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A Transition of Leadership:
Can the Young Generation of Macau Catch Up?

by

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PART ONE

Introduction

The gaming industry of Macau has entered an unprecedented era of competition since the Macau Government granted gaming concessions and sub-concessions to various gaming operators in 2002. With the vast growing market and the recent urge from the Macau Government of localizing key management personnel (Lo & Ip, 2009), career paths for the local young generation have accelerated. Problems with human resources not only emerged with low unemployment rates in Macao, but the industry has also encountered difficulties in finding, keeping and developing capable individuals among local professionals. On the other hand, the lack of experience and preparedness of this group of professionals, who would be the future leaders, is problematic.

Problems with human resources not only emerged with low unemployment rates in Macao, but the industry has also encountered difficulties in finding, keeping and developing capable individuals with local professionals. To fill these vacancies with the urgent need of coping with the overwhelming business, operators have no choice but to poach employees from competitors. As a result, job hopping is common. Career paths for the local young generation have been accelerated with better titles and higher pay when moving from one job to another. Yet still, senior management has also observed

the lack of experience and preparedness of this group of professionals, who would be the future leaders in the big organizations.

To respond to the request of Macao government, there has been an urgent need to develop this group of local professionals in taking up middle and senior managerial positions. According to some senior executives, the young generation in Macau is not yet ready – and there seems to be a lack of motivation of personal development but a focus on better titles, and higher payrolls.

Purpose

The purpose of this paper is to evaluate the attitude and motivation levels of young professionals in the gaming industry in Macau. To give a more holistic view with justification on the problem, this paper is orientated with a literature review in the areas of leadership and management styles in Western and Asian cultures, and with a case application of Wynn Macau as a life example. The discussion of this paper is supported by interviews with senior executives, and a summary of human resources strategies in terms of recruitment, training, and motivation both on a departmental level and on the company level.

Justification

The expanding gaming industry has brought to the younger generation of Macau good job opportunities with lucrative earnings. Some of them joined the gaming industry early by dropping out from school and giving up the opportunities in pursuing their careers in other areas. In addition to the lucrative salaries, they also enjoy the privilege to work in a luxurious, Las-Vegas-style resort which they have not dreamt of the opportunities before. Fresh out of school, young generation enters the gaming industry with the aspiration of a glory career path, chance for bigger earnings, and the privilege to work in a nice, western environment. However, they encountered difficulties in coping with empowerment, western management culture and inexperience in taking up leadership roles. There were arguments that in the next decade, Macau will be a place lack of local professionals such as doctors, lawyers, or engineers as the young generation today have chosen to join the gaming industry (Lam, 2009).

The young generation who joined the gaming industry needs more guidance, education, and training to be prepared for the hectic work in their future leadership roles. As one of the Las-Vegas-style mega resorts in the market leader position, Wynn Macau would be a good case study to understand how western management culture has impact on the young employees, and how has the management prepared them in their future

leadership roles. The case study would be covering the cultural, management, and human resources problems related to the young generation of Macau.

PART TWO

Introduction

The Gaming Industry in Macau

Since the liberalization of Macau's gaming industry in 2002, there has been a significant increase in the number of gaming operators and casino properties in Macau. Currently, there are six gaming operators in Macau. The three concessionaires are Wynn Macau, Sociadede Jogos de Macau (SJM), and Galaxy which opened Galaxy Macau in May 2011. The three sub-concessionaires are Melco Crown, MGM Macau, and Venetian Macau. As of June 2011, there were approximately 34 casinos in Macau, including 20 operated by SJM ("Wynn Macau Interim Report", 2011). Each of the six operators has operating casinos and expansion plans announced or underway.

Societal Impact

As the gaming industry of Macau flourished in the past decade, societal livelihood of Macau residents and their perception of the industry have been influenced gradually. Social well-being of Macau residents can be assessed in terms of family relationships and functioning, personal perceptions and psychological problems which are found to be adversely impacted along with the rapid development of the gaming industry. Recent research has pointed out several problem areas in family values, decrease of time-space for family interactions, irregular

working hours, parent-child relationships, and marital conflict. Psycho-social issues also emerged in terms of employment-education conflict with adolescents' early drop-out from schools for "quick money", unattended children and juvenile delinquency, poverty in relation to increasing cost of living, and imbalance of overall well-being (Schalkwyk, Tran and Chang, 2006).

Economic Impact

Macau is the only place in China with legalized casino operators. Since the government let foreign-owned casinos in the economy of Macau has been on fire with real gross domestic product growth of 26.4 % in 2010 and is growing at a 21.5 % rate in 2011. Gaming revenue jumped 44 % in the first half of 2011. The gaming revenue of Macau has grown to four times larger than that of Las Vegas and the distance is expected to keep growing as more casinos open (Einhorn, 2011).

Demographic Information of Macau

According to the population survey of Macau in the 4th quarter of 2010, Macau has a total population of 552,300, with a labor force of 326,000 and an unemployment rate of 2.8%. Total number of overseas employees in the 4th quarter of 2010 was 75,813. The gender distribution in the labor force is equally distributed as 77.1% and 66.7% in the labor force (Macau Statistics and Census Service, 2010).

With regard to educational attainment, statistics reveal an equal percentage of male/female in the labor force in terms of each educational level. On a macro view, the ratio of educational attainment of the labor force comprises of 17.8% with primary education, 28.1% for junior college, 28% for senior college, and 22.1% with tertiary education (see Table 1).

Table 1: Educational Attainments and Gender (2nd Quarter, 2010)

<i>Educational attainment and gender</i>		<i>Q2 / 2010</i>	
		<i>No.</i>	<i>Structure</i>
		('000)	(%)
Total	M / F	317.0	100.0
	M	159.6	50.3
	F	157.5	49.7
<i>No schooling/Pre-primary education</i>	M / F	12.7	4.0
	M	5.5	1.7
	F	7.2	2.3
<i>Primary education</i>	M / F	56.3	17.8
	M	30.3	9.6
	F	26.0	8.2
<i>Junior College</i>	M / F	89.1	28.1
	M	45.1	14.2
	F	44.0	13.9
<i>Senior College</i>	M / F	88.8	28.0
	M	45.5	14.3
	F	43.3	13.7
<i>Tertiary education</i>	M / F	70.0	22.1
	M	33.1	10.4
	F	36.9	11.6

Source: Government of Macao Special Administrative Region – Statistics and Census Service. (2nd Quarter, 2010). *Employment Survey*.

Localizing Management Positions in the Gaming Business

By the labor law of Macau, employment of local residents is well protected limiting the number of expatriates working in the city in various business sectors. As a result of the low-level of unemployment and insufficient human resources, and in response to an employment dispute in 2008 between Galaxy Macau and illegal overseas workers as dealers, the Macau government demanded all casino operators to strictly observe a localization plan in all positions, especially in key positions which protect local people for equal job opportunities and career prospects (Lo & Ip, 2009).

Employment Information of Macau Citizens in the Gaming Business

Hospitality and gaming provides the biggest job opportunity in Macau. The majority of the work force in Macau is employed directly in the gaming industry, or indirectly with hospitality and tourism related businesses which account for 37.7% of the total work force. In terms of employment structure by occupation, 26.1% were clerks and 22.8% were service and sales workers related to the hospitality and gaming sectors. Casino dealers, floor persons, cage cashiers, etc., are grouped under the category of “clerks” according to the “International Standard Classification of Occupations” of the International Labor Organization (Macau Statistics and Census Service, 2010).

Employment Trends in the Gaming Business

The proliferation of gaming businesses and government protective policies for employment in casino related jobs has opened up unprecedented job opportunities for local Macau residents especially the adolescents and young adults in their early careers. Despite the positive image of lucrative salaries in casino related jobs, serious problems have arisen in terms of job continuity with job hopping and high turnover rate. Figures in 2008 reflected 12.1% of all workers changed their jobs, with reasons of “dissatisfaction with remuneration” and “seeking for better pay” as the primary reasons given by 56.6% of this group of job changers. The second top primary reason was “incompatibility with working hours / dissatisfaction with working environment”, which was described with gaming and hospitality related employment. Job hopping seemed to be a way of life for young workers in the industry with figures clustered to the young generation who seek more money or better opportunities. In 2007, 26.4% of job changers were aged 25-34 and 28.3% of job changers in 2008 were aged 14-24 (“The Frog Economy”, 2010).

Implication of Cultural Differences in Western and Asian Leaderships

Culture has a significant impact in both leadership behavior and cross-cultural leadership on a foreign or diverse group. Globalization of organizations has made leaders in need of understanding and learning about effective leadership in different cultures (Yukl, 2010).

With the liberalization of gaming industry in Macau, foreign investors such as Wynn Resorts, Las Vegas Sands, and MGM Grand, were brought in and as a result diversifying the gaming industry. The attempts were widely acclaimed as a move in part of the Macau government to turn Macau into a Las Vegas-style destination (Gu, 2004). As a result, cross-cultural leadership has been one of the hot topics receiving much attention in how western management cultures have impacted on leading the teams of Macau local residents, who were used to the traditional way of leadership as in the old days of the casino monopoly, the only casino operated by the local casino mogul Dr. Stanley Ho.

Early Management Culture in the Gaming Business of Macau

The gaming industry of Macau has only been opened up for competition and foreign gaming operators since 2002. Prior to that, the gaming business were all owned and operated by the casino monopoly STDM for 40 years. Management skills and customer services were in no way comparable to those of the modern western casinos. If Macau were to catch up and compete with Las Vegas the emphasis should be placed on modernized casino management and first-class customer services (Gu, 2004).

According to the Executive Vice President of Operations from one of the western gaming concessionaires, significant cultural differences and differences in management styles from the old STDM casinos were immediately observed in the beginning when western casinos

settled down in Macau. One of the major differences observed were the acknowledgment of authority, which is heavily emphasized in western leadership as empowerment. Employees holding middle to lower ranks were not comfortable with powers delegated to them in terms of decision making and circumstances which required problem solving skills. This was apparently due to the centralized authority practiced in the early casino management culture.

Another key difference observed was the power distance in the hierarchy. This was commonly noticed in meetings while local employees and expatriates gathered. Local employees tended to hold back on ideas and avoid conflicts with other colleagues and / or their superiors. The involvement of local employees in the management process was low, which also reflected in the leadership culture from middle to lower ranks in the organization.

Leadership and Cultural Differences

Cultural values are influential factors which affect the behavioral patterns of leaders and followers in terms of power, decisions, and actions of others. It also impacts the way people relate to each other on a team level. Behavioral differences in the discussion of cross-cultural leadership were categorized in terms of power distance, uncertainty avoidance, individualism vs. collectivism, gender egalitarianism, performance orientation, and humane orientation (Hofstede, 1980).

Power Distance

Power distance describes the extent to which people can accept an unequal distribution of power in an organization. In cultures with high power distance, leaders are perceived to have more authority while followers are more likely to accept rules and directives without questioning. Parental leadership is preferred in such cultures while the subordinates are unlikely to challenge their bosses (Yukl, 2010).

The differences of Chinese and Western management cultures are recognized in which Chinese is a culture with high power distance. While empowerment is essential in the contemporary western management culture, western managers who are aggressive in getting performance often face obstacles in empowering Chinese employees. They are likely to associate empowerment with abandonment and shirking of responsibilities from their superiors. However, training, open-minded communications, support from superiors and the organization, and performance based rewards are essential for successful empowerment which lead to higher willingness to deliver quality service (Humborstad, Humborstad, Whitfield, & Perry, 2008).

Uncertainty Avoidance

Uncertainty avoidance describes the extent to which people feel uncomfortable about unpredictable future events. In cultures with high level of uncertainty avoidance, managers are expected to be reliable, orderly, cautious who do more detail planning, comply to formal rules

and standard procedures, and tend to supervise more closely on activities of the team (Yukl, 2010).

Macau local employees, a majority of whom were brought up and substantially influenced by Chinese culture, tend to show a higher level of uncertainty avoidance. They looked for standard rules, policies and standards which they could follow and avoid direct face-to-face confrontation (Chen & Tjosvold, 2005). They appreciated detailed, step-by-step requirements which clarify the job requirements and are doubtful with delegation.

In terms of the initiatives to organizational change, Chinese managers were more likely to be change followers rather than change agents or anti-change agents. This was primarily due to the perception of their insignificance in the organization, or had the right to say “no” in the decision-making process. On the other hand, they were also unlikely to play the role of anti-change agents because of the considerations of their own interests (Kong & Gao, 2009).

Individualism / Collectivism

Individualism refers to the perceptions of needs of individuals are more important than the collective needs, benefits and responsibilities of a group or an organization. Collectivistic cultures, on the contrary, value group loyalty and cohesiveness as members identify with the respective groups (Yukl, 2010).

Chinese employees are profoundly influenced by collectivistic culture. They value

interdependence among their in-group members and generally work more cooperatively and constructively with leaders who also possess similar cultural values. Chen & Tjosvold (2005) in their research of leader-member relations in foreign ventures in China pointed out that Chinese employees perceived managers with similar cultural values were more effective than American managers, and would want to have more future collaboration with them. Under this circumstance, western casinos in which the majority of senior management are western leaders may find it difficult, or sometimes frustrating to lead the local team of employees with a nearly contradictory perceived value. On the other hand, the differences in cultural values make it difficult for both western leaders and local employees to fully understand the reasoning for goals, decisions and follower reactions.

Gender Egalitarianism

Gender egalitarianism is the perceived cultural value of men and women in terms of their roles, responsibilities which are reflected in equal treatment and opportunities on a societal or organizational level (Yukl, 2010). In terms of management cultures, Chinese female leaders tend to care more about job stability and show little ambition in power contests or putting their personal interests first. They are more empathetic, considerate, and attuned to personnel which are well received by Chinese employees (Kong & Gao, 2009).

Although Chinese female leaders are better accepted by Chinese employees, the case

may be on the opposite as for equal job opportunities between the two genders in the labor market of Macau within the gaming and hospitality industry. According to the statistics by DSEC in the first quarter of 2010 on the hospitality sector (see Table 2), the ratio of male to female workers is 51% to 49% which is nearly equally distributed. This could be a result of equal employment opportunities and possibly because of the low unemployment rate of 2.9% as according to statistics from the first quarter of 2010.

As for the gender pattern in terms of positions, male shows a more dominant figure of 63% in higher rankings as the positions of directors and managers of companies, versus 37% for female. Similar ratios are found in the category of professionals as well. The ratio of unskilled workers with 63% female versus 37% male implies that a large part of lower rank positions are held by female workers as oppose to males. Similar gender distribution patterns are found in the gaming sector, in which female workers tend to cluster at the lower levels of jobs (see Table 3). An interesting figure is found in the category of “Clerk”, which primarily includes job positions as dealers, hard and soft count clerks, cage cashiers, pit boss, casino floor persons, betting service operators, etc., are found to be female dominant.

Table 2: Gender Distribution in the Hospitality Sector

	Total (people)	Directors and managers of companies	Professionals	Technicians and associate professionals	clerks	services and sales workers	Others/ unskilled workers
M	16,096	1,361	198	1,415	1,096	7,159	4867
F	15,387	814	101	1,172	2,108	6,120	5072
M	51%	63%	66%	55%	34%	54%	49%
F	49%	37%	34%	45%	66%	46%	51%

Source: Employment by Occupations in Hospitality Sector (1st Quarter 2010)

Table 3: Gender Distribution in the Gaming Sector

	Total (people)	Directors and managers of companies	Professionals	Technicians and associate professionals	Clerks*	services and sales workers#	skilled agricultural and fishery workers	craftsmen and similar workers	plant and machine operators, drivers and assemblers	unskilled workers
M	20331	781	227	729	13711	3574	488	394	38	389
F	22489	486	69	530	17854	2452	27	32	-	1039
M	47%	62%	77%	58%	43%	59%	95%	92%	-	27%
F	53%	38%	23%	42%	57%	41%	5%	8%	-	73%

Note:

* The category of Clerk inclusive of: dealers, hard and soft count clerks, cage cashiers, pit boss, casino floorpersons, betting service operators, etc. The category of Services and Sales Workers include Casino & slot machine attendants, security guards, surveillance room operators, etc (Macau Statistics and Census Service Bureau, 2009 - 2010).

Source: Employment by Occupations in Gaming Sector (4th Quarter 2009)

With regard to pay equity, male workers receive an overwhelming higher average pay

across the majority of positions in both hospitality and gaming sectors (see Table 4). While the total average earning for male workers in the hospitality sector is MOP 19,690 and MOP 8,410 for female workers, which means males are making on an average 57% more money than their female counterparts. To look at the figures in details female workers are receiving generally a lower pay level across all occupations. Similar distribution pattern is also found in the gaming sector as shown in Table 4 where a 7% difference are found in the total average earnings of male workers versus female workers.

Table 4: Average Earnings and Gender Distribution in the Hospitality Sector

	Total Average Earning	Directors and managers of companies	Professionals	Technicians and associate professionals	Clerks	services and sales workers	skilled agricultural and fishery workers	craftsmen and similar workers	plant and machine operators, drivers and assemblers	unskilled workers
M	19,690	34,210	22,330	16,640	10,690	11,470	9,450	12,460	10,180	7,210
F	8,410	30,170	20,320	15,740	10,840	8,260	8,440	5,720	6,730	6,530

* Figures shown in MOP – Macau Patacas

Source: Average Earnings of Resident Full-Time Paid Employees by Occupation in the Hospitality Sector (1st Quarter 2010)

Table 5: Average Earnings and Gender Distribution in the Gaming Sector

	Total Average Earning	Directors and managers of companies	Professionals	Technicians and associate professionals	Clerks*	services and sales workers#	skilled agricultural and fishery workers	craftsmen and similar workers	plant and machine operators, drivers and assemblers	unskilled workers
M	15,480	41,510	26,520	21,510	15,480	10,410	7,840	7,260	8,740	6,750
F	14,250	32,420	18,360	19,350	14,790	9,810	4,660	9,660	-	3,740

Note:

* Figures shown in MOP – Macau Patacas

* The category of Clerk inclusive of: dealers, hard and soft count clerks, cage cashiers, pit boss, casino floorpersons, betting service operators, etc. The category of Services and Sales Workers include Casino & slot machine attendants, security guards, surveillance room operators, etc.

Source: Average Earnings of Resident Full-Time Paid Employees by Occupation in the Gaming Sector (4th Quarter 2009)

Performance Orientation

Performance Orientation refers to the extent to which high performance and individual achievements are valued. In cultures with high performance orientation values, results are emphasized more than people. While effectively achieving tasks which are recognized and acknowledged in the cultures with high performance orientation values could be an importance source of self-esteem and status (Yukl, 2010), it could be an effective strategy for enhancing team motivation.

Humane Orientation

Humane Orientation describes the strong concern for the welfare of other people and the willingness to sacrifice one's own interests. The key attributes include altruism, benevolence, kindness, compassion, love, and generosity (Yukl, 2010).

Humane Orientation is very much analogous to the values emphasized in collectivism and the attributes which describe servant leadership. While altruism, love, and generosity are largely discussed in Confucianism which is rooted in Chinese and most Asian cultures, servant

leadership seemed to be not consistent with the norms and expectations of either American managers or their workers (Hannay, 2007).

The Generation X and Y of Macau

Generation Y is generally referred to those born between years 1979 and 1994 according to most scholars and practitioners. This generation consists of adolescents and young adults who are getting ready to enter the workforce, and those who are already actively participating in the workforce at the intermediate levels. Generation X is composed of people of the previous generation, the majority which are dominating the management levels of organizations (Solnet & Hood, 2008). According to statistical record of Macau Statistics and Census Service (2010) in the 2nd Quarter of 2010, Generation X and Generation Y represent a 35.7% and 25.3% respectively in the total labor force, thus making them the major group in the labor market.

Special characteristics of Generation Y can be attributed to the environment of how they grew up. They were brought up in relative affluence, with global prosperity and low unemployment throughout their lives. They seek expediting and multi-tasking while at the same time have a low tolerance of boredom and look for instant rewards. Moreover, they require the attention of others to their ideas and opinions (Solnet & Hood, 2008).

It has been a common phenomenon in the gaming industry that western, senior

management viewed the group as a headache to manage. They are “spoiled” by the fact of Macau’s tight job market with steadily low unemployment rate and lack of competition.

Opportunities come too easy and they often show unproductive, inefficient, ineffective and / or have poor work attitude. They demand faster promotion, higher pay, and became complacent and arrogant (Lam, 2011).

Tackling the Problems

The hospitality industry has a mixed image of with the proximity to the “high life” and often associated with a glamorous image, while at the same time it revealed common negative attributes such as long and antisocial hours, low level of pay, low status and high staff turnover (Solnet & Hood, 2008). The gaming industry in Macau, on the other hand, reflects a similar but not exact mirror image of hospitality. Casino jobs are considered “dirty” physically, morally, and spiritually (Lam, 2011). However, it is also perceived by the local residents as high-pay jobs which majority of whom aspired to. It also contributes to the glossy, lucrative economy attainments of the city in the eyes of Macau locals and also HK job-seekers (Au, Tsai & Jeong, 2009; Vong, 2008).

Job pride is essential for motivating the group of labor force, which composed of a majority of Generation Y on the casino floor given the dirtiness of the job nature. Without job pride, the team is very unlikely to provide good quality services to the customers (Lam, 2008).

Therefore, the problem has to be tackled with the fundamentals of human resources strategies applied in terms of recruitment, training, motivating, and retention of high caliber employees.

Recruitment, Selection, and Retention

Recruitment and selection processes are essential factors contributing to organizational success in terms of productivity and effectiveness of a team. The assessment of job applicants is closely related to the probability that employees will remain with the organization (Chan & Kuok, 2011).

Understanding the reason why employees leave is helpful in designing and revising the recruitment and selection strategies especially when the costs associated with employee turnover can be significant (O'Connell & Kung, 2007). Chan & Kuok (2011) in their research on human resources issues in the hospitality and tourism industry in Macau revealed more than 90% of employers acknowledged a major reason for employee turnover was due to salary. The second reason for turnover was better benefits (46.7%), followed by job promotion (31.9%), job enlargement (20.7%), and job with a more reputable organization (18.5%).

One interesting finding in the research of Chan and Kuok was the low attention to academic records of the applicants, while less than 21% of the total workforce have a university degree. Employers tend to pay more attention to experience, personal attributes, and job related skills rather than the academic attainments of job applicants. Regardless of the tight labor

market, if recruitment and selection process is successfully carried out based on these focuses it should provide solid groundwork for employee's further development and motivation, which are factors contributing to employee retention.

Education, Training, and Development

The nature of casino jobs are repetitive, routine and hostile which employees are required to work in a stressful and "dirty" environment. Sense of trust and support is often missing from the independent job nature of which each employee is responsible for one game. Their needs are often neglected with few prospects for advancement.

However, the need for achievement has been regarded as one important internal motive which drives the energy, devotion and commitment of the beholder to jobs (Taormina & Kuok, 2009). In their research, Taormina & Kuok pointed out a positive correlation between training and job satisfaction in terms of work and pay. Proper and sufficient training provides casino employees with better understanding of the organizations they serve, and is also an opportunity for them to socialize with other employees, which enhances the feeling of support and sense of belonging. It also implies opportunities for recognition, pay raises, promotions and other benefits which are powerful motivating factors.

The Future Leaders of the Gaming Industry in Macau

With the critical situation of human resource problems in the gaming industry of

Macau with high turnover rates, low unemployment rate, protective local labor regulations, and generally low educational levels of the workforce, it is not unexpected that work motivation is low because of the lack of competition. How to motivate the group of casino employees remains not only a problem of enhancing productivity, effectiveness and service quality, but a more challenging problem of retaining high caliber individuals for a sustainable long term development of the organizations.

Aside from direct competition for labor with the existing casino operations on pay rates and benefits, there are urgent needs for the industry as well as the Macau government to find ways in building up a strong team for future development in the long run. How can local casino employees, who are Generation Y in the middle to lower levels of the organization hierarchy, become a strong drive in supporting the development of the industry in the next 5 or 10 years? The best solution to this problem seems to fall to the responsibilities of the industry as well as the government in training, educating, and motivating this group of future leaders.

PART THREE

Introduction

As the groundwork for this study, Wynn Macau will be a case study to better illustrate the problems identified. Wynn Macau has been the industry leader in the gaming sector which shares the same pool of labor and similar workforce composition with other gaming operators. Thus, the case study would provide the basis for possible solutions and recommendations to the problems encountered in the industry as a whole. This part will also acknowledge and provide a brief introduction to the few interviewees at Wynn Macau who provided their valuable insights to the problems and their future expectation to the development of their teams.

The case study was conducted with information from unstructured interviews with senior executives of Wynn Macau in various areas including Training and Development, Mass Floor Table Games, VIP Gaming, and Slots Operations.

Case Study

Background story: Wynn Macau

Wynn Resorts, Limited is traded on the NASDAQ Global Select Market under the ticker symbol WYNN and is part of the S&P 500 and NASDAQ-100 Indexes.

Wynn Resorts owns and operates Wynn Las Vegas (www.wynnlasvegas.com), Encore (www.encorelasvegas.com) and Wynn Macau (www.wynnmacau.com).

Wynn Macau, a destination casino resort in the Macau Special Administrative Region of the People's Republic of China, was opened to the public on the peninsula of Macau S.A.R. in 2006 with luxury hotel, retail, F&B, gaming and retail facilities. The company completed major development and expansion in 2007 and 2009 with additional entertainment attractions, gaming facilities and a luxurious, all-suite hotel tower opened in 2010 (“Wynn Resorts”, n.d.).

Wynn Macau features approximately 265,000 square feet of casino space, two luxury hotel towers with a total of 1,009 spacious rooms and suites, eight casual and fine dining restaurants, and lounges and meeting facilities. In terms of retail facilities, Wynn Macau features approximately 54,200 square feet of high-end, brand-name retail shopping. The property also features recreation and leisure facilities including two health clubs, spas and swimming pool.

Wynn Macau has filed an application with the government of Macau for a land concession on approximately 52 acres of land on the Cotai Strip in 2011 and is awaiting final government approval. Subsequent to government approval, the development project is anticipated to include the addition of a full scale integrated resort containing a casino, approximately 1,500 rooms, convention, retail, entertainment, and food and beverage offerings (“Wynn Macau Interim Report”, 2011).

Mr. Stephen Wynn, an international developer, owner and operator of the Wynn

Resorts, was once Chairman of the Board, President and Chief Executive Officer of Mirage Resorts, Incorporated and its predecessor from 1973 to 2000. In that role, he was responsible for the development of the Bellagio, Mirage, Treasure Island and the Golden Nugget in Las Vegas, Nevada as well as the Atlantic City Golden Nugget in New Jersey and Beau Rivage in Biloxi, Mississippi (“Wynn Resorts”, n.d.). As the Chairman of the Board, Wynn’s mission is: A commitment to providing an elegant environment with high-quality amenities, a superior level of service and distinctive attractions for our customers (Hannah, 2009).

Current Human Resources Issues

Wynn Resorts has been the market leader in the luxury casino-resort market. With its venture in Macau Special Administrative Region, Wynn Macau, has positioned itself as a pioneer and market leader in the gaming industry offering entertainment and hospitality products at high quality with elegance and tastes. Despite being the market leader in the VIP gaming market, Wynn Macau faces the same human resources issues like every operator in the industry.

The composition of the gaming team of Wynn Macau is a mix with expatriates, who possess extensive work experience in the gaming sector, the local experienced gaming professionals who are mostly from the former STDM casinos, and the local young generation X and Y who have just entered the gaming workforce. The similarity of the workforce has made this case study significant in reflecting the general problems encountered in the industry

generally.

In concordance with the literature review, the first significant problem of the gaming workforce as identified by one of the senior executives in Training and Development is the nature of the job itself. The long hours, hectic working schedule, repetitive work, highly stressful and brutal working environment has made the team constantly in a tense mode. The lack of trust in their working environment has come from the customers, the supervisors, and even from the Close-Circuit TVs has made the team easily burnt out.

Under these hostile conditions, employees are fragile emotionally and physically. The long, hectic schedule has kept them apart from regular life schedules in which they could enjoy time with family and friends and be refreshed. They could merely enjoy their regular days off from a 6-day week because they are burnt out and busy with daily chores needed to take care of during the only day-off a week. Life management is in question especially when the employees are faced with family or personal problems to take care of. According to the senior executive, the gaming workforce is “being trapped in a golden cage”. While employees enjoy better pay for improving living standards of their families, they sacrifice personal life and time with their families. There seems to be no better way out unless they are willing to sacrifice the quality of life with their families. Problems are worse especially when employees face difficult family or personal issues.

Management culture has been another issue identified with the gaming workforce which complicated the problems. The issue has been more obvious with former employees from the STDM casinos who were used to the old command-and-control style of leadership. While ideas and suggestions were no way to express and not to be appreciated, they were told to follow what they were told and what were set as rules. This has been problematic in the beginning while the new western management culture and leadership came in which appreciate and welcome participation and involvement from the team. Opinions and ideas were held back, and everyone in the team seemed to agree with what their seniors instructed and arranged with no objection or questions.

Generation X and Y are the major components of the gaming workforce. They are in the age to build up their own families as well as developing their careers. According to the senior executive of Training and Development, this group lacks confidence and competency in their own advancement. While they are exhausted with work, they have to take care of their families. Some have little interest, or energy, in taking more responsibilities associated with job advancement because they are confused with the power they are granted. Materialistic is a misunderstanding on this group – it is somehow a reflection to compensate and reward themselves with the hard work, and as a way of stress relief to the hectic lives. This group is the future of the industry. The lack of motivation and self-confidence are problems to be solved

by means of training and other management workshop.

New Programs by Wynn Macau

To help ease the emotional problems of the workforce, life management workshop has been one of the regular training and development courses organized. Some of the focused topics include stress handling, emotion management, time management and facing family conflicts. In addition to volunteer participants, a number of the participants were referred by department heads. In order to offer professional aids which tackle problems more in-depth, Wynn Macau offered their employees hotlines and free consultations hosted by professional psychologists and social workers.

To encourage team bonding and a sense of belonging which fosters trust and support among the team, a special “community” scheme was enforced. The idea is to group small teams with pit managers, supervisors, and dealers into small communities. The community leaders will take care of their members, and all of whom would be on the same shift. By bonding the members in the same group, the community scheme encourages team members to interact with each other on a regular basis, which provides better grounds for fellowship and trust.

Leadership courses are essential in building self-confidence and competencies of young leaders. Wynn Macau has organized regular leadership workshops hosted by

professionals and lecturers for mid-level leaders such as pit managers, assistant shift managers and even shift managers. The workshops provide them with hands-on skills in leadership including communication skills, how to accept disagreements, how to face conflicts, and how to rectify mistakes of their team members. The courses are organized monthly, which enable ample timeframe for the gradual acceptance of the participants and their practical application of the skills to work.

Wynn Macau also acknowledges the importance of suggestions and feedback from the team. Sometimes suggestions are difficult to get through to senior management because the team does not have confidence in voicing them or they do not have the channel to communicate them. To change the “silent” culture of the team members, it is essential to get them talking openly and positively. Focus groups with referred members from the gaming workforce are formed to openly discuss problems and difficulties the team faces on their operation units. Having a positive channel to let the voices out are important, and it is even crucial to make the speakers think their ideas are being heard and accepted without the worry of reprisal. In the focus group, pit managers are invited to a discussion session with Human Resources department, and their suggestions are recorded and referred to the senior management

To most of the generation X and Y, job development opportunity is one of the important job motivators. Wynn Macau has encouraged and sponsored employees to join

courses organized and acknowledged by Macau government which in turn became a stimulus of motivation. The placements are limited, and only the good performers referred by department heads can earn the sponsored placements to the courses.

Other Problem Solvers

Wynn Macau is one of the six gaming operators in Macau, only with the support from Macau government, and with the same goal of industry operators there could be significant effect in preparing the future leaders of this gaming industry. Below are the recent programs and actions undertaken by these parties.

Programs Created by Macau Government

The need of training for Macau locals in the gaming sector has been acknowledged by the Macau government early in 2003 with the establishment of Center for Technical Education in Areas of Tourism and Gaming (CCC). It has been reformed in 2009 as Gaming Teaching and Research Center (GTRC) delegated in providing gaming related trainings to Macau local citizens free of charge. On the other hand, University of Macau provides tertiary education in the gaming area.

Training and Development by Other Local Entities and Industry Operators

Training and development has also been acknowledged by local entities and experienced professionals in the industry. Macau Gaming Industry Labor Association was

formed in 2002 by a group of experienced professionals with the aim of uniting workers in this sector, providing them with resources, support, recreational events, and most importantly professional training (“Macau Gaming”, n.d.).

Although there are limited publicly hosted training and development opportunities, industry operators have been actively providing training opportunities to their own team. Example such as Melco-PBL (owner of City of Dreams and Altira) has an exclusive training center dedicated to train their gaming employees. Other operators have cooperated with GTRC in providing gaming related training but again the courses are specifically designed to cater for individual needs of different operators which may not be applicable from one to another.

Conclusion and Recommendations

With the case study of Wynn Macau in terms of the problems and solutions of the gaming workforce, the problem of the next generation in the gaming industry has been a mixture of societal, cultural, and competency issues. The young generation in the industry has been facing a dilemma of golden opportunities but yet also threats of family problems and discontinuity of career development. When lack of experience and competency, many of them can only refer to their former leaders as examples, regardless of how effective the kind of leadership could be.

The temptations of cash, brutal working environment, the lack of trust, and stress have

been potential threats for social problems. The future leaders of the gaming industry are now in urgent need to be developed for providing substantial support in the overall development of the industry. On one hand training and development is crucial, on the other hand emotional needs of this group is nothing to be ignored.

Providing training and development to the gaming workforce has some limitations. One of the biggest challenges is the unstable and hectic work hours of the group. Training and development opportunities provided and supported from the Macau government is limited to a number of resources only. Providing more short courses which are acknowledged locally or even internationally, are better options which may be more feasible.

On the other hand, there seems to be a lack of unity between the Macau government and the six operators in terms of professional training plans in the industry. The need for training may be placed at bottom of the list to do under the glory of increasing gaming revenue. Conflict of interests may be the reason why training and development are held behind. Gaming operators naturally care about their own team, and would not likely invest in a united training plan which may benefit the employees of their competitors. It would take great effort by the Macau government to take the lead in uniting the operators in training, and investing for the future of Macau.

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