRM strategic capabilities/alignment to their organizational strategy and business-unit leader intent to (a) support HRM programs, (b) include HRM in strategy formulation, and (c) invest in HRM funding.

RO6: Determine the relationship between business-unit leader perception of HRM strategic capability/alignment in their organization and (a) intent to integrate HRM strategy into business strategy development, (b) increased use of HRM as a business differentiator, and (c) perception of HRM as a method to sustain competitive advantage.

Population

The study population of potential participants (N = 294) consists of Mississippi casino industry department leaders identified based on (a) full time employment with expansive visibility to the HR department (Boudreau & Lawler, 2012) and (b) responsibility for leading operations at the department level (Hashimoto, 2008; Lucas & Kilby, 2012). The department leaders include property level HR leaders, property level general managers (GM), property level senior business unit leaders (VP and Directors), and property level mid-level business unit leaders (Managers). The work areas represented by casino department leaders include human resources, slots operations, table games operations, food and beverage, general manager, hotel operations, finance,

security, surveillance, and marketing as shown in Table 1 (Ebner, 2002; Green, 2012; Hashimoto, 2008; Lucas & Kilby, 2012; Stewart, 2012).

The researcher interviewed Allen Godfrey, the Executive Director of the Mississippi Gaming Commission and Larry Gregory, the former Executive Director of the Mississippi Gaming Commission and current Executive Director of the Mississippi Gaming and Hospitality Association (MGHA). The purpose was to verify the department leaders included in the study population (Table 1) was representative of the typical property level leadership in the Mississippi casino industry from both a regulatory and operator's perspective. Both agreed the population is representative of the casino industry in Mississippi (personal communication, September 18, 2013).

The department leader length of experience in the gaming industry ranges from less than one year to over 20 years and consists of males and females over the age of 18, with English as the primary spoken language. The population in this study includes leaders who work in the casino industry throughout the state from the 30 Mississippi licensed casino companies in existence as of July 17, 2013 and regulated by the Mississippi Gaming Commission http://www.msgamingcommission.com/casino_licensees.pdf (MGC, 2013). Table 1 demonstrates the details of the study population.

Methodology

This study employed a purposeful sample of a finite population (N=294) of property-level HR leaders and business leaders (Table 1) employed by state regulated Mississippi casino operators during the period of the study. The researcher estimated an average of ten positions of leadership (nine department area leaders and one HRM department leader) within each of the casinos in the study's population. During

population design, the researcher determined one of the casino companies employed a single GM to lead three casino properties (L. Gregory & A. Godfrey, personal communication, September 18, 2013), which reduced the population of general managers to 28, and four casino companies do not possess a corporate owned hotel. The hotel operator frequency reduced to 26 (R. Vickery, personal communication, September 20, 2013). Combined with an extrapolated frequency distribution of approximately 30 leaders in all other categories (Table 1) the population size totals N=294. This population provided an opportunity to evaluate the perceptions between senior HR leaders and senior business unit leaders across multiple organizations spread throughout the state of Mississippi. Based on the finite size of the defined population (N=294), the researcher's goal was to capture a response rate of at least 167 completed surveys to ensure a 95% confidence interval with a 5% margin of error demonstrating the data results accurately reflect the population surveyed (<http://www.gifted.uconn.edu/samplecalculator.htm>).

Table 1

Frequency Distribution of the Study Population

Job Category	Frequencies (N)
General Manager	28
Slots	30
Table Games	30
Marketing	30
Food and Beverage	30

Table 1 (continued).

Job Category	Frequencies (N)
Finance	30
Security	30
Surveillance	30
Human Resources	30
Total	294

Inclusion Criteria

The criteria for inclusion in survey studies according to Fink (2003) are the characteristics required to be eligible for participation in the study and focuses the survey most efficiently on those participants who can provide the most accurate information. For this study, participants were required to meet the following criteria to participate in the survey:

1. Individuals must be employed in a full-time capacity within a Mississippi casino regulated by the Mississippi Gaming Commission.
2. Individuals must be responsible for the senior leadership of their respective departments as identified in Table 1 (i.e. HR, Marketing, etc...).
3. Individuals must have at least one-year employment history in their current position.

Individuals not meeting the inclusion criteria were eliminated from the sample to ensure study participants were most likely to have experience and routine interaction as senior leadership around the concepts of interest in this study.

Response Rate Considerations

Noting the potential for a high non-response rate within the casino industry (Green, 2012), the investigator employed the following tactics to increase the potential for gathering sufficient responses from the population of interest:

- Attempted to survey the entire population because the population is relatively small and finite in size (Sprinthall, 2012).
- Finite Population Correction (FPC) factor (Anderson, Sweeney, & Williams, 2005) as applied by Green (2012) in a study of the same industry.

The researcher anticipated the potential of non-response/non-participation due to issues such as solicitation, timing, regulatory hurdles, inaccurate emails, and individual corporate policies barring sharing of information. As a result, the researcher sought to issue a survey to the entire population of $N=294$ in an attempt to secure the target response rate of $n=167$ completed surveys. However, since the resulting participation failed to produce the desired minimal response rate of completed, usable surveys, the researcher employed the FPC factor. As indicated by Anderson, et al. (2005), the FPC factor stipulates when a study's population is finite, only a sample size of 5% or greater is required. For the purpose of this study, the population is finite and represents only the senior HR and senior business unit leaders of the identified Mississippi casinos operating during the time of the study.

Recognizing in many surveys non-response leads to information loss (Fink, 2003), the researcher sought to improve the response rate from the target population through employing special procedures. Fink (2003) indicates one may expect higher response rates from research participants who are members of professional organizations due to a higher motivation to respond. The Mississippi Gaming and Hospitality Association was founded in 1993 and is a non-profit organization comprised of casino operators and vendors whose mission is to protect and enhance the reputation and success of the gaming industry within the State of Mississippi (MGHA, 2013). All of the casino companies in the population of interest are members and active supporters of this organization. The researcher sought support from this organization in the form of complete/accurate member lists, current emails, and assistance with reviewing survey questions to encourage all member groups to participate in the survey. The MGHA granted the researcher an opportunity to speak at the December 2013 association meeting to explain the purpose and benefits of the study, verify the accuracy of emails for the senior leaders in the identified population, and to seek assistance in encouraging employees to participate in the study. The Executive Director of the MGHA and the association board granted the researcher access to the population of interest (Appendix C). The specific action items for securing access to the population included:

- Seeking support from the MGHA president and executive director to introduce the survey concept to the organization's members and reduce the chances of non-response due to unsolicited surveys.

- Speaking at an association meeting immediately prior to the survey distribution to discuss the benefits of the survey to the industry, and provide assurance of confidentiality.
- Securing a full list of accurate member emails for each casino in the population willing to participate.
- Providing follow-up email notifications throughout the survey distribution period.
- Providing paper surveys to participants if requested in lieu of Internet survey option.

Research Design

According to Swanson and Holton (2005), “Research is the orderly investigative process for the purpose of creating new knowledge” (p. 4). This study employed a cross-sectional, non-experimental, descriptive research design (Fink, 2003; Gilner, Morgan, & Leech, 2009; Shadish, Cook, & Campbell, 2002; Swanson & Holton, 2005). This research used a cross-sectional design because the researcher collected descriptive data at a fixed point in time for a limited duration. Cross-sectional research is a common research design supported in the literature for survey research (Fink, 2003; Gilner, et al., 2009; Swanson & Holton, 2005). The cross-sectional research is non-experimental since the researcher did not manipulate any of the variables. Non-experimental studies (also known as observational studies) are studies where elements are observed instead of manipulated (Gilner et al., 2009; Shadish et al., 2002). The study is descriptive since the primary focus is to describe and document characteristics (Gilner et al., 2009).

Descriptive designs produce information on existing groups and experiences with no new groups created (Fink, 2003).

The study used a survey research procedure to collect the data to answer the research questions for this study (Fink, 2003; Swanson & Holton, 2005). Fink (2003) describes a survey as “a system for collecting information from or about people to describe, compare, or explain their knowledge, attitudes, and behavior” (p. 1). To investigate the perceptions between HRM leaders and business-unit leaders, the researcher utilized an online survey to collect the data. Based on the non-stop operational nature of casinos, the quantity of resorts located in Mississippi, and varied geographical locations of the resorts spread around the southern, central, and northern jurisdictions, the use of an online format for distribution was most appropriate. Some of the benefits identified by Fink (2003) for use of online surveys include the ability to cover respondents spread throughout a wide geography, the ability to increase a researcher’s sample size with relatively little additional cost, the ease of implementation, and the near simultaneous timing for receipt by respondents.

Data Collection Procedure

The researcher developed an action plan for data collection to facilitate plan execution and data collection (Table 2). The first step in the data collection procedure was to distribute notifications through email to each property’s senior leader (the GM). The researcher designed this element to remind the GM’s of the need to support the survey to their leadership teams in order to increase the chances of higher response rates. The researcher distributed a pre-survey notification through Qualtrics with a strong appeal for participation to the population of interest. This notified the participants of the impending survey distribution, the survey’s purpose, reasons to participate, the voluntary

nature of the process, approximate time to complete the survey, data usage, and assurances of confidentiality to reduce the chances of non-response (Fink, 2003). The second step of the data collection plan followed approximately one week after the pre-survey notification. During this step, on day one of the survey distribution, the researcher used Qualtrics online survey software to email a link to the survey to all members of the population. This design feature assisted in the efficient delivery of the survey to the population. Step 3 took place on day three of the survey. During the third step, a system-generated email was delivered to the survey population as a reminder of the active survey and encouraged participation including assurance of the confidentiality of data/identity. During Step 4, the researcher sent a second reminder with a request to participate. The researcher planned to provide paper surveys in cases where respondents were more comfortable filling out a paper survey, or in which technical difficulties such as company firewalls prevented online survey distribution. However, none of the respondents requested paper surveys. The fifth step entailed a final reminder email distribution prior to the closing of the survey as a final attempt to secure as much participation as possible from the population. Copies of communications with the research participants are located in Appendix E.

In the weeks following the closing of the survey, the researcher provided thank-you notes to all who participated, downloaded data from Qualtrics to SPSS, and analyzed the data. Ebner (2002), Green (2012), and Stewart (2012) successfully used similar processes in their dissertations while exploring varying issues within the Mississippi casino industry resulting in successful and acceptable response rates. The specific steps are detailed in Table 2.

Table 2

Action Plan

Required Action	Time Frame
Distribute pre-survey notifications to participant pool	1 Week Prior to Survey
Online Survey Begins	Day 1
Reminder-MCHA E.D. (email)	Day 3
First Reminder- system generated email	Day 3
Second Reminder – system generated email	Day 4
Distribution of paper surveys (if needed)	Day 4
Last Reminder- system generated email	Day 6
Survey Closes / Collect any Paper Surveys	Day 7
Send Thank You Notes to Participants	Day 8
Download Data to SPSS	Week 2 - Week 3
Analyze the Data	Week 2 - Week 3

Confidentiality of Data

The researcher kept all information obtained from participants (digital responses and paper surveys) confidential and secured in the researcher's office during this process (Fink, 2003; Phillips & Phillips, 2008). Only the researcher had access to any identifying data and treated all data in the aggregate form. The researcher secured the digital data in

a password protected electronic format (database, statistics software). After a period of one year, the researcher will delete all digital data.

Internal and External Threats to Study Validity

Shadish et al. (2002) define validity as, “The truth of, correctness of, or degree of support for an inference” (p. 513). As indicated by Huck (2012), the essence of validity is the word accuracy. Threats to validity are the reasons why any inference may be incorrect. During the planning process, the researcher provided thought and effort to addressing the threats to validity including internal validity, construct validity, and external validity (Shadish et al., 2002).

Internal validity is the extent to which the data collection effort properly answers the questions it claims to answer using the information collected (Swanson & Holton, 2005). Internal validity according to Shadish et al. (2002) refers to the inferences made about the covariation between A and B and the causal relationship of A to B. The threats to internal validity are the reasons the relationship between A and B are not causal. Within internal threats to validity, the concept of attrition (Shadish et al., 2002) applies because of the potential for turnover within the gaming industry. For this reason, the inclusion criteria for this study required all respondents to have been employed for at least one year at their employer.

The internal validity threat of history applies because it is impossible to isolate the respondents from all the other events taking place simultaneously at the time of the survey. For example, although the researcher wished to compare the perceptions of the HR leaders to those of the business unit leaders, one recognizes the impossibility of isolating the two groups from one another during the research. Although isolation of the respondents from outside events is possible in laboratory research, in field research it is

rarely possible (Shadish et al., 2002). Although not possible to reduce the possibility of History, the researcher reduced the plausibility of History as an internal threat to validity by issuing the survey to all parties at the same time so all groups received surveys at the same time. In addition, the researcher cannot control for other events which may take place during the survey period and may affect the perceptions at time of survey (financial, economic, interpersonal communications).

Construct validity involves ensuring the elements sampled infer to the constructs those sample elements they are meant to represent and threats to construct validity involve the match between the study and the constructs (Shadish, et al., 2002). Researcher expectancies are a threat due to the researcher's significant experience and contacts within the Mississippi market, where the study took place. To combat this threat, the researcher minimized contact with the participants and provided directions within the survey guidelines to articulate how the results would benefit the industry as a whole. Reactivity to the Experimental Situation (Shadish, et al., 2002) is a potential in this research because human beings are capable of interpreting the environment in which the survey takes place and it may affect their reactions to the survey. In this research, the survey focuses primarily on the HRM function and the HRM leader. As a result, the HR leader in this research may react based on their interpretation of what they believe the researcher is studying. The researcher reduced the plausibility of this threat by maintaining a limited interaction with the participants of the study and by assuring all participants of anonymity and confidentiality.

External threats to validity concern inferences from the current study and their applications to other persons, settings, treatments, and outcomes (Shadish, et al., 2002). Fifteen of the 30 casinos chose not to participate in the study, which resulted in a smaller

group. It is up to the discernment of the reader to determine if results can be generalized in other organizations or across jurisdictions. The researcher notes regulations vary across gaming jurisdictions among different states (see Chapter II, Nevada versus New Jersey models). As a result, due to regulatory requirements in other states, external validity may be an issue should a researcher wish to explicate beyond the study population. As settings change (across different state, and jurisdictions within those states), the interaction of relationships may cause changes to the perceptions of strategic HRM. Further explication of external validity will be covered in the recommendations section in Chapter V.

Instrumentation

One of the most employed methods for collecting data in organizational research is the survey (Phillips & Phillips, 2012a; Swanson & Holton, 2005). The survey has several applications for measuring HR program success (Phillips & Phillips, 2012a). This study utilized a self-administered, online survey titled, *The Strategic Role of Human Resources in Mississippi Casinos*. A copy of the survey resides in Appendix A. This study's survey instrument is based on the research instrument developed by Lawler and Boudreau (2012) combined with original survey questions designed by the researcher. The researcher requested and obtained permission to adapt Lawler and Boudreau's survey questions through the lead author (Appendix B). The researcher adapted several of Lawler and Boudreau's survey questions deemed most appropriate to the research objectives of this study. In areas where the authors' original survey questions did not address certain research objectives, the researcher designed survey questions to fit the purpose and provide answers to the research objectives.

The primary method for distributing the survey instrument and collecting the data was Qualtrics online survey software. The survey sections and survey questions align to coincide with the six research objectives and the conceptual framework of the study. Section I aligns to RO2 and collects data relating to the current perceived value/cost perception of HRM. Section II aligns to RO3 and collects data relating to the strategic and technical capabilities of the HRM leader. Section III aligns to RO4 and collects data relating to the perceived barriers to implementing strategic HRM. Section IV aligns to RO5 and collects data relating to HRM alignment and the intent to support, include, and invest in the HRM function. Section V aligns to RO6 and collects data relating to the intent of management to integrate the HRM function into the organizational strategy and the perception of HRM as a way to differentiate a casino organization from the competition, and as a way to gain a sustainable competitive advantage. Section VI aligns to RO1 and collects the demographic data associated with RO1. Table 3 demonstrates the alignment of survey sections to research objectives. The instrument solicits information about the relative strategic nature of the HRM function in the Mississippi casino industry as perceived by business unit leaders and HRM leaders.

Table 3

Survey Alignment to Research Objectives

Section	Research Objective	Content
I	RO 2	Value/cost perception of HRM
II	RO 3	Strategic/technical capabilities of HRM leader
III	RO 4	Barriers/benefits of implementing strategic HRM
IV	RO 5	HRM alignment Intent to support, include, and invest in HRM

Table 3 (continued).

Section	Research Objective	Content
V	RO 6	Intent to integrate Perception as differentiator Perception of sustained competitive advantage
VI	RO 1	Demographic data

The survey used scaled, multiple choice, ranking, and fill-in-the blank questions to collect descriptive quantitative data (non-parametric medians and frequencies as well as parametric means and standard deviations) and qualitative data. The survey collected nominal and ordinal data (Anderson, Sweeney, & Williams, 2005; Boone & Boone, 2012; Sprinthall, 2012; Swanson & Holton, 2005) through scaled questions and multiple-choice questions. The scaled questions were 5-point or 10-point Likert-type questions (Boone & Boone, 2012; Boudreau & Lawler, 2012). The scaled questions expressed both a negative and positive direction and intensity and were designed for collecting ordinal data (Boone & Boone, 2012; Swanson & Holton, 2005) relating to the concept of strategic/technical HRM issues, manager capabilities, HRM alignment, and HRM integration. The multiple-choice questions collected nominal (categorical) data such as population demographics (age, job categories, etc). The ranking question measured the relative importance of the answer given by the respondent. The open-ended questions gathered qualitative information (appropriate for thematic analysis) from the research subjects.

Instrument Validity and Reliability

Within the realm of survey administration, Fink (2003) refers to validity as the degree to which a survey measures what it claims to measure. A reliable survey is one

yielding consistent scores over time (Fink, 2003). Huck (2012) notes since empirical research focuses on the data collected and analyzed, the conclusions and recommendations are only as good as the data on which they are based. Any instrument used to collect data should be both valid and reliable (Fink, 2003; Huck, 2012; Phillips & Phillips, 2008). Validity indicates it measures what it proposes to measure and reliability provides for consistent results over time. Adopting survey questions from a recognized valid survey created by Lawler and Boudreau (2012) supports this study's survey instrument reliability and content validity (Fink, 2003). The authors employed their survey in 1995, 1998, 2001, 2004, 2007, and 2010 both in the United States and internationally to study the HR function in large corporations, specifically focused on HRM's strategic role. Adapting questions from *The Future of HR* survey (Lawler & Boudreau, 2012) is appropriate for the population of interest in this study because it measures the perceptions of both HR leaders and business unit leaders on similar strategic HRM issues. Prior to 2010, the authors collected data through use of mail-based surveys. Beginning in 2010, they successfully implemented data collection through an Internet-based online survey. Although the Lawler and Boudreau (2012) survey is comprehensive and appropriate for most of the needs of this research, the researcher developed additional questions specific to the nature of the research objectives. Therefore, face, content validity, and reliability had to be verified for the overall instrument.

The researcher validated face and content validity through an expert panel comprised of experts who reviewed the data collection instrument but did not participate in the survey. Approximately 5-7 experts with routine and normal experience in the Mississippi gaming industry were selected, including an HR leader, general manager, two

business-unit leaders, a member of the gaming commission, and a member of the Mississippi Gaming and Hospitality Association. The researcher asked the panel to examine the format, length, design, clarity, and comprehensiveness of the survey (Ebner, 2002). The researcher revised the survey instrument based on the expert panel feedback.

The researcher conducted a pilot test by administering the revised survey instrument to a group similar to the target population. A pilot test is one of the best ways to confirm the proper design of surveys including the wording of questions and clarity of the directions. It can expose problems prior to the administration of surveys (Fink, 2003; Phillips & Phillips, 2008). Ebner (2002), in studying the Mississippi gaming industry, used a tribal casino not regulated fully by the Mississippi Gaming Commission for a pilot test due to the similarity to her target population. Similarly, the researcher pilot tested the survey for this research with the leaders of a Native American casino.

The information contained in Table 4 demonstrates the research objectives, the types of data gathered, the specific questions in the survey mapped to the associated research objectives, the method of gathering the needed data, the sources supplying the data, and associated deadlines. The plan outline presented in this chapter is adapted from Phillips and Phillips (2012). The method for collecting the responses was an online survey.

Table 4

Data Collection Plan

DATA COLLECTION PLAN FOR MISSISSIPPI CASINO SURVEY						
	Research objectives	Measures/Data	Questions	Method	Data Sources	Deadline
RO1	Describe the characteristics of participants including (a) position title, (b) years of experience in current field, (c) years of experience in Mississippi casino resort industry, (d) age, (e) gender, (f) education	Multiple Choice Multiple Response	Q18 Q19 Q20 Q21 Q22 Q23	Online or Paper Survey	HR leaders Business Leaders	TBD
RO2	Compare the perceptions between HRM leaders and business unit leaders of HRM's current (a) perceived value and (b) perceived cost, versus desired role.	Likert Scale	Q1 Q2 Q3 Q4	Online or Paper Survey	HR leaders Business Leaders	TBD
RO3	Compare HRM leaders and business unit leaders' perception of the HRM leader's knowledge of (a) business literacy, (b) organizational strategy, (c) technical HRM knowledge, (d) alignment of HRM strategy to organizational strategy, and (e) HRM leaders' management capabilities.	Likert Scale Ranking	Q5 Q6 Q7 Q8	Online or Paper Survey	HR leaders Business Leaders	TBD
RO4	Identify benefits and barriers to achieve strategic application of HRM practices as perceived by HRM leaders and business unit leaders.	Open-Ended	Q9 Q10	Online or Paper Survey	HR leaders Business Leaders	TBD
RO5	Determine the relationship between business unit leader's perception of HRM strategic capabilities/alignment to organizational strategy and business unit leader's intent to (a) support HRM programs, (b) include HRM in strategy formulation, and (c) intent to invest in HRM's funding.	Likert Scale	Q11 Q12 Q13 Q14	Online or Paper Survey	HR leaders Business Leaders	TBD
RO6	Determine the relationship between business unit leaders' perception of HRM's strategic capability/alignment and an (a) intent to integrate HR strategy into business strategy development, (b) increased use of HRM as a business differentiator, and (c) perception of HRM as a method to sustain competitive advantage.	Likert Scale	Q15 Q16 Q17	Online or Paper Survey	HR leaders Business Leaders	TBD

Institutional Review Board (IRB) Approval

The researcher submitted an IRB approval application (Appendix D) to the University of Southern Mississippi Institutional Review Board (IRB) for human subjects review and approval. The IRB approval application included (a) IRB application form, (b) a research proposal approval letter from the dissertation chair, (c) CITI common

course certificate, (d) CITI IRB completion certificate, (e) study recruitment documents, (f) letter of permission for access to the population, and (g) a copy of the survey questions. The researcher received approval from the IRB and implemented the data-collection action plan.

Data Analysis

The following data analysis section describes the statistical methodology for analysis. Descriptive statistics were generated for each survey question. Descriptive statistics are methods for describing data in an abbreviated, symbolic manner (Sprinthall, 2012). The descriptive statistics in this study included the number of participants, frequencies, percentages, medians, means, and standard deviations of responses. Examples of the descriptive statistics were employed successfully in Lawler and Boudreau's (2012) study of effective human resources as perceived by HR leaders and business unit leaders. Ebner (2002), Green (2012), and Stewart (2012) each employed the use of descriptive statistical analysis in their individual dissertation research within Mississippi's casino resort industry. Descriptive statistics are reported for Research Objective One for Q18, Q19, Q20, Q21, Q22, and Q23.

The survey instrument in this study utilizes Likert-type scaled questions (Boone & Boone, 2012; Huck, 2012) to collect data for each of the specific Research Objectives. Unlike Likert scale questions, Likert-type questions are those in which a researcher uses some aspect of the original Likert alternatives; however, the researcher does not attempt to combine the responses from the items of the questions into a composite scale (Boone & Boone, 2012). The Likert-type questions in this research study reveal "less than to greater than" relationships, however do not measure how much less or greater than. In discussing Likert-type attitude inventories Huck (2012) demonstrates "...it is not very

plausible to presume that the resulting total scores possess the characteristic of equal intervals that is embodied in interval (and ratio) levels of measurement” (p. 439). As a result, the data is ordinal in nature (Huck, 2012).

Based on the ordinal nature of the Likert-type questions and the data collected, the researcher used non-parametric procedures for analyzing the data (Huck, 2012; Sprinthall, 2012). Unlike parametric statistics, which rely on assumptions about normality of the distribution, non-parametric tests rely on few or no assumptions about the population shape (Hoskin, 2013; Huck, 2012; Sprinthall, 2012). The researcher used nonparametric procedures including medians to express central tendency and frequencies to express variability for all Likert-type questions in the survey (Boone & Boone, 2012).

Throughout the survey, the researcher asked two separate groups to provide their perceptions of the HR function. One group comprised all HRM leaders responding to the survey and the second group comprised all senior business-unit leaders who were not HR leaders, responding to the survey. Whereas the first group (HR leaders) contains only those employed in the function of Human Resources, the second group (business-unit leaders) contains multiple business unit professionals (GM’s, Marketing Leaders, Casino Operations Leaders, etc.). Each of the Likert-type questions revealed ordinal data for two separate groups (senior business-unit leaders and HR leaders). The resulting descriptive data provided response medians for each group for each question on the survey. The researcher wished to compare the median response scores (perceptions) of each group on each question to determine whether the resulting median responses between the two groups were significantly different or similar. Because of the nonparametric nature of the ordinal data, the researcher used a Mann-Whitney U test to compare the median responses between the two groups for each of the Likert-type questions. The Mann-

Whitney U test determines whether two sets of ranked scores are representative of the same population (Anderson, Sweeney, & Williams, 2005; Green & Salkind, 2011; Huck, 2012; Sprinthall, 2012). In cases where parametric tests such as independent t-tests cannot be used due to the ordinal nature of the data, two independent samples may be compared using the nonparametric Mann-Whitney U Test (Sprinthall, 2012). “If a study has two independent samples, and individuals in the samples are assessed on a dependent variable measured on an ordinal scale, then the data from the study should be analyzed with a Mann-Whitney U test” (Green & Salkind, 2011). More powerful than a median test because it uses more information from the data, the Mann-Whitney test is less apt to produce a Type II error (Huck, 2012). The Mann-Whitney tests whether the two populations are identical (Anderson, Sweeney, & Williams, 2005; Sprinthall, 2012). The null hypothesis is (H_0 : the two populations are identical). The alternative hypothesis is (H_a : The two populations are not identical). Non-parametric medians and the Mann-Whitney U test were utilized to determine the HRM leader and business unit leader perceptions/differences regarding HRMs perceived value and cost for Research Objective Two (Q1, Q2, Q3, and Q4). Additionally, non-parametric medians and the Mann-Whitney U test were utilized to determine the perceptions/differences of HRM and business unit leaders regarding HRMs business literacy, knowledge of strategy, technical HRM, alignment of HRM strategy, and HRM management capabilities in Research Objective Three (Q5, Q6, Q7, and Q8).

To gain a better understanding of the perceptions of both groups of the benefits and barriers to achieving Strategic HRM, the investigator asked two open-ended questions and gathered qualitative data. The researcher performed a qualitative, thematic analysis to develop the relevant themes for Q9 and Q10 in Research Objective Four.

Responses to Q11-Q14 investigated the association between the business unit leader's perception of HRM's alignment to organizational strategy (RO3) and management's intent to support, include, and invest in the HRM function (RO5). Responses to Q15-Q17 provided insight into the association between the business unit leaders' perception of HRM's alignment with organizational strategy (RO3) and the intent to integrate HR strategy into business strategy, the perception of HRM as a competitive differentiator, and the perception of HRM as a method to achieve sustained competitive advantage (RO6).

For both RO5 and RO6, the focus switched from a between groups difference to an association between two categorical measures within a single group (business unit leaders) (Swanson & Holton, 2005). "The tool researchers use to investigate association between two measures is correlation" (Swanson & Holton, 2005, p. 40). A correlation measures the strength of a relationship between two variables (Huck, 2012; Shadish et al., 2002; Sprinthall, 2012). In general, a correlation coefficient measures the association between two variables for interval data (when available). However, when only ordinal data are available, the Spearman rank-correlation coefficient r serves the purpose for nonparametric methods (Anderson et al., 2005; Boone & Boone, 2012; Green & Salkind, 2011; Hoskin, 2013; Sprinthall, 2012). "The Spearman rank-correlation coefficient is equal to the Pearson correlation coefficient applied to ordinal or rank data" (Anderson et al., 2005, p. 850). Sprinthall (2012) indicates when the Pearson r is inapplicable one may obtain the correlation between variables through the nonparametric Spearman's r . The researcher, therefore, employed the use of Spearman's r to explore the relationship between business unit leaders' perceptions of HRM strategic capability/alignment (role in strategy) and their intent to support, include, and invest in HRM (RO5). The researcher

also used Spearman's r to understand relationships between business-unit leaders' perceptions of HRM strategy integration and HRM as a business differentiator, and the perception of HRM as a method to sustain competitive advantage (RO6).

Summary

This cross-sectional, non-experimental, descriptive research study surveyed senior business leaders and senior HRM leaders within the Mississippi casino industry to determine perceptions of the human resource function's strategic capabilities and potential for supporting sustained competitive advantage within the Mississippi casino industry. Approximately 294 potential study participants occupy various leadership positions within the Mississippi gaming industry, including human resources, General Managers, marketing, finance, security, surveillance, food and beverage, casino operations, hotel operations, and other operations. An online survey collected the data. Questions cover demographics and an assortment of strategic HRM issues as indicated in the research objectives.

The researcher used SPSS software to analyze the survey data and obtain non-parametric descriptive statistics including medians and frequencies and parametric statistics including means and standard deviations for specific questions. A nonparametric Mann-Whitney U test measured the medians between groups to determine if the medians differ significantly between groups and the nonparametric Spearman's rank correlation measured the strength of relationships between categorical measures within groups. The next chapter will describe the results of the data analysis.

CHAPTER IV

RESULTS

Introduction

The researcher conducted a study of the perceptions of human resource professionals and casino operators about the strategic nature of the human resource function in the Mississippi casino industry. This chapter presents the data analysis results for each of the research objectives of the study. Data was collected using a researcher-developed survey administered through Qualtrics survey software. The researcher subsequently downloaded the data from the survey into SPSS software for data analysis.

Response Rate

The estimated size of the potential population of casino leaders is approximately 294 individuals based on the major groupings of departments typically represented in Mississippi casinos (i.e. General Managers, HR leaders, Marketing, etc.). No known data are available to definitively, quantify the complete composition of this finite population of interest. The researcher based the population size of approximately 294 individuals on the job categories contained in this study for the 30 corporate-owned casinos in Mississippi. The Executive Directors of the Mississippi Gaming Commission and the Mississippi Casino and Hospitality Operators Association confirmed the department categories as representative of average function types in typical Mississippi casinos. Of the 30 casinos in the state of Mississippi, 15 (50%) agreed to participate. A sample of 132 individuals representing 15 of the 30 casinos, were approved to participate by their respective organizations. Of the 132 participants approved to participate, 97 (73.5%) responded to the survey. However, seven surveys were unusable because the respondents lacked the minimum one year of work experience with their current employer, yielding a

usable sample response rate of 90. Statistical power as required by the Finite Population Correction Factor was met for all respondent groups ($n/N > .05$). Survey non-response equaled 35 (26.5%). Data analysis and results presentations are provided for each research objective.

Results

Research Objective One (ROI)

Research Objective One seeks to describe the demographic characteristics of participants including (a) position title, (b) years of experience in current field, (c) years of experience in Mississippi casino resort industry, (d) age, (e) gender, and (f) education through the collection of nominal data. Of the total respondents, the General Managers of the casinos represented 11.3% ($n=11$) of the sample, followed by Human Resources and Slot Operations employees at a frequency level of 9.3% ($n=9$) each. Participants reporting Marketing and Finance roles represented 8.2% ($n=8$) of the responses respectively, with Security and Surveillance employees responding at a rate of 4.1% ($n=4$). The job category Table Games represented the lowest response rate at 3.1% ($n=3$). The category Other represented 14.4% ($n=14$) of the total observed response frequencies and represents respondents who self-identify their role/title as something other than the standard operation choices presented or who for various reasons chose to identify themselves outside of the standard categories. Table 5 illustrates the frequency of individuals by department responding to the survey.

Table 5

Frequencies of Respondents by Job Category

Job Categories	Frequency	Percent (%)
General Manager	11	11.3
Human Resources	9	9.3
Slot Operations	9	9.3
Marketing	8	8.2
Food & Beverage	8	8.2
Finance	8	8.2
Hotel Operations	4	4.1
Security	4	4.1
Surveillance	4	4.1
Table Games	3	3.1
Other	14	14.4
Total	82	84.5

Table 6 demonstrates the years of experience in the casino resort industry and the years of experience in the Mississippi Casino Industry for each of the major job categories of respondents. For the 82 (84.5%) participants responding, an average of 18.17 and 14.02 years of service was reported in the casino industry and Mississippi industry, respectively. All respondents reported considerable years of service in the casino resort industry, from a minimum of 11.63 years (Food & Beverage) to 24.67 years (Table Games). The most senior position in the study (General Manager) demonstrated

an average of 19.45 years in the industry. Human Resources, an important component to this study averaged 17.44 years in the industry.

Table 6

Years of Experience in Current Field and Mississippi Casino Industry

Job Categories	Years of Experience in the Mississippi Casino Industry			Years of Experience in Casino Resort Industry		
	<i>n</i>	Mean	SD	<i>n</i>	Mean	SD
Hotel Operations	4	19.5	1	4	20.75	2.986
Security	4	19.25	4.856	4	22	3.83
Surveillance	4	18.75	1.896	4	21.5	2.646
Human Resources	9	17.44	3.745	9	17.44	3.745
Table Games	3	16	9.644	3	24.67	0.557
Marketing	8	13	9.827	8	17.63	6.278
General Manager	11	12.82	7.291	11	19.45	6.502
Food & Beverage	8	12.25	6.296	8	11.63	5.63
Finance	8	11.88	7.605	8	16.5	6.047
Slot Operations	9	11.22	9.365	9	21.22	4.738
Other	14	13	6.276	14	17.5	4.363
Total	82			82		

Job categories were grouped into two functions, HR Leader Group and Business-Unit Leader Group. The HR Leader Group included the job category of Human Resources.

Job categories grouped into the Business-Unit Leader Group included, Hotel Operations, Security, Surveillance, Table Games, Marketing, General Manager, Food and Beverage, Finance, Slot Operations, and Other. When grouped by function (HR Leader Group versus Business-Unit Leader Group), the HR Leaders average 17.44 years of experience in the casino resort industry compared to the Business-Unit Leader Group (18.45) average. When comparing years of experience in the Mississippi casino industry, the HR Leader Group reported an average of 17.44 years while the Business-Unit Leader Group dropped to 13.68 years. Relating to the years of experience in the Mississippi Casino Industry, those occupying the role of Security held the longest service at 19.25 years. Participants reporting the job category of Slot Operations reported the least years of service in the Mississippi casino industry with an average at 11.22 years. The most senior position in the study (General Manager) demonstrated one of the lowest years of experience in the Mississippi market at 12.82 years versus overall casino experience. The Human Resources respondents reported an average of 17.44 years of service in both the Mississippi casino market and industry-wide experience.

None of the respondents reported their age as being between 21-29 years of age. Approximately one in five ($n=14$) report their age group as between 30-39, whereas approximately one-third (38%, $n=32$) fall into the 40-49 year age group. The 50-59 age group was the largest grouping, (33%, $n=28$), with approximately one out of ten ($n=10$) in the 60+ age group. The majority of respondents to the survey report having earned a college degree (69%, $n=58$). Approximately (23%, $n=19$) respondents reported earning a high school diploma as their highest level of education. Table 7 demonstrates the age groups and highest level of education reported by the respondents.

Table 7

Frequencies of Age and Education

Variable	Value	Frequency	Percent (%)
Age			
	21 – 29	0	0
	30 – 39	14	17
	40 – 49	32	38
	50 – 59	28	33
	60 +	10	12
	Total	84	100
Education			
	High School	19	23
	Undergraduate	35	42
	Graduate	22	26
	Doctoral	1	1
	Other	7	8
	Total	84	100

Research Objective Two (RO2)

The comparison of HR Leader and Business-Unit Leader perceptions of HRM's current (a) value and (b) cost within their respective organizations is the focus of Research Objective Two. Participants were asked to rate HR activities using a Likert-type scale of *1 = Not Meeting Needs – 10 = All Needs Met*, which gathered ordinal data on the perceptions of how well the HR function was meeting the needs in specific HR activities. Results demonstrate HR Leaders consistently rated their performance in HR activities higher than the Business Leaders rated HR leaders based on median responses

than did the Business leaders. Table 8 demonstrates median response perceptions of the HR leaders and the Business-Unit Leaders.

Table 8

Perceptions of HR Activities

Variable	HR Leader Median	Business Leader Median	Z	P
Providing HR Services	9	8	-1.814	0.07
Being a business partner	9.5	8	-2.085	0.037
Improving decisions about human capital	8	8	-1.139	0.255
Helping to develop business strategies	9	6	-2.036	0.042
Being an employee advocate	10	8	-1.734	0.083
Analyzing HR and business metrics	8	8	-1.168	0.243
Overall performance	9	8	-1.774	0.076

p=.05

Results of a Mann-Whitney U test determined the significance of any perceived differences between groups. When exploring HR Leader and Business-Unit Leader perceptions of HR activities, results demonstrate a significant disconnect between how the two groups perceive HR effectiveness for several of the business related variables. The HR Leader Group perceives their performance to be significantly higher than the Business-Unit Leader Group perception of the HR Leader Group performance. Median scores indicated a statistical significance for HR Leaders (*Mdn*=9.5) than Business Leaders (*Mdn*=8) for the variable of Business Partnership ($z=-2.085, p=.0374$). Additionally, statistically significant median scores demonstrate a higher perception for HR Leaders (*Mdn*=9) than Business Leaders (*Mdn*=6) relating to the concept of

Developing Business Strategies ($z=-2.036, p=.042$). These findings suggest, on the more value-added concepts of Business Partnership and Developing Business Strategies, HR Leaders overvalue their contributions when compared to the Business Leaders' perceptions of the contributions made by the HR Leaders.

Respondents were also asked to rate the perceived level of importance they place on HR Leaders performing the HR Activities well. Respondents answered using a Likert-type scale of $1 = \text{Not Meeting Needs} - 10 = \text{All Needs Met}$. A Mann-Whitney U test for each of the variables demonstrated no statistically significant difference between the HR Leader Group and Business-Unit Leader Groups at the $p=.05$ level indicating both groups perceive high importance is placed on HR performance for the HR activities. Interestingly, the HR Leader Group perceived to a higher degree than the Business-Unit Leader Group, the need to perform the HR Activities well; however, results demonstrate the Business-Unit Leader Group respondents in the earlier question rated the HR Leader Groups' actual effectiveness lower. The perception of both groups of HR Activity Importance of performance is less dissimilar than in the earlier question of actual HR Activities. However, the observed median remained higher for the HR Leader Group ($Mdn=9$ for all categories) than for Business-Unit Leader Group ($Mdn=8$ for all categories). Table 9 presents the data for both the HR Leader and Business-Unit Leader Groups' perceptions of HR activity importance.

Table 9

Perception of HR Activity Importance

Variable	HR Leader Median	Business Leader Median	Z	P
Providing HR Services	9	9	-1.09	0.276

Table 9 (continued).

Variable	HR Leader	Business Leader	Z	P
	Median	Median		
Being a business partner	9	8	-1.134	0.257
Improving decisions about human capital	9	8	-1.646	0.1
Helping to develop business strategies	9	8	-1.645	0.1
Being an employee advocate	9	8	-1.645	0.1
Analyzing HR and business metrics	9	8	-1.587	0.113
Overall performance	9	8	-1	0.318

p = .05

Eighty-five (*n*) respondents provided feedback about their perceptions of the different ways HR may add value through the application of human capital using a Likert-type scale of 1=Little or No Extent, 2= Some Extent, 3= Moderate Extent, 4= Great Extent, and 5= Very Great Extent. Results are presented in Table 10.

Table 10

Perception of HR Business Value

Variable	HR Leader	Business Leader	Z	P
	Median	Median		
Excelling at competing for and with talent	4	3	-0.636	0.525
HR leaders understanding about human capital	5	4	-2.351	0.019
Business leaders understanding about human capital	4	4	-0.332	0.74
HR adds value by insuring compliance	5	4	-1.213	0.225

Table 10 (continued).

Variable	HR Leader Median	Business Leader Median	<i>Z</i>	<i>P</i>
HR adds value by improving talent decisions	4	3	-2.489	0.013

p=.05

Statistically significant results focus on the concepts “HR leaders understanding about human capital” and “HR adding value through improving talent decisions.” A Mann-Whitney U test confirmed the HR Leader Group perceives themselves to understand human capital to a greater degree (*Mdn*=5) than the Business-Unit Leader Group perceives they do (*Mdn*=4), ($z=-2.351$, $p=.0019$). Additionally, for the variable, “HR adds value by improving talent decisions,” the Business-Unit Leader Group median of (*Mdn*=3) was lower than the HR Leader Group (*Mdn*=4) at $z=-2.489$, $p=.013$, yielding statistical significance.

The survey gathered data about the cost side of the value/cost perception revealed in the literature. Eighty-four of the respondents answered this question using a Likert-type scale of 1= *Little or No Extent*, 2= *Some Extent*, 3= *Moderate Extent*, 4= *Great Extent*, and 5= *Very Great Extent*. Both the HR Leader Group and Business-Unit Leader Group was asked to rate the extent to which HR is primarily viewed as a cost center that requires managing. Table 11 presents the data. Although the perceived median for Business-Unit Leaders (*Mdn*=3) was higher than the HR group (*Mdn*=2), no statistically significant difference was found in the median ratings between groups at the $p>.05$ level. The ratings support both groups perceive enough value in casino HR operations to

balance the value/cost dynamic. Most importantly to HR leaders are the perceptions of the Business-Unit Group, who perceive a balance between HR value and cost.

Table 11

Perception of HR as a Cost Center

Variable	HR Leader Median	Business Leader Median	Z	P
To what extent is the value of HRM viewed primarily as a cost center to be managed?	2	3	-1.081	0.28

p=.05

The analysis for RO 2 indicates HR overvalues its contribution to adding value to their organization in terms of understanding human capital, as well as adding value through improving talent decisions. In both of these cases, responses indicate management perceives HR performs at a lesser level than do the HR leaders. When exploring the cost side of the benefit/cost section of the survey, management and HR both ranked HR at a Moderate Extent as a cost to be managed, indicating management finds perceived value in HR's work even though HR perceives more value than management.

Research Objective Three (RO3)

Research Objective Three explores perceptions about the HR function and specifically the HR Leader in Mississippi casino operations. It seeks to compare HR Leader and Business-Unit Leader perceptions of the HR leader's knowledge of (a) business literacy, (b) organizational strategy, (c) technical HRM knowledge, (d) alignment of HRM strategy to organizational strategy, and (e) HRM leader management capabilities within their organizations.

Eighty-five (n) respondents rated the degree to which HR Leaders possess the necessary skill set for success in the casino business environment using a Likert-type scale of 1=Little or No Extent, 2= Some Extent, 3= Moderate Extent, 4= Great Extent, and 5= Very Great Extent, yielding ordinal data. Results in Table 12 demonstrate both the HR Leader Group and Business-Unit Leader Group perceive a median response of ($Mdn=4$) Great Extent. A Mann-Whitney U test confirmed the median responses were statistically significant at $z=2.306$, $p=.021$, indicating both groups perceive HR leaders possess the business acumen required to be successful in the casino industry.

Table 12

Perception of HR Leader Business Skills

Variable	HR Leader Median	Business Leader Median	Z	P
HR leader possesses necessary business skills for the casino business environment?	4	4	-2.306	0.021

$P=.05$

Literature suggests HR is more effective on behalf of their organizations across industries when the HR function is actively involved as a business partner. Additionally, some HR roles are more valuable than others in enhancing business operations. In studying the concept of role involvement, both the HR Leader and Business-Unit Leader Groups provided estimates of the percentage of time the HR function spent in performing HR related roles. The results are presented in Table 13 for each variable as Mean scores.

Table 13

Time Spent Performing HR Roles

HR Roles	HR Leader		Business Leader	
	Mean	SD	Mean	SD
Strategic Business Partnering	31.11	15.16	13.18	11.04
Providing Human Resource Services	22.78	15.23	23.15	14.49
Auditing / Controlling	17.22	10.93	14.45	9.73
Maintaining Records	16.67	10.31	28.02	19.97
Developing Human Resource Systems and Practices	12.22	7.55	12.99	9.14

The results for the variables of technical HR roles such as Auditing/Controlling, Providing Human Resource Services, and Developing Human Resource systems were approximately similar between both groups with little variation. However, the results provide insight into the classic polarity of HR behavior in the research literature: the less valuable Records Maintenance role versus the more value-added role of Strategic Business Partnership. In the case of this study, considerable differences exist between perceptions of the leader groups. The Business-Unit Leader Group perceives HR spends more time Maintaining Records and less time involved in Strategic Business Partnering. However, HR Leaders perceive the opposite of Business-Unit Leaders and perceive less time spent on actual records maintenance and considerably more time involved as a strategic business partner. This finding supports a criticism of general human resources over several decades: management perceives HR as caught up in administration (Lawler & Boudreau, 2012).

Research recognizes the skills and knowledge of HR leaders may be one of the most important factors in influencing what they do and how well they do it (Lawler &

Boudreau, 2012). Respondents were asked to rate the skills and knowledge of their individual organization's current HR Leader using a Likert-type scale of 1=*Very Dissatisfied*, 2 = *Dissatisfied*, 3=*Neutral*, 4=*Satisfied*, and 5 = *Very Satisfied*. Group medians between groups were similar for most variables. Table 14 presents the data for this question alphabetically by variable.

Table 14

HR Leader Skills and Knowledge Satisfaction

Variable	HR Leader	Business Leader	Z	P
	Median	Median		
Business understanding	4	4	-2.847	0.004
Change management	4	4	-2.841	0.04
Cross-functional experience	4	4	-2.042	0.041
HR technical skills	5	4	-1.804	0.071
Interpersonal skills	5	4	-2.304	0.021
Leadership/management	4	4	-2.016	0.044
Strategic planning	4	4	-1.648	0.099
Team skills	4	4	-1.969	0.049
Process execution and analysis	4	4	-2.297	0.022

p=.05

In all nine cases, both the HR Leader Group and Business-Unit Leader Group perceived the HR leader's skills and knowledge at a rating of Satisfied or higher. Similar to the results of Lawler and Boudreau (2012), the HR Leader Group perceived themselves highest on HR Technical Skills and Interpersonal Skills. In both of these variables, the HR Leader Group perceived their skill level at a median of (*Mdn*=5), while

the Business-Unit Leader Group perceived the HR skill level at a median of ($Mdn=4$). For all other variables, both groups perceived HR skills and knowledge a 4 out of 5. A Mann-Whitney U test was run to measure for statistical significance for all variables. Results of the test indicate statistical significance for the variables (Team skills - $z=-1.969$, $p=.049$), (Business understanding - $z=-2.847$, $p=.004$), (Interpersonal skills - $z=-2.304$, $p=.021$), (Cross-functional experience - $z=-2.042$, $p=.041$), (Leadership/management - $z=-2.016$, $p=.044$), (Change management - $z=-2.841$, $p=.04$), and (Process execution, $z=-2.297$, $p=.022$). Results demonstrate both the HR Leader Group and Business-Unit Leader Group medians are similar relating to the perceptions of several HR Leader skills satisfaction; however, results of the Mann-Whitney U test demonstrate a significant difference exists.

A Mann-Whitney U test is more powerful than a median test because it uses more information from the data (Huck, 2012). The Mann-Whitney U test determines whether two sets of ranked scores are representative of the same population (Anderson, et al., 2005; Sprinthall, 2012). It combines the two comparison groups and ranks the scores of the combined group. Following rank assignment, the two original groups are reconstructed and the sum of ranks for the groups are reviewed to see if the two groups significantly differ (Anderson, et al., 2005; Huck, 2012). Although not common, two groups can have different rank sums (one group significantly larger than the other), yet have similar medians (IDRE, 2014). For each of the variables listed above with the same medians between groups but a statistical difference existed, the HR Leader Group demonstrated a statistically higher rank score compared to the Business-Unit Leader Group. In these cases, the HR Leader Group perceived their skills and knowledge satisfaction higher than did the Business-Unit Leader group, even though the medians

were similar. For the variable, “Interpersonal skills,” the Business-Unit Group median ($Mdn=4$) was lower than the HR Leader Group median ($Mdn=5$) and statistically significant. These results support the work of Subramony (2006) and Wright, et al. (2001b) who suggests HR managers tend to view HR’s performance significantly higher than do line executives. Additionally, the results are reflective of the need for HR to have a wide range of business skills, as being good at technical HRM is not enough by itself (Lawler & Boudreau, 2012).

Throughout the research literature on strategic HRM, the concept of human resource strategy aligned with organizational strategy is important to organizational competitiveness. In the survey, respondents rated the extent to which their organization had a human capital strategy integrated into their business strategy. The responses were measured with a Likert-type scale of *1=Little or No Extent, 2= Some Extent, 3= Moderate Extent, 4= Great Extent, and 5= Very Great Extent*. Seventy-nine of the respondents answered this question. Both HR Leaders and Business-Unit Leaders perceive at the Moderate Extent or higher the existence of a human capital strategy integrated with the business strategy. The HR Leader Group perceives, to a Great Extent they have a human capital strategy integrated with the business strategy. Whereas a Mann-Whitney U test found no statistical significance in the difference between group medians at the $p=.05$ level, Business-Unit Leaders perceive less evidence in a perceived visible HR strategy. See Table 15.

Table 15

Perception of HR Department Human Capital Strategy

Variable	HR Leader Median	Business Leader Median	Z	P
The HR department has a human capital strategy that is integrated with the business strategy	4	3	-1.67	0.095

p=.05

Overall analysis for RO3 demonstrates both groups agree, to a “Great Extent”, the HR Leaders possess the necessary business skills to be successful in the casino business environment. However, Business-Unit Leaders perceive HR Leaders consistently spend more time maintaining records and auditing than providing strategic business partnership at a ratio of approximately two to one, disputed by the HR Leader Group rating. Between-group ratings for specific HR Leader skills and knowledge closely aligned between both groups. Interestingly, the HR Leader Group rated their interpersonal skills as much higher (Very Satisfied) than did the Business-unit group (Satisfied). The HR Leaders perceive to a higher degree than the Business-Unit Leaders, to have an HR strategy integrated in overall organizational strategy

Research Objective Four (RO4)

The purpose of RO4 was to identify HR Leader and Business-Unit Leader perceptions of the benefits and barriers to achieving the strategic application of HRM practices within their organizations. The researcher captured qualitative data by using open-ended questions to reveal additional perceptions of the groups not covered by the closed-end questions presented in other parts of the survey. The researcher downloaded the qualitative data for each group to a spreadsheet, then “learned” the data (Fink, 2003).

The researcher created a codebook for the qualitative data and coded the data into the appropriate categories. An inductive qualitative analysis revealed the dominant themes. The results for benefits and barriers are presented in Tables 16 and 17 respectively.

Sixty-five of the 92 respondents shared their perceptions to these two questions. The largest response to these open-ended questions came from the Business-Unit Leaders and only three of the HR Leader Group responded to these questions. The greatest perceived benefit of strategic HRM in casinos was overwhelmingly “Improve Talent Acquisition” (40%, n=26), followed by improvements to “Operational Effectiveness” (17%, n=11) and improvements in “Cross-Functional Knowledge” (11%, n=7). Table 16 also presents examples of respondent feedback for these categories.

Table 16

Perceived Benefits of Strategic HRM

Themes Associated with Perceived Benefits	Frequency	Percent (%)
a. Improve Talent Acquisition	26	40
b. Operational Effectiveness	11	17
c. Cross-Functional Knowledge	7	11
d. Other	21	32
Total	65	100

Examples of Respondent Feedback

- a. “The ability to attract and retain talent that is capable of delivering desired results AND help get rid of talent that is not capable of delivering desired results.”

- b. “It would free up more time to focus on growing the business as opposed to maintaining the business.”
- c. “Increased understanding and better support for those that actually managed operational areas.”

The researcher explored perceived barriers of achieving strategic HRM. The top three dominant themes for this construct included a lack of “Cross-Functional Knowledge on HR’s part” (20%, n=13), “Insufficient Talent” available for HR to hire (20%, n=13), and a general “Lack of Alignment” between HR and the Operations (17%, n=11). Table 17 presents examples of respondent feedback to these themes. In both cases, the leaders perceive Cross-Functional Knowledge to be important to improving strategic HRM.

Table 17

Perceived Barriers of Achieving Strategic HRM

Themes Associated with Perceived Barriers	Frequency	Percent (%)
a. Cross-Functional Knowledge	13	20
b. Insufficient Talent	13	20
c. Lack of Alignment	11	17
d. Other	27	42
Total	64	99

Examples of Respondent Feedback

- a. “Little practical understanding of the operational side of the business.”
- b. “HR lacks focus and investment on the recruitment of quality candidates.”
- c. “Getting the business leaders to appreciate the HR function.”

Overall, RO4 analysis indicates the top three benefits for both groups combined included improving talent acquisition, improving operational effectiveness, and improving cross-functional knowledge of HR leaders. The top three barriers to achieving strategic alignment included a lack of HR Leader cross-functional knowledge, insufficient talent to carry out the mission, and a current lack of alignment between HRM strategy and business strategy. One of the biggest benefits to strategic alignment of HR, was also one of the largest barriers — HR Leader cross-functional knowledge.

Research Objective Five (RO5)

The purpose of RO5 was to determine if a relationship exists between Business-Unit Leader perceptions of the HRM strategic capabilities/alignment to their organizational strategy and Business-Unit Leader intent to (a) support HRM programs, (b) include HRM in strategy formulation, and (c) invest in HRM funding.

Human resource's role in strategy development and implementation may establish the influence and value of the HRM function within organizations (Lawler & Boudreau, 2012). Respondents were asked to provide their perceptions about HR's role in business strategy. Eighty-two individuals responded to this question. Response choices included *No Role, Implementation of Business Strategy, Input and Implementation of Business Strategy, and Full Partner*. Frequency and percentage of responses by group are presented in Table 18.

Table 18

Perception of HR Role in Business Strategy

Variable	HR Leader		Business Leader	
	Frequency	%	Frequency	%
HR plays no role in business strategy	0	0	14	19.2

Table 18 (continued).

Variable	HR Leader		Business Leader	
	Frequency	%	Frequency	%
HR involved in implementing business strategy	2	22.2	21	28.8
HR provides input and implements once developed	4	44.4	28	38.4
HR is a full business partner in developing/implementation	3	33.3	10	13.7
		100		100

All of the nine HR Leader Group respondents answering this question perceive HR Leaders serve at least some role in business strategy development. In fact, none of the HR Leaders perceive they provide no role. This is different from the Business-Unit Leader Group of 19% (n=14) who perceives HR plays no role. As with the bottom of the spectrum, the top of the spectrum, “HR is a full business partner...” demonstrates considerable difference in perceptions. Thirty-three percent (n=3) of the HR Leader Group perceives they serve as a full partner, whereas 13.7% (n=10) of the Business-Unit Leaders perceive HR is a full partner in developing strategy. This supports strategic HRM results from Lawler and Boudreau (2012) who found over several years of repeated surveys, HR in many cases, is not growing its involvement in strategic partnering. The literature on HR’s role in strategy demonstrates HR frequently falls back to a support role where they feel some mastery. Similarly, the results of this study demonstrate both the HR Leader and Business-Unit Leader Groups perceive HR as primarily an implementer of strategy within the Mississippi gaming industry.

Although implementation of business strategy alone is not enough to move HR to the next level in partnership, it is important to the overall strategy process and is one of the contributions human resources may make. Involvement in strategy may take several forms from input, implementation, or strategy design (Lawler & Boudreau, 2012). Both the HR Leader Group and Business-Unit Leader Group provided their perceptions relating to HR's specific activities within strategy development and execution. Respondents were asked about HR's role in strategy using a Likert-type scale where 1=Little or No Extent, 2=Some Extent, 3=Moderate Extent, 4=Great Extent, and 5=Very Great Extent. Sixty-nine of the 90 respondents answered the question. Results are presented in Table 19.

Table 19

Perceptions Relating to HR and Strategy

Variable	HR Leader Median	Business Leader Median	Z	P
a. Help identify or design strategy options	3	3	-0.331	0.741
b. Help decide among the best strategy options	4	3	-0.829	0.407
c. Help plan the implementation of strategy	4	4	-0.429	0.668
d. Help identify new business opportunities	3	3	-0.698	0.485
e. Assess the organization's readiness to implement strategies	3	3	-0.372	0.71
f. Help design the organization structure to implement strategy	3	3	-0.312	0.755

P = .05

Both groups reported median responses for most of the variables at a “Moderate Extent” level. A Mann-Whitney U test found no statistically significant differences between group median responses at the $p=.05$ level indicating HR has only a moderate level of involvement in the more value-added variables, which require HR to identify strategy choices, choose the best strategy, identify business opportunities, and design the organizational structure to make implementation possible. As with the earlier question on HR’s role in strategy, this data indicates HR in the Mississippi casino market is primarily involved at the implementation stage of strategy execution and less at the strategy creation stage.

Literature reveals an orientation towards a growth in HR power, such as financial support, when the function aligns with business strategy and management perceives HR as valuable. Respondents were asked about their perceptions of the potential for HR’s budget to grow. Eighty-three respondents answered this question. Both groups were asked to rate their perceptions using a Likert-type scale of *1=Little or No Extent, 2=Some Extent, 3=Moderate Extent, 4=Great Extent, 5=Very Great Extent*. Table 20 demonstrates the data results.

Table 20

Perception of HRM’s Potential Budget Growth

Variable	HR Leader Median	Business Leader Median	Z	P
Anticipation of HRM's budget growth	2	2	-0.128	0.898

$P=.05$

Both the HR Leader and the Business-Unit Leader Groups reported medians for anticipated HR budget growth at a rating of (*Mdn=2/Some Extent*). The data count reveals 42% (*n=35*) of respondents perceived “Little or No Extent” and no respondents perceived HR’s anticipated budget growth as “Very Great Extent.” Results of a Mann-Whitney U test to measure for statistical differences indicated no statistically significant differences between group medians for anticipated HR budget growth at $p=.05$. This indicates both the HR Leader Group and Business-Unit Leader Group perceived jointly only limited anticipation of the human resource function achieving budget growth.

Strategic HRM research provides evidence of the need for HR practitioners to be involved in more than just strategy implementation. To achieve a greater strategic alignment, HR has to have a seat at the strategy formulation table. Respondents were asked to rate perceptions about the degree to which the HR leader is involved in the strategy formulation of their respective organizations. Eighty-four respondents answered this question using a Likert-type scale of *1=Little or No Extent, 2= Some Extent, 3=Moderate Extent, 4=Great Extent, and 5=Very Great Extent*. Results indicate the HR Leader Group perceives to a “Great Extent,” involvement in strategy formulation compared to the Business-Unit Group’s perception of “Moderate Extent.” Although a Mann-Whitney U test indicates no statistically significant difference between group medians at the $p=.05$ level, results for the HR perceptions continue to reveal a theme of the HR Leader Group perceiving a greater role in strategy creation versus strategy implementation. Table 21 presents the data.

Table 21

Perception of HRM Leader Inclusion in Strategy Formulation

Variable	HR Leader Median	Business Leader Median	Z	P
HRM Leader Included in Strategy Meetings	4	3	-1.098	0.272

P = .05

The research focused on whether a relationship exists between the variable of the HR Leaders' perceived role in strategy and anticipated HR budget growth and HR Leader inclusion in strategy formulation. The researcher conducted a Spearman's rank-order correlation to assess the relationships between these variables. Table 22 presents the results.

Table 22

HR Role in Business Strategy and Budget Growth/Inclusion in Strategy Formulation

	Human Resources Anticipated Budget Growth		Human Resources Inclusion in Strategy Formulation	
	HR Leader	Business Leader	HR Leader	Business Leader
Correlation Coefficient	0.742*	0.338**	0.211	0.691**
HR Role in Strategy				
Sig. (2-tailed)	0.022	0.004	0.585	0

*Correlation is significant at the 0.05 level (2-tailed).

**Correlation is significant at the 0.01 level (2-tailed).

For the Business-Unit Group there was a strong positive correlation between HR Role in Strategy and anticipated HR Budget Growth ($r_s = .338$, $p < .004$) as well as HR Role in Strategy and HR Inclusion in Strategy Formulation ($r_s = .691$, $p < .01$). For the Business-Unit Group, as perceptions of HR's role in strategy increases, HR's anticipated budget increases and inclusion in strategy formulation increases. For the HR Leader Group, there was also a strong positive correlation between HR perceived Role in Strategy and anticipated HR Budget Growth ($r_s = .742$, $p < .05$); however, there was not a statistically significant correlation between HR Role in Strategy and Inclusion in Strategy Formulation. For the HR group, as the perceived HR role in strategy increases, perceived HR budget growth increases but findings do not indicate the same perceived increase for HR inclusion in strategy meetings.

Overall analysis of RO5 demonstrates all HR leaders perceive they serve a role in strategy, even if only at the implementation stage. Business-Unit Leaders perceive HR Leaders to have less of a role in strategy input/design and more of a role in strategy implementation than do HR leaders. HR valued their full business partner role over twice as high as did their business colleagues. Both the HR Leader and Business-Unit Leader Groups agree to a "Great Extent," HR plays more of a role in planning the implementation of strategy than providing actual input into strategy design or options. HR Leaders maintain a perception they play a greater role in strategy decisions than Business-Unit Leaders perceive. Both groups perceive little opportunity for the HRM budget to grow. Finally, analysis indicates as the Business-Unit Leader's perception of HR's role in strategy increases, so does the perceived potential for improved financial support of the HR function and perceived increase for inclusion in strategy formulation planning.

Research Objective Six (RO6)

The purpose of RO6 is to determine the relationship between Business-Unit Leaders' perception of HRM strategic alignment/integration in their organization and (a) intent to integrate HRM strategy into business strategy development, (b) increased use of HRM as a business differentiator, and (c) perception of HRM as a method to sustain competitive advantage. Respondents were asked to relate their perceptions about the extent the HRM function's strategy was integrated into the organization's strategy using a Likert-type scale of *1=Little or No Extent, 2=Some Extent, 3=Moderate Extent, 4 = Great Extent, and 5 = Very Great Extent*. Eighty-three of the 90 respondents answered the question, yielding ordinal data. Table 23 provides the median results by group.

Table 23

Perceptions of HRM Strategy Integration with Organizational Strategy

Variable	HR Leader Median	Business Leader Median	Z	P
HRM Strategy Integrated into Organization's Strategy	3	3	-0.406	0.684

Results demonstrate both the HR Leader Group and the Business-Unit Leader Group rated the median perception of HRM having a strategy integrated into the organizational strategy at "Moderate Extent." Results of a Mann-Whitney U test found no statistically significant difference between groups in their ratings of HR strategy integration, indicating both groups perceive an average integration of HRM strategy with business strategy within the Mississippi casino industry.

Respondents were asked to report the degree to which they perceived their organizations would use the abilities of the HR function as a method for differentiating

themselves from the competition. Eighty-three respondents reported their perceptions using a Likert-Type scale with *1= Little or No Extent, 2=Some Extent, 3=Moderate Extent, 4=Great Extent, and 5= Very Great Extent*. See Table 24 for results and test of significance.

Table 24

Perceptions of HRM Function as a Method for Competitive Differentiation

Variable	HR Leader Median	Business Leader Median	Z	P
HRM Function as a Method of Differentiation	3	3	-0.559	0.576

Both the HR Leader Group and Business-Unit Leader Group perceived medians of “Moderate Extent” only when asked about the HRM function potential as a method for differentiating their organizations from the competition. The results of a Mann-Whitney U test were not statistically significant, indicating both groups perceive an average response on HRM’s potential for use as a differentiator.

Respondents also rated the perceived potential the HR function held for helping their organization to create sustained competitive advantage. Eighty-three respondents answered this question using a Likert-type scale of *1= Little or No Extent, 2=Some Extent, 3=Moderate Extent, 4=Great Extent, and 5= Very Great Extent*. Both the HR Leader Group and the Business-Unit Leader Group perceived medians of “Great Extent” (*Mdn=4*). A Mann-Whitney U test indicated no statistically significant difference between groups demonstrating agreement between both groups at a “Great Extent” of

HRs' potential to help their organizations achieve competitive advantage. Results are contained in Table 25.

Table 25

Perceptions of HRM Function's Potential for Creating Sustained Competitive Advantage

Variable	HR Leader		Business Leader	
	Median	Median	Z	P
HRM Function for Competitive Advantage	4	4	-0.892	0.372

Although Question 16 demonstrates although both groups believe in the potential of HR to create competitive advantage (Great Extent), intent to actually use HR to create competitive differentiation is lower (Moderate Extent) for Question 15.

RO6 explores the relationships between the variable of HR strategy integration with organizational strategy and the variables of anticipated business differentiation and sustained competitive advantage. A Spearman's rank-order correlation assesses the relationships between these variables. Results are presented in Table 26.

Table 26

HRM as Business Differentiator and Sustained Competitive Advantage

	Human Resources as a Competitive Differentiator		Human Resources as a Source of Competitive Advantage	
	HR Leader	Business Leader	HR Leader	Business Leader
HR Strategy Integration with Org. Strategy	0.864**	0.737**	0.446	.374**

Table 26 (continued).

		Human Resources as a Competitive Differentiator		Human Resources as a Source of Competitive Advantage	
		HR Leader	Business Leader	HR Leader	Business Leader
HR Strategy Integration with Org. Strategy	Sig. (2-tailed)	0.006	0	0.268	0.001

**Correlation is significant at the 0.01 level (2-tailed).

For the Business-Unit Leader Group there was a strong positive correlation between HR Strategy Integration and HR as a Competitive Differentiator ($r_s = .737^{**}$, $p < .01$) as well as HR Strategy Integration and HR as a source of Competitive Advantage ($r_s = .374^{**}$, $p < .001$). For the Business-Unit Leader Group, as the perception HR has a strategy integrated into the organizational strategy increases, the perception of HR as a source of Competitive Differentiation and HR as a source of Competitive Advantage increases.

For the HR Leader Group, there was also a significantly strong positive correlation between HR Strategy Integration and HR as a Competitive Differentiator ($r_s = .864^{**}$, $p < .006$); however no statistically significant correlation was determined between HR Strategy Integration and HR as a source of Competitive Advantage. For the HR Leader Group, as the perception HR has a strategy integrated into the organizational strategy increases, the perception of HR as a source of Competitive Differentiation increases.

Final data analysis of RO6 provides insight into the relationship between HRM's strategic alignment/integration in the Mississippi gaming industry, and the intent of

business leaders to integrate HRM strategy into business strategy and use HRM as a source of differentiation and competitive advantage. Both HR Leader and Business-Unit Leader Groups perceive to a, “Moderate Extent,” HR has an HRM strategy integrated into the organizational strategy and both groups agree to a, “Moderate Extent,” their organizations could use HR’s ability to differentiate their business from the competition. Both the HR Leader and Business-Unit Leader Groups perceive to a, “Great Extent,” the potential of the HR function to help Mississippi casino organizations create a sustained competitive advantage over the competition. A strong, positive correlation was found between the variables of HR Strategy Integration and HR’s potential use as a Competitive Differentiator and a source of Sustained Competitive Advantage. As the Business-Unit Leader’s perception of HR having a strategy integrated into the business strategy increased, so did the perception of the use of HR as a competitive differentiator and a source of competitive advantage increase.

Summary

Of the 132 approved participants, 97 respondents participated providing 90 useable surveys. Both groups possess considerable years of experience and ages of respondents ranged from 30-60+ years and the majority possessing college degrees.

HR Leaders perceive they consistently meet the needs of their organization in the HR activities on the high end of the scale compared to the lower ratings provided by the Business-Unit Leaders. However, both groups place a high degree of importance on the necessity of performing these roles well. HR overvalues its contribution to adding value to their organization in terms of understanding human capital and improving talent decisions. Business-Unit Leaders see value in HR’s work, though not to the same degree of HR Leader’s perception.

Both groups perceive HR leaders possess the necessary business skills required for success in the casino industry. There are differences in perceptions between groups relating to how HR Leaders spend their time, with time spent on records maintenance and providing strategic HRM services representing the largest gap. Both groups closely aligned in their satisfaction perceptions of the HR Leader's skills and abilities, although HR Leaders overestimate their interpersonal skills. HR Leader's perception of having an actual HR strategy disconnects from the Business-Unit Leaders perception. The lack of HR Leader cross-functional experience was both a perceived benefit and a perceived barrier to strategic HRM alignment.

HR Leaders perceive they always contribute to strategy, even if only an implementation role. Of those Business-Unit Leaders who perceive HR plays some role in strategy, the role is more of a strategy implementer and less as input/design. This perception gap between groups is important as the HR Leaders valued their full business partner role over twice as high as did their business colleagues.

Results indicate as Business-Leader perception of HR's role in strategy increases, so does the perception for improved HR function financial support and inclusion in strategy formulation planning. Additionally, both the HR Leader Group and Business-Unit Leader Group perceive casino organizations could use the abilities of their HR functions to differentiate from the competition and both groups perceive to a "Great Extent," the HR function holds potential for helping to create a sustained competitive advantage within the casino industry. Having an HR strategy integrated into the organizational strategy is important to operators. As the perception of HR having a strategy integrated into the business strategy increased, so did the perception of the use of HR as a competitive differentiator and as a source of sustained competitive advantage in

Mississippi casinos. The next chapter presents conclusions and recommendations for this study.

CHAPTER V

FINDINGS, CONCLUSIONS, AND IMPLICATIONS

Introduction

Earlier chapters presented the statement of the problem, purpose of the research, research objectives, conceptual framework, significance of the study, associated literature review, research methodology, and research findings. Chapter V will review and summarize the research findings, conclusions, implications, and areas of future research.

Summary of Study

The gaming industry is highly commoditized in its amenities and services and competition for market share and revenue growth is challenging, requiring the ability to differentiate from the competition (AGA, 2012a; Eadington, 1995; Kale, 2005; Low, 2009; Zhang et al., 2009). Literature demonstrates the human capital of many organizations can lead to differentiation and sustained competitive advantage when aligned with an organization's strategic goals and perceived by management as value-added (Delery, 1998; Katou, 2009; Wei, 2006; Wei & Lau, 2005; Woods, 1999). The researcher conducted a study of Mississippi gaming industry leaders to gather their perceptions of HRM's value/cost position, HRM leader skills, benefits/barriers to strategic HRM alignment, and the potential benefits to both groups. The study determined if a statistically significant relationship existed between the variables of HRM's perceived role in strategy with perceived budget growth and inclusion in organizational strategy formulation. Finally, the study determined if the degree to which HR's strategy was integrated into the organizational strategy was statistically significantly related to use of HRM as a competitive differentiator and a source of competitive advantage.

The researcher estimates the study's finite population to be approximately 294 individuals employed as full-time department leaders in Mississippi casino companies. Of the 30 casinos in Mississippi, 15 agreed to participate providing a sample of 132 potential respondents. The study achieved 97 responses, with 90 usable surveys. This resulted in a 73.5% response rate to the survey among those participants given permission to participate.

Findings and Conclusions

Respondent Characteristics

Most of the leaders in charge of Mississippi casinos are college educated, well experienced in both the general casino industry and the Mississippi industry, and relatively young, supporting Green's (2012) results. On average, respondents held an average of 18.17 years of experience in the casino industry with HR leaders demonstrating 17.44 years and the Business-Unit Group at 18.45. Within the Mississippi casino industry, the respondents reported an average experience of 14.02 years with HR leaders yet again demonstrating an average of 17.44 years and the Business-Unit Group experience at 13.68 years. When comparing experience in the general industry and experience in the Mississippi industry, the research demonstrates Mississippi benefits from having acquired operations managers from other jurisdictions in America. Although these operating departments have spent a significant portion of their careers in the Mississippi market, they held significant experience before coming to Mississippi. Many of the support positions such as Human Resources, Hotel Operations, Food & Beverage, Security, and Surveillance have spent the greatest part of their careers in the Mississippi casino market.

The leaders represent a relatively youthful work force with approximately 55% of the leaders between the ages of 30–49. Thirty-three percent of the leaders were between 50-59 years of age, while 12% were 60+ years. The Mississippi gaming leadership aligns with Dychtwald et al. (2006) in the younger, middle-aged, and older worker cohorts. This also supports the general observations of Green (2012). However, none of the leaders who responded to the survey reported their ages as between 21-29 years of age, demonstrating the younger workers currently occupy more lower-tier roles during this period of their careers.

The researcher concludes many of the current respondents spent a significant amount of their careers in the Mississippi gaming industry and benefited from promotions within the Mississippi industry, which provides a pathway for career growth for those younger workers between the ages of 21-29. Educationally, the respondents were normally distributed with 23% having a high school diploma, 42% achieving a bachelor's degree, and 26% earning a graduate degree. Unlike the earlier years of the Mississippi gaming industry where a large portion of the leadership teams came in from other jurisdictions, the Mississippi market is now mature and university programs exist focused on hospitality and casino resort management.

HRM Value/Cost Perceptions

Human resource departments who develop a reputation of adding value by adopting effective practices aligned/integrated with an organization's strategy may see benefits in terms of credibility, visibility, and power as measured by improvements to budgets and staffing (Losey et al., 2005). The extent to which human resources are perceived to be important for a business will determine the perceived value (Buyens & DeVos, 2001; Wei, 2006). Findings from the study demonstrate human resource leaders

in Mississippi casinos perceive themselves to be more of a business partner to casino operators and more involved in developing business strategies than the casino operators perceive them. Lawler and Boudreau (2012) found HR receives their lowest effectiveness ratings on the concepts of business and strategy. These findings are important to HRM leaders and the organizations they serve because both groups rated the importance of HRM leaders doing these functions well very high, at a minimum of 8 on a scale of 10.

Findings also demonstrate a difference in group perceptions of how well HR Leaders understand human capital adds value to casino organizations by improving talent decisions. The casino operators perceived HR leaders' abilities lower in both cases. This concept is important to HR leaders as the results support Barney and Wright (1997) who clearly articulate the ultimate goal of any HR executive is to be able to create value through the HR department.

Based on the findings, the researcher concludes a considerable disconnect exists between the human resource leaders and the management teams they serve in Mississippi casinos. Specifically, HR leaders overvalue their contributions to strategy development and business partnership development. It is important for the HR leaders in the Mississippi gaming industry to understand operations leaders see value in the HR departments and do not primarily perceive the HR to be a purely cost based center of operations. However, the HRM leaders are not providing the degree of input to business strategy they could be.

HRM Strategic Capabilities

The concept of business-related capability is an important requirement of HRM leaders because business-related capabilities create greater understanding about the needs

of an organization and the associated HRM requirements (Huselid et al., 1997, Wei & Lau, 2005). Study findings demonstrate both the HR Leader Group and Business-Unit Leader Group perceive, to a Great Extent, HR Leaders possess the necessary knowledge and business skills for the casino business environment. However, the Business-Unit Leader groups also perceive the HR Leader Group to spend considerably more time in the traditional role of record maintenance and considerably less time acting as a strategic business partner than does the HR Leader Group. Although both groups' perceive general satisfaction with the HR leader's knowledge and skills, the HR Leader Group rated their satisfaction with their interpersonal skills higher than did the Business-Unit Leaders they serve and generally over estimated their skills to a greater extent than management supports.

Based on the findings, the researcher concludes casino operators believe the HR Leaders are capable of understanding their business needs and possess the business skills required to address the issues; however, operators perceive HR Leaders to be more involved in the traditional, less valued, file maintenance role and less involved in strategy formulation and strategic business partnering. Lawler and Boudreau (2012) determined as time spent on maintaining records increased, HR effectiveness decreased, however, as time spent on strategic business partnering increased, the perception of HR effectiveness increased. Additionally, HR Leaders overvalue their effectiveness at interpersonal communication. Hope-Hailey et al. (1997) demonstrates senior HR leaders need highly developed networking and personal influencing skills to be strategically effective.

Benefits and Barriers of Strategic HRM

The HR function's importance is not about itself but instead about how it optimizes individual's contributions to organizational success (Armstrong, 2011).

Findings of the study demonstrate the greatest benefits associated with Strategic HRM in Mississippi casinos, is the ability to improve talent acquisition, improve operational effectiveness, and improve the cross-functional knowledge of HRM Leaders. Findings also demonstrate several barriers to achieving Strategic HRM in Mississippi casino operations. The greatest barriers as revealed by a thematic analysis are a lack of cross-functional knowledge on the part of HRM leaders, insufficient talent made available to leaders, and a lack of alignment between HRM and operations.

The researcher concludes these findings support the perception the HR Leader Group overvalues their knowledge of human capital and how HR adds value through improving talent decisions as well as contentions by the management group undervaluing the HRM group as a strategic business partner. The theme of cross-functional knowledge emerged as both one of the greatest barriers to Strategic HRM as well as one of the biggest benefits of human resources achieving alignment to organizational strategy in Mississippi casinos. The perspective of one of the management respondents demonstrates a perception of an HR function with little practical understanding of the operational side of the business.

HRM Alignment and Support

Armstrong (2011) suggests the primary objective of strategic HRM is to achieve fit (integration) by aligning the HR strategies to those of the organization. Competition for resources in organizations is challenging because budgets are limited and there are always departments needing more resources than the organization can provide (Phillips & Phillips, 2012a). Findings demonstrate HR leaders perceive they play a larger role in business strategy development than Business–Unit Leaders perceive they do. Specifically, all HR leaders perceive they have some role in strategy, while

approximately 19% of the management group believes HR leaders have no role in business strategy. Human Resource Leaders also perceive to a higher degree than Business-Unit Leaders being a full business partner. Both groups agree, HR's role in strategy, when there is one, is primarily at the implementation stage. Literature demonstrates when HR is perceived as having a role in strategy and is valued by management they should expect increased power through budget growth and greater inclusion (Buyens & De Vos, 2001; Wei & Lau, 2005). The researcher conducted a correlation analysis to determine if any relationship existed between HR's perceived role in strategy and resulting perceived budget growth/inclusion in strategy formulation in Mississippi casinos. The findings support Lawler's and Boudreau's (2012) contention HR's role in strategy is related to HR effectiveness. For the Business-Unit Leader Group, as HR's perceived role in strategy increases along the strategy continuum from No Role to Full Business Partner, the perception HR's budget would grow also increases, as well as the perception of HR leaders' inclusion in strategy formulation grows.

The researcher concludes, although HR leaders play some role in strategy in the Mississippi gaming industry, it is typically not as a full partner and is instead more associated with having some input into strategy and serving as an implementer, post strategy development. This conclusion supports research by Lawler and Boudreau (2012) who suggest although HR may have some role in strategy it is usually not as a full business partner but more commonly as one who offers data and opinions. This is important to HR leaders because repeated surveys by Lawler and Boudreau (2012) found, the more effective HR leader performance in business and strategy is, the greater HR's role in strategy formulation. Additionally, the casino operators' perceptions for HR budget growth and HR leader inclusion in strategy formulation relates to HR's perceived

strategic role in the Mississippi casino industry. An improvement in HR's perceived strategic role may result in HR Leaders' increased inclusion in strategy formulation where they can have the greatest impact to their organizations' competitive plans and the potential growth in the funding of their function to carry out the HR strategy. The HR leaders may not recognize the degree to which they are missing opportunities to be involved in the early stages of strategy design where they can be sure the HR strategy can have a positive impact on organizational strategy.

HRM Strategy Integration and Competitive Advantage

Casinos are heavily commoditized (Kale, 2005). They have similar offerings in slot machines, table games, and strictly prescribed gaming regulations for operations. Casinos seek ways to differentiate themselves from the competition and achieve strategic competitive advantage (Hashimoto, 2008; Lovat, 2012; Ross, 2005). The resource-based view of the firm (RBV) theory demonstrates human capital is one of the few methods, which can be utilized to differentiate organizations from the competition because it is valuable, rare, and difficult to imitate. It shifts the focus from an external environment to an internal one (Buller & McEvoy, 2012; Christensen, 2005; Delery, 1998).

Findings demonstrate both groups perceive at a Moderate Extent, a clear HRM strategy, integrated into organizational strategy within the Mississippi gaming industry. Considering how the HR Leader Group rated their role in organizational strategy much higher than the Business-Unit Group earlier in the study, it is surprising they did not perceive more strongly to have an actual HRM strategy integrated into the organizational strategy. Although both groups only perceive to a Moderate Extent that their organizations would use the abilities of the HR function as a method for differentiating themselves from the competition, they perceive to a Great Extent the potential for HRM

to create sustained competitive advantage in the Mississippi casino industry. The researcher tested for a relationship between the variables of HR Strategy Integration and HR's use in Competitive Differentiation, and Competitive Advantage. As with the earlier findings, there was a strong, positive correlation among the variables for the Business-Unit Leader Group. As the perception of HR having a strategy, integrated into the organizational strategy increases, the perception of HR as a source of competitive differentiation and as a source of competitive advantage increases.

The researcher concludes HR Leaders and Business-Unit Leaders provide only average ratings of HR possessing an actual HR strategy because for the most part, HR Leaders and Business Leaders primarily see the HR group as an implementer of organizational strategy in Mississippi casinos. As an implementer, HR department leaders may not necessarily be required to have a strong HR strategy because the casino operators may be designing the organizational strategy without including HR during strategy formulation. The RBV theory demonstrates human capital is rare, valuable, difficult to imitate, and is capable of delivering a sustained competitive advantage against the competition (Becker & Gerhart, 1996). In a heavily commoditized operation such as the casino environment where most of the offerings are incredibly similar (slot machines, table games, hotel rooms, food offerings) among the competition, the organizations could benefit from a greater focus on using human capital as a competitive differentiator. Both groups realize there is value in using HRM to create competitive differentiation and sustained competitive advantage, but both groups seem to acknowledge there is a difference between the potential HRM holds and the actuality of ever using it for this purpose. This may be because currently human resource leaders in Mississippi casinos have difficulty connecting what they do professionally to the return they can provide their

organizations. As with earlier findings in the study, HRM leaders are missing an opportunity to align themselves with the needs of the organization outside of typical HR technical functions.

Implications: Casino Industry Recommendations

Based on the findings of this study, the following recommendations are offered for the Mississippi casino industry and HR practitioners operating within the industry. All of the following recommendations are considered in light of the study results, which indicate casino business leaders do not perceive HR's effectiveness in contributing to business strategy and business partnership as effectively as does the HR leaders. A gap of perception exists between both groups and a greater degree of alignment or fit is required to maximize HR's potential for contribution.

1. The varying cohorts of workers, especially the underrepresented group between the ages of 21-29 should consider taking advantage of educational opportunities to positioning themselves for advancement within the Mississippi gaming industry. Programs such as the ones provided by The University of Southern Mississippi will support the opportunities of the next generation of casino leaders to gain an education within the casino field without having to leave the state to travel to one of the few academic institutions offering such programs.
2. Human Resource leaders need a better understanding of what "being strategic" means to the Mississippi casino operators. Specifically, HRM leaders need to develop a mindset or appreciation for the need of being a greater part of the business orientation towards competitive excellence. The

process begins with HR leaders expanding their understanding of the important differences between the less valuable, traditional HR roles, and the more valuable strategic HR roles. HRM leaders are in a prime position to open a dialogue about the needs and requirements of the gaming industry, to better inform HRM strategy development and ensure closer alignment (fit) to overall business strategy. The research suggests HR leaders would benefit from a greater cross-functional training among the varied operations within the casino environment. A combination of business-unit cross training and sweat equity assignments at the leadership and line-level positions could provide the additional inputs required to position HR leaders to align HR strategies to operational needs at both a policy and talent development level. Improving cross-functional knowledge will also address both the greatest perceived benefit and barriers to partnership. Improving interpersonal communication with operators will also serve the purpose of reducing management's perception that HR is spending significant time in less valuable, traditional HR file maintenance roles and begin to improve the perception of HRM adding value through strategic business partnering — which the study demonstrates is beneficial to Mississippi casinos. This may also have the effect of improving HR's value/cost position.

3. If HR leaders in the Mississippi gaming industry currently do not have an HR strategy aligned to the organizational strategy, develop one, and quickly. The HR leaders in this study were only able to answer to a “Moderate Level” about having an HR strategy aligned with organizational strategy. The researcher suggests the HR leaders demonstrate an interest to senior leaders

about a desire to understand how their organizations compete in the market place, and determine how they can design an HR strategy, which closely aligns (fits) to their company strategy.

4. Specifically aligning HR strategy to organizational strategy requires both qualitative and quantitative tools to demonstrate the connection. Business tools exist to help HR leaders demonstrate these connections using standard return on investment business language. The researcher recommends gaming organizations provide the tools for HR leaders to demonstrate both the tangible and intangible returns between HR programs and organizational needs. The University of Southern Mississippi offers such programs through its ROI certification course and through its Masters degree program in Workforce Training and Development. Combined with the cross-functional growth experiences and greater access to strategy planning, these programs may enable greater improvements in needs assessment and HR satisfaction.
5. Implementation of strategy is not enough. Study results demonstrate only 13.7% of Business-Unit Leaders believe HR leaders are full business partners. Most agreement between HR Leader and Business-Unit Leader Groups demonstrate HR leaders' greatest contribution to strategy is providing data and implementing strategy once the casino operators make the strategy decision. Human resource leaders need to improve their visibility in strategy design opportunities and use the knowledge gained through their cross-functional training to add value to the strategy process and ensure a fit between their HR strategic plan and the organizational focus. An improved fit

may benefit casino operators by allowing them to use the rare, valuable, and difficult to imitate human capital to differentiate from the competition.

6. HR leaders and casino operators need to understand results of this study support the current strategic HRM research literature:
 - a. There is a relationship between HR's perceived role in business strategy by casino leaders and the perceived growth of HR budgets as well as perceived inclusion of HR by the business leaders in business strategy formulation. When HR's perceived role in strategy grows, the potential for budget growth and their inclusion in strategy formulation also grows. HR leaders seeking increased access to strategy design meetings and having something valuable to add to the process may support growth of casino HR budgets because the HR leader is able to connect the HR strategy to the business strategy and justify funding for HR programs.
 - b. There is a relationship between HR having a recognized HR strategy integrated with the organization's strategy and the resulting perception HR can provide competitive differentiation from the competition. Ultimately, to the benefit of the gaming companies HR serves, there is a relationship between the perception of HR having a recognized HR strategy and the perception of HR as a source of competitive advantage for their organizations against the competition. Casino management should take note of this and demand more involvement and alignment from their HR leaders. In the highly commoditized

casino industry where every growth idea counts, there may be actual returns for the casino organization.

Each of the preceding recommendations is a result of the chain of impact found in the literature review, the study design, and ultimately the study findings. The recommendations build on each other from the general mind-set required of HR leaders to understand their current positioning within the Mississippi gaming industry, knowledge of differences in perceptions between HR and business-unit leaders relating to HR effectiveness, and ultimately the untapped potential the HR function has to become a recognized strategic business partner.

Recommendations for Future Research

Based on the findings of this study, the following are recommended for future research:

1. Replicate this study in Mississippi. The casino resort industry in Mississippi has endured declines in visitation, revenue, and the resulting profitability in both the coastal and river counties. Both the recession and the BP Oil Spill in the Gulf affected tourism numbers. It would be interesting to see to what degree perceptions between groups may change when the economic outlook is *good*. For example, did both groups agree HR's budget had slim chances of growing because of their perceived strategic value, or because no one's budget is growing due to financial stressors?
2. Replicate this study in other jurisdictions to improve the external validity of the research.

3. Conduct an ROI study focusing on casino HRM's ability to design their HR strategic plan with a sound ROI for their companies. This may provide additional insight on the degree to which the HR function can demonstrate HR as a value-added operation.
4. Expand research to compare other support departments in casino operations. Additional research comparing HR's strategic impact to other departments' perceived strategic impact such as Security, Finance, Gaming Operations, Marketing, F&B, and Hotel Operations would provide a greater degree of knowledge about which groups offer the greatest value to a Mississippi casino. It is assumed by casino practitioners some of these departments add greater value in the field, but no studies exist to demonstrate the relative importance of each of these groups.
5. Conduct additional research focusing on the financial implications of HR's strategic alignment. As was true in Green (2012), it is very difficult to get proprietary financial data of casino operators. However, a study, which accounted for financial results among respondents, would add greater information in unlocking the *black box* of HR within this industry by connecting HRM performance to firm outcome.

Limitations

Study limitations included the study population (Mississippi casino industry leaders), scope of study, and availability of data. The study was limited to corporate casinos located in the state of Mississippi and is dependent on responses from a relatively small group of potential respondents. The study focused on the perceptions of two

groups (HR Leaders and Business-Unit Leaders) in the Mississippi casino industry. The researcher recognizes additional data, important to the casino industry, may surface when looking at the needs of specific departments (i.e. General Manager and HR Leader perceptions, Marketing and HR Leader perceptions, etc.). Based on anticipated non-availability of proprietary financial and business data, the researcher did not explore direct financial connections between the perceptions of both groups and resulting financial variables (the black box). Finally, the study was limited by the non-participation of half of the casinos in Mississippi. Although the results met the threshold for statistical acceptability, greater participation may have discovered additional information beneficial to the Mississippi casino industry.

Summary

Perception gaps between casino operators and HR leaders are limiting the potential of HR leaders to support their employer's ability to differentiate from the competition and use human capital to help create sustained competitive advantage in the Mississippi casino market. The study supports general findings in the strategic HRM literature and demonstrates casino HR leaders appear to be most comfortable in the role of implementation of business strategy versus helping develop casino business strategy. Disconnects in perceptions between the groups reduces the opportunity for HR Leaders to understand the needs of their organizations and prevents the alignment of HR strategies to the organizational business strategies. Alignment is a requisite for HR to add strategic value to operations.

Human Resource leaders perceive themselves to be more of a strategic business-partner to management and more involved in creating strategy than they are in reality. Casino operators recognize the inherent value of the HR operation but undervalue HR

knowledge of human capital and the connection of HR's talent decisions to organizational effectiveness. Although management perceives HR leaders possess the required business skills necessary to deliver value, they also believe HR Leaders spend too much time in the traditional role of file maintenance versus the value-added role of strategic business partner. This may be an issue of communication. HR leaders may not know what they should be doing to improve alignment because the study demonstrates HR leaders need to improve their cross-functional knowledge by getting outside their technical HR role and developing a greater understanding of the business needs of the operators.

Study results demonstrate in the Mississippi casino industry, there is a strong positive correlation between HR's perceived role in strategy and the resulting perception of budget growth and HR leader inclusion in strategy formulation. This is important to HR leaders because they are currently not included in strategy formulation to the degree they believe themselves to be, and this evidence suggests an improvement in their strategic role is associated with improvements in their budgets and inclusion.

There may be additional benefits for the casino operators if HR's strategic role improves. The Resource-Based View theory demonstrates human capital can be rare, valuable, and difficult to imitate. This focus on internal human capital provides a method for Mississippi casinos to differentiate and compete within the market. Conclusions of this study support this contention. A strong positive correlation exists between the perceived degree HR integrates its strategy to casino organizational strategy, and the degree HR is perceived useful as a differentiator and as a method to achieve competitive advantage among the competition. This is important to the casino operators because in a heavily commoditized industry witnessing declines in visitation and revenue, the leaders

should demand greater accountability from their HR leaders to improve their competitive positioning.

Implementation of strategy is not enough, and there is room for casino HR leaders to improve their relative positioning in this area. Management is indicating they are open to the concept, and cross-functional experience and improvements in interpersonal communications are important steps. The literature on strategic HRM and the positive correlations between the research variables demonstrate the potential for positive returns for HR leaders and the casino industry, and the timing of financial pressures taking place within the Mississippi casino industry underscores the need for strategic human resource management practices.

APPENDIX A

THE ROLE OF HUMAN RESOURCES IN MISSISSIPPI CASINOS SURVEY

Congratulations! You were selected to participate in this survey because you occupy a leadership position in the Mississippi Casino Industry.

INFORMED CONSENT FORM

Before you continue with this online survey, please read carefully the following consent form and click the "I CONSENT" button at the end to indicate that you agree to participate in this data collection effort. It is very important that you understand that your participation in this survey is voluntary and that the information you share is confidential.

Introduction

This study attempts to collect information about the strategic nature of human resources in the Mississippi casino market. This study is conducted by Gary Burrus, Jr., a doctoral student in Human Capital Development at The University of Southern Mississippi, in partial fulfillment of his requirements for the degree of Doctor of Philosophy. This research is performed under the guidance of Dr. Cyndi Gaudet, Professor and Director, Human Capital Development.

Procedures

You will be asked to complete a questionnaire about the strategic nature of the human resources function in the casino environment. The questionnaire is comprised of 23 questions and will take approximately 15 minutes. Questions are designed to determine your perception of the strategic nature of Human Resources in relation to value/cost, HRM leader strategic capabilities, barriers/benefits of strategic HRM implementation, HRM alignment and support, and HRM Integration.

Risks/Discomforts

This survey poses no known risks. You may choose to cease input of information at any time or to not answer a question, for whatever reason.

Benefits

There are no direct benefits for participants. The study's findings will be used to provide knowledge on Strategic HRM issues to stakeholders including yourself, your employers, the Mississippi Gaming Commission, and the Mississippi Casino Operators Association. This study will increase the body of knowledge relating to research in Mississippi Casino Organizations.

Confidentiality

All data obtained from participants will be kept confidential and will only be reported in aggregate (only reporting combined results and never reporting individual results). All questionnaires will be concealed, and no one other than the primary investigator will have access to them. The data collected will be stored in the approved secure database until it has been deleted by the primary investigator.

Participation

Your participation is voluntary. Refusal to participate involves no penalty or adverse consequences. If you consent to participate in this survey here are some additional things you should know:

- You may stop your input of data at any time without penalty or consequence.
- You may choose to not answer a question at any time without penalty or consequence.
- You may contact the researcher with any questions that you have about the evaluation before, during or after you have completed the survey.
- We encourage you to print a copy of this consent for your records.
- Again, your name will not be used in any reports about this survey without your written consent.

Questions about the Research

If you have questions regarding this study, you may contact Gary Burrus, Jr., at 662-404-2008, and through email at Gary.burrus@eagles.usm.edu

Questions about your Rights as Research Participants

If you have questions you do not feel comfortable asking the researcher, you may contact Dr. Cyndi Gaudet, 228-214-3491, cyndi.gaudet@usm.edu. This project will be reviewed by the Human Subjects Protection Review Committee, which ensures that research projects involving human subjects follow federal regulations. Any questions or concerns about rights as a research subject should be directed to the chair of the Institutional Review Board, The University of Southern Mississippi, 118 College Drive #5147, Hattiesburg, MS 39406-0001, (601) 266-6820.

Thank you.

Have you worked for your current employer at least one year?

- Yes
 No

SECTION ONE:

This section asks questions about the Human Resource function in casino operations.

Q1 In view of what is needed by your company, how well is the HR function meeting the needs in the following areas? (1= Not Meeting Needs, 10 = All Needs Met, NA = Not Applicable)

	Not Meeting Needs	2	3	4	5	6	7	8	All Needs Met	NA
Providing HR Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being a Business Partner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improving Decisions about Human Capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helping to Develop Business Strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being an Employee Advocate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Analyzing HR and Business Metrics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Q2 How important is it that HR does these well?(1=Not Important, 10 Extremely Important, NA = Not Applicable)

	Not Meeting Needs	2	3	4	5	6	7	8	All Needs Met	NA
Providing HR Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being a Business Partner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Improving Decisions about Human Capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Helping to Develop Business Strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being an Employee Advocate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Analyzing HR and Business Metrics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Q3 To what extent are these statements true about your organization?

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
We excel at competing for and with talent where it matters most to our strategic success.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HR leaders have a good understanding about where and why human capital makes the biggest difference in their business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business leaders have a good understanding about where and why human capital makes the biggest difference in their business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HR adds value by insuring compliance with rules, laws, and services.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HR adds value by improving talent decisions inside and outside the HR function.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q4 To what extent is the value of Human Resource Management (HRM) viewed primarily as a cost center to be managed? Choose only one response.

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
To what extent is the value of HRM viewed primarily as a cost center to be managed?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This section asks for your opinions about the Human Resource (HR) leader and HR function

Q5 To what extent does your property HR leader possess the necessary skill set for success in today's casino business environment? Choose only one response.

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
To what extent does your property HR leader possess the necessary skill set for success in today's casino business environment? Choose only one response.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q6 For each of the following HR roles, please estimate the percentage of time your HR function currently spends performing these roles. Percentages should add to 100%.

- _____ Maintaining Records (collect, track, and maintain data on employees)
- _____ Auditing/Controlling (ensuring compliance with internal operations, regulations, and legal/union requirements)
- _____ Providing Human Resource Services (Assists with implementation of HR practices)
- _____ Developing Human Resource Systems and Practices (new systems/practices)
- _____ Strategic Business Partnering (Member of management team involved with Strategic HR planning, organization design, and strategic change)

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Q7 Regarding the skills and knowledge of your organization's current HR professional: how satisfied are you with the HR professional in each of these areas?

	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Team Skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HR Technical Skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business Understanding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interpersonal Skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cross-functional experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Leadership/Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strategic Planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Change Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Process Execution & Analysis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q8 To what extent is the following statement true about the HR department?

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
There is a human capital strategy that is integrated with the business strategy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This section asks your opinion about the benefits and barriers of HR's business alignment in casino operations. Please use the text boxes provided under each question to add your opinions.

Q9 What would be the greatest benefit to your casino organization of the Human Resource function becoming more strategically aligned to the business strategy?

Q10 What are the greatest barriers to the Human Resource function in your organization becoming more strategically aligned to the business strategy?

This section asks your opinions about the concept of Human Resources and your organization's business strategy.

Q11 Which of the following best describes the relationship between the Human Resources function and the business strategy of your organization? (You may only choose one)

- Human Resource plays no role in business strategy
- Human Resource is involved in implementing the business strategy
- Human Resource provides input to the business strategy and helps implement it once it has been developed.
- Human Resource is a full partner in developing and implementing the business strategy.

Q12 With respect to strategy, to what extent does the HR function...

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
Help identify or design strategy options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Help decide among the best strategy options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Help plan the implementation of strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Help identify new business opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assess the organization's readiness to implement strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Help design the organization structure to implement strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q13 To what extent do you anticipate the HR function's budget to grow?

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
To what extent do you anticipate the HR function's budget to grow?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q14 To what extent is the Human Resource leader included in the strategy formulation of your organization?

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
To what extent is the Human Resource leader included in the strategy formulation of your organization?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The section asks your opinions about Human Resources role in achieving competitive advantage in the gaming industry.

Q15 To what extent is the Human Resource function's strategy integrated into your organization's strategy development?

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
To what extent is the Human Resource function's strategy integrated into your organization's strategy development?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q16 To what extent do you believe your organization will use the abilities of the Human Resource function as a method for differentiating your organization from the competition?

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
To what extent do you believe your organization will use the abilities of the Human Resource function as a method for differentiating your organization from the competition?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q17 To what extent do you believe the Human Resource function has the potential to help your company create a sustained competitive advantage?

	Little or No Extent	Some Extent	Moderate Extent	Great Extent	Very Great Extent
To what extent do you believe the Human Resource function has the potential to help your company create a sustained competitive advantage?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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This section asks questions about respondent's roles in casino operations within the State of Mississippi.

Q18 Which best describes your current department in your organization?

- General Manager
- Human Resources
- Marketing
- Finance
- Hotel Operations
- Food & Beverage
- Security
- Surveillance
- Table Games
- Slot Operations
- Other

Q19 My position in my current organization is:

- General Manager
- Vice President
- Senior Director
- Director
- Manager
- Other

Q20 How many years of experience do you have in the casino resort industry?

- | | | |
|-------------------------|--------------------------|--------------------------|
| <input type="radio"/> 1 | <input type="radio"/> 10 | <input type="radio"/> 19 |
| <input type="radio"/> 2 | <input type="radio"/> 11 | <input type="radio"/> 20 |
| <input type="radio"/> 3 | <input type="radio"/> 12 | <input type="radio"/> 21 |
| <input type="radio"/> 4 | <input type="radio"/> 13 | <input type="radio"/> 22 |
| <input type="radio"/> 5 | <input type="radio"/> 14 | <input type="radio"/> 23 |
| <input type="radio"/> 6 | <input type="radio"/> 15 | <input type="radio"/> 24 |
| <input type="radio"/> 7 | <input type="radio"/> 16 | <input type="radio"/> 25 |
| <input type="radio"/> 8 | <input type="radio"/> 17 | |
| <input type="radio"/> 9 | <input type="radio"/> 18 | |

Q21 How many years of experience do you have in the casino resort industry?

- | | | |
|-------------------------|--------------------------|--------------------------|
| <input type="radio"/> 1 | <input type="radio"/> 10 | <input type="radio"/> 19 |
| <input type="radio"/> 2 | <input type="radio"/> 11 | <input type="radio"/> 20 |
| <input type="radio"/> 3 | <input type="radio"/> 12 | <input type="radio"/> 21 |
| <input type="radio"/> 4 | <input type="radio"/> 13 | <input type="radio"/> 22 |
| <input type="radio"/> 5 | <input type="radio"/> 14 | <input type="radio"/> 23 |
| <input type="radio"/> 6 | <input type="radio"/> 15 | <input type="radio"/> 24 |
| <input type="radio"/> 7 | <input type="radio"/> 16 | <input type="radio"/> 25 |
| <input type="radio"/> 8 | <input type="radio"/> 17 | |
| <input type="radio"/> 9 | <input type="radio"/> 18 | |

Q22 My current age is?

- 21-29
- 30-39
- 40-49
- 50-59
- 60+

Q23 My highest completed level of education is?

- High School
- Undergraduate Degree
- Graduate Degree
- Doctoral Degree
- Other

THANK YOU FOR YOUR SUPPORT OF THIS DISSERTATION STUDY.

All data obtained from participants will be kept confidential and will only be reported in aggregate (only reporting combined results and never reporting individual results).

APPENDIX B

PERMISSION TO ADAPT SURVEY QUESTIONS

Survey Questions Adaptation

Inbox x



Gary Burrus <gary.burrus@eagles.usm.edu>

Jun 20 ☆



to elawler ▾

Dr. Lawler,

My name is Gary Burrus and I am a doctoral candidate at the University of Southern Mississippi pursuing a PhD in Human Capital Development.

My dissertation research is focused on the concept of Strategic HRM. My research led me to your work, co-authored with Dr. Boudreau. I am specifically concentrating my research in the field of casino operations in Mississippi and the role of human resources in helping to create sustained competitive advantage for their organizations.

I would very much appreciate if I could get a copy of your survey questions used in your CEO Publication G12-04 (611) (How HR Spends Its Time: It is Time for a Change). Where permitted I also request permission to adapt the questions to my research with all proper credit to Boudreau and Lawler.

The article was fascinating and resonated with me as both an academic and one who directed HR operations for casino resorts. Will you please consider my request in pursuit of my dissertation?

Best wishes,

Gary Burrus Jr.
 Doctoral Candidate
[662-404-2008](tel:662-404-2008)

Lawler, Ed <lawler@marshall.usc.edu>

Jun 20 ☆




to me ▾

You can use it. Full questionnaire is in book Lawler and Boudreau "Effective Human Resource Management"

APPENDIX C

ACCESS TO POPULATION

 **Larry Gregory**

to me ▾

Oct 24 ☆



Gary:

Hope you are doing well. Regarding your dissertation proposal and for you to have access to the population, it is my intent to have you present your questionnaire to my board of directors at its december, 18, 2013 meeting here in Jackson. Please note that my board is made up of all of the ceo's of all of the casinos in the state of ms. I will give you ample time to go over your project and to seek their assistance in providing you the information you are trying to retrieve for your paper. I hope this correspondence will satisfy the requirement of your dissertation chair. If not, I will be happy to prepare you my statement on letterhead. Thanks. Larry

Larry Gregory

Executive Director

Mississippi Gaming Association

[601.965.6992](tel:601.965.6992) (o) | [601.940.3236](tel:601.940.3236) (c) | [601.965.6993](tel:601.965.6993) (f)

APPENDIX D
IRB APPROVAL



INSTITUTIONAL REVIEW BOARD
118 College Drive #5116 | Hattiesburg, MS 39406-0001
Phone: 601.266.5997 | Fax: 601.266.4377 | www.usm.edu/irb

NOTICE OF COMMITTEE ACTION

The project has been reviewed by The University of Southern Mississippi Institutional Review Board in accordance with Federal Drug Administration regulations (21 CFR 26, 111), Department of Health and Human Services (45 CFR Part 46), and university guidelines to ensure adherence to the following criteria:

- The risks to subjects are minimized.
- The risks to subjects are reasonable in relation to the anticipated benefits.
- The selection of subjects is equitable.
- Informed consent is adequate and appropriately documented.
- Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
- Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
- Appropriate additional safeguards have been included to protect vulnerable subjects.
- Any unanticipated, serious, or continuing problems encountered regarding risks to subjects must be reported immediately, but not later than 10 days following the event. This should be reported to the IRB Office via the "Adverse Effect Report Form".
- If approved, the maximum period of approval is limited to twelve months.
Projects that exceed this period must submit an application for renewal or continuation.

PROTOCOL NUMBER: 13112206
PROJECT TITLE: **Strategic Human Resources in Casino Operations: Revealing the Perceptions of Casino Operators and Human Resource Leaders**
PROJECT TYPE: **New Project**
RESEARCHER(S): **Gary Burrus, Jr**
COLLEGE/DIVISION: **College of Science and Technology**
DEPARTMENT: **Human Capital Development**
FUNDING AGENCY/SPONSOR: **N/A**
IRB COMMITTEE ACTION: **Exempt Approval**
PERIOD OF APPROVAL: **11/25/2013 to 11/24/2014**

Lawrence A. Hosman, Ph.D.
Institutional Review Board

APPENDIX E

PRE SURVEY COMMUNICATION (Step 1-1 week prior)

Dear Survey Participant:

In approximately one week, you will receive a link to a research study survey “The Role of Human Resources in Mississippi Casinos.” You were selected to participate in this upcoming research survey because you occupy a leadership position in the Mississippi Casino Industry and your company is a member of the Mississippi Casino Operators Association. The study is conducted by Gary Burrus, Jr., a doctoral candidate at the University of Southern Mississippi in partial fulfillment for a Ph.D. in Human Capital Development. Because you are only one of 294 survey participants in the State of Mississippi, your participation is critical to the successful completion of this research. When the survey arrives next week, I ask that you take the approximate 15 minutes required to complete the survey. All responses are completely confidential and will only be reported in the aggregate.

Thank you for your time and participation in this upcoming study.

Best Regards,

Gary Burrus Jr

SURVEY COMMUNICATION (Step 2 – Day 1)

Dear Survey Participant:

You were selected to participate in this research survey because you occupy a leadership position in the Mississippi Casino Industry and your company is a member of the Mississippi Casino Operators Association. Because you are one of only 294 survey participants, your participation is critical to the successful completion of this research. This study, “Strategic Human Resources in Casino Operations: Revealing the Perceptions of Casino Operators and Human Resource Leaders” will provide me with the final requirement for a Ph.D. in Human Capital Development from the University of Southern Mississippi.

The purpose of this study is to explore and determine the perceptions of senior business unit leaders and senior HRM leaders within the Mississippi casino industry of the HR function’s strategic capabilities and potential for supporting sustained competitive advantage.

The survey will take approximately 15 minutes of your time to complete. Deadline to complete all surveys is TBD. This will enable the researcher adequate time to analyze the data and defend my dissertation by the University deadline of March __. Therefore you immediate response is appreciated.

Thank you for your time and participation in this study.

Best Regards,

Gary Burrus Jr.

Doctoral Candidate

1st REMINDER COMMUNICATION (Step 3-Day 3)

Dear Survey Participant:

Approximately two days ago, you were sent a survey, “The Role of Human Resources in Mississippi Casinos.” Knowing how busy gaming leaders can be, this is a reminder to please take the survey if you have not had a chance to do so. The purpose of this study is to explore and determine the perceptions of senior business unit leaders and senior HRM leaders within the Mississippi casino industry of the HR function’s strategic capabilities and potential for supporting sustained competitive advantage. The survey takes approximately 15 minutes to complete and all answers are completely confidential. The researcher, Gary Burrus, Jr. is seeking to fulfill the remaining requirements to earn a Ph.D. in Human Capital Development and as one of only 294 participants state wide, your participation is critical to the success of the study.

Best Regards,

Gary Burrus Jr.

Doctoral Candidate

2nd REMIDNER COMMUNCIATION (Step 4-Day 4)

Dear Survey Participant

What role does Human Resources occupy in the operations of casinos? What are the strategic capabilities of the HR function and what is its potential for supporting sustained competitive advantage in the Mississippi Casino Industry? Gary Burrus, Jr. is a doctoral candidate at the University of Southern Mississippi and a 21-year veteran of the casino industry seeking to earn a PhD. in Human Capital Development.

15 minutes to take the attached survey is incredibly important to this research study. There are no questions on the survey that can identify any individual or corporation and NO proprietary information is requested from anyone. All responses are confidential and will be aggregated as averages.

Best Regards,

Gary Burrus, Jr.

Doctoral Candidate

Final Reminder (Step 5- Day 6)

Dear Survey Participant:

Please accept my sincerest thanks for participating in the research survey, “The Role of Human Resources in Mississippi Casinos.” This is the final day of the survey and the last opportunity to have your opinions included in the research. If you have not had a chance to participate, please use the attached link to take the 15-minute survey. No personal or organization identifying information is gathered and all responses are confidential and aggregated.

Sincerest Thanks and Best Regards,

Gary Burrus Jr.

Doctoral Candidate

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