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Required by state law to employ 2,400 people every pay period, Harrah's New Orleans Casino has chipped away at its full-time work force and replaced those people with part-time and "on-call" workers during the economic

downturn, a review of documents from State Police has found.

From summer 2008 to summer 2010, the number of full-time employees at the company fell from 84 percent to 78 percent, while the ranks of those workers who are at the casino for fewer hours grew.

Harrah's has been required by law to maintain a certain employment level since March 2001. The requirement was created under the administration of Gov. Mike Foster after the company's second bankruptcy filing and said that Harrah's New Orleans Casino's employment could not fall below 90 percent of the level on file, 2,667 workers, as of March 8, 2001.

The requirement was revised after Hurricane Katrina to specify the 2,400 figure, under the Kathleen Blanco administration. In addition, Harrah's is required to maintain a biweekly payroll of $1.75 million.

The employment figures are tied to a tax break the casino received to entice it to remain in business in New Orleans after its bankruptcy.

During a two-year period spanning from August 2008 to August 2010, during the height of the recession, the company reduced the number of full-time workers in its ranks, replacing them with part-time employees and "on call" workers, who might work eight hours in a biweekly pay period.

"Employee" is left undefined in the legislation outlining Harrah's agreement with the state.

In the first of two pay periods in August 2008, Harrah's employed 2,431 full-time, part-time and "on call" workers. A majority of them, 84 percent, were full time. About 12 percent were part time, and 4 percent were listed as "on call."

A year later, in the first of two pay periods in August 2009, the number of people employed in all three categories fell to 2,357. Although full-time employees still made up the majority of workers, they made up just 81 percent of the total down from a year prior. Part-time workers, meanwhile, gained ground, comprising 15 percent of all employees. The percentage of on-call workers stayed the same.

**Falling below minimum**

The saga of the shrinking full-time work force continued into 2010, when in the first of two pay periods in August of that year, the casino reported employment of 2,320. Of that total, 78 percent were full time, 15 percent were part time and 6 percent were on-call.

According to the data, Harrah's also failed to meet its state-mandated employee minimum in 50 pay periods out of 54.

Although the percentage of Harrah's employees who work full time has shrunk and the total number of employees has not grown, the casino consistently exceeded its state-mandated payroll minimum in the two-year period. The company is allowed to include all of its senior executives and management staff in the payroll figure it reports to the State Police.

The company was led by General Manager Jim Hoskins in that period. Hoskins was replaced by Dan Real in August. Real, who has been publicly critical of Hoskins management, told the gaming board in October that about 78 percent of the casino's employees are full time.

Harrah's parent company Caesars Entertainment did not return a telephone call seeking comment.

Harrah's agreement makes it unlike other major Louisiana employers who receive inducements to operate here. When the Louisiana Department of Economic Development courts a company with incentives, for instance, the agreements are always tied to a job figure that specifies full-time employment or full-time equivalent employment, LED Secretary Stephen Moret said. Moret would not comment directly on the Harrah's agreement.

"Obviously our objective is to create as many jobs as we can," Moret said. "By job, we typically mean full time with relatively high wages and benefits."

Moret said LED contracts also concentrate heavily on the total payroll of the company, a figure that is based on the pay of the "typical worker."

"If you're looking at a return on investment prospect, payroll is really the key metric," Moret said. "In terms of evaluating the attractiveness of a project and the total impact on the community and employment, obviously you would consider average wage levels."

**Trend since recession**

The local Harrah's is not unusual among casinos in its employment practices and structure, said David Schwartz, director of the Center for Gaming Research at the University of Las Vegas, Nevada.

"There's a lot of shift work," Schwartz said. "It's not like a manufacturing establishment where you've got steadier shifts."

But Schwartz said that as casinos try to find creative ways to manage their costs during a period of economic downturn, there has been a greater dependence on part-time and on-call workers.

"You had it before, but I think it's more prevalent since the recession," Schwartz said.

Perhaps because of its employment mandate, Harrah's New Orleans is actually unique as compared with its casino counterparts.

"A lot of casinos have definitely cut back on their staffing," Schwartz said. "I think a lot of it depends on the company and where they're located."

Harrah's also stands in contrast to the larger local hospitality industry in that it has maintained its pre-Katrina employment levels, while employment in the industry overall is lagging behind the numbers of five years ago.

For instance, food and drinking establishments in the New Orleans area employed 45,000 in 2009, down from 54,000 in 2004, according to a study by the University of New Orleans. Similarly, hotels counted 11,000 workers in 2009, as compared with 16,000 in the year before Hurricane Katrina. Continuing the trend, the gaming industry reported 4,000 employees in 2009 and 6,000 in 2004. Taken together, those sectors of the hospitality industry employ 21 percent fewer workers now than they had the year before the storm.

"When I talk to hoteliers and restaurateurs, they've gotten quite used to multitasking, and they've found there are quite some efficiencies," said John Williams, a professor at UNO and the director of the university's Lester E. Kabacoff School of Hotel, Restaurant and Tourism Administration. "You're going to definitely see this continued in the hospitality industry."

Still, the structure of the Harrah's agreement leaves something to be desired, said Jim Singleton, a member of the Louisiana Gaming Control Board. Singleton said the board is discussing whether the state is receiving the return on its investment. Singleton said Harrah's will appear before the board again in March.

"It's something we're talking about," Singleton said. "And it's not just with Harrah's, but with all the casinos."

*Jaquetta White can be reached at jwhite@timespicayune.com or 504.826.3494.*

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