Women in the Gaming Industry: A Research Summary

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Agenda

- Women in the Workplace
- Women in Hospitality
- Women in Gaming
History in the Workplace

• Participation in labor force activities
  – Peak in 1999 – 60%
  – 2014 – 57%
  – Men 69.2% in 2014

• 40% of those 25-64 have a college degree
  – Triple from 1973

• Earning
  – 83% of men in 2014
    • Leisure & hospitality 84.6%
  – 62% in 1979
Occupation & Industry in 2014

- 46.9%: Share of total employment
- Large range among industries
  - 20% (software developers) – 90% (nurses)
  - 26% chief executives
- 51.4% leisure and hospitality
  - Other amusement, gambling and recreation 48.4%
  - 48% of workforce (AGA, 2015)
Board Representation

• 14.8% of Fortune 500 in 2007
  – Increased to 16.1% in 2009
• 16% of S&P 500
• 17.9% of Fortune 1000 in 2015
  – 16.9% in 2014
  – 22.9% in Fortune 100
  – 20.1% in Fortune 500
  – 17.0% in Fortune 501-1000
Board Representation

• More likely to be on boards of large firms or consumer goods (Harrigan, 1981; Heidrick & Struggle Inc., 1977)

• New companies and smaller are less diverse
  – 13.5% of board seats held by women in companies that joined since 2010 (2020 Women on Boards, 2016)
Board Representation

• Companies with a woman on the board are less likely to add another (Farrell & Hersch, 2005)
  – If a woman left the board the likelihood that the replacement is a woman is increased
  – “Rationing system”
Women on Boards

• Boards with female CEOs, Board Chairs, or Nominating Committee Chairs are significantly more gender diverse than boards with male leadership.

• Of the Fortune 1000 companies with a female CEO or Board Chair, 88% and 86% of companies respectively have already met or surpassed 20% or more women on the board.
  – This compares to 42% of all Fortune 1000 companies.

• Seventy-five percent of female directors devote their attention to a single Fortune 1000 company board, although many may also be on smaller company boards.
  – Twelve women serve on four or more Fortune 1000 boards

(2020 Women on Boards, 2016)
Percentage of Women on Boards with Women or Men in Leadership Roles

- **CEO**
  - Female: 30.0%
  - Male: 17.3%

- **Board Chair**
  - Female: 27.7%
  - Male: 17.6%

- **Nominating Chair**
  - Female: 23.1%
  - Male: 17.2%

17.9% Women on Fortune 1000 Boards

(2020 Women on Boards, 2016)
Profitability

• Companies with 30% women in executive leadership compared to those with none
  – Profitable companies: have the potential to increase profit margins 15% (1 percentage point)
  – All companies: 6 percentage points
    • (Peterson Institute for International Economics, 2016)
Profitability

• Greater gender balance in leadership roles is associated with higher stock values and profitability (Carter, D’Souza, Simkins, & Simpson, 2007; Erharndt, Werbel, & Shrader, 2003)

• Mixed gender boards outperform all male (McKinsey, 2012)

• Fortune 500 companies with highest proportion of women significantly outperform those with the lowest proportion (Catalyst, 2011)

• Not all studies show a positive relationship
Management

• Companies that have a large female workforce benefit from having female leaders (Lindstädt, Wolff, & Fehre, 2011)

• No association between female execs and women’s managerial representation
  – Sig positive women on BOD and gender managerial diversity (Skaggs, Stainback, & Duncan, 2012)
Reason for Disparity

• Nondiscriminatory
  – Human Capital Theory (Becker, 2009) which takes into account education, training, and experience
  – New Home Economics Theory (Becker, 1965) states people who choose to allocate time to paid work differently will have varying levels of productivity
  – These are generally considered legitimate reasons
Reason for Disparity

• Discrimination
  – Occupational overcrowding (Bergmann, 1974) states that wage rates are determined by supply of available workers relative to demand for that work
  – Devaluation of female work (England, 2010) will pay lower for all genders that work in jobs that female-dominated occupations
  – Social Closure (Murphy, 1988; Weber, 1978) states that higher status groups engage in exclusionary practices that reserve the best opportunities for members of their group
Barriers to access

• Stereotypes – “do they look, act and think like the rest”
• Access to networks
• Limited recruitment pool – “pipeline problem”
• Missing leadership – female role models/mentors and support of importance by current CEO and BOD (Fitzsimmons, 2012)

• Conflict between men and women on what real reason is but both agree that women must adapt to the corporate culture to reach the top (Schaap, Stedham, Yamamura, 2008)
Barriers to utility after appointment

- Types of tasks – some tasks benefit more from gender diversity
- Focus on quotas – can lead to conflict
- Tokenism – links to previous studies that once a woman is on the board they are less likely to add another

(Fitzsimmons, 2012)
Job Attribute Preferences

• Based on meta-analysis of 242 samples

• Males
  – Earnings & leisure

• Female
  – Enjoyment, using their education, making friends, working with people, and helping others

(Konrad, Lieb, & Corrigall, 2000)
Why Would Hospitality Be Different?

- Quality service
- Customer expectation
  - Relaxation
  - Enjoyment
- 24/7
  - Shift work
- Work provided in non-office settings
- Hired for personality and physical attributes
  (Schaap, Stedham, & Yamamura, 2008)
Lifestyle Differences of Hospitality Execs

• Marriage
  – 7.3% of men never married, 17.8% women

• Working Spouse
  – 27% of married men had a working spouse, 63% of women

• Child care support
  – 13% of men use day care, 27% women
  – 26% of men have spouse, 15% women
(Boone et. al, 2013)
Barriers in Hospitality

• Lack of mentoring, lack of career planning, stereotyping, social exclusion, managers do not offer good opportunities, counterproductive behavior of male counterparts, inhospitable corporate culture

• Self-imposed barriers are more influential according to men and women

• No evidence that ambition came at expense of personal priorities

(Boone et. al, 2013)
Hospitality 1989

- After accounting for education, hours worked, and occupational crowding, women were paid substantially less across all hospitality
  - All hospitality, 10.7% less
  - Food service, 14.9% less
  - Lodging, 15.0% less
  - Management, 27.4% less

(Sparrowe & Iverson, 1999)
Hospitality 2010

• Accounting for similar variables
  – Bachelor’s degree and working more hours lead to higher income
  – Being female and working in an occupation with a higher proportion of females leads to less income
    • All hospitality, 5.5% less
    • Food service, 5.8% less
    • Lodging, 13.3% less
    • Management, 21.6% less
    (Fleming, 2015)
Performance based on % of female

• Evaluated S&P 1500 from 1992-2008
  – Hospitality 54 companies
  – Data set looks at top 5 highly paid executives including CEO
• Women 7.9%
• <10% female execs, negative impact
  – Most in study were 0, not 10%
• 10-20% female execs, positive impact
• >20% female execs, negative impact
  – Tipping point
(Gröschl & Arcot, 2014)
Hospitality Recent Trends

• As of 2012
  – No women CEOs in 13 hospitality companies in Fortune 500
  – 14.4% of Executive Offices
  – 14.2% of Corporate Directors (Catalyst, 2013)
  – 52.4% of entire workforce, small decrease to 2014

• 2007: 45% of managers vs 54% nonmanagerial (US General Accountability Office, 2010)
  – 80% of pay which is not significantly different than 2010
First Known Casino Academic Study

• Based on 1996 data
• 23.7% of senior executive management in Las Vegas
• Majority in human resources, marketing, and finance
• Only 1.9% of CEO and general managers (Weber, 1997)
2001 Update

• 24.8% of management teams
  – 32% in gaming positions and 68% non-gaming
• 52.8% of the women were in human resources, marketing, special events, conventions, and cage operations
• No update since
(Costen, Hardigree, & Testagrossa, 2003)
Casino Management

What were the factors and/or behaviors that motivated you to put in effort into achieving the financial and/or strategic performance targets set for the company?

• Males
  – Financial reward sig. higher
Casino Management

Motivational Factors

• Males
  – Need for power
    • Managing subordinated, ability to lead, ability to grow company
  – Challenge
    • “Thrill” of accomplishing the plan and negatively impacted is task was “just part of the job”
  – Reward
    • Financial and enjoyment
Casino Management

Motivational Factors

• Females
  – Challenge
    • Ability to grow the company, ability to lead, challenge of execution, and negatively impacted is task was “just part of the job”
  – Reward
    • Financial, enjoyment, and managing subordinates
  – No Power factor

(Schaap, Stedham, & Yamamura, 2008)
Dealers

• Females dealers in Macau have a more “advantageous” position than males
  – Less busy tables, supervisors more forgiving of mistakes, more accommodating of physical needs
  – Faster and easier promotions since their know how to “please” supervisors and customers better
  – Same pay
• Cultural issues

(Wan, 2014)
Women on Fortune 1000 Gaming Boards

- Las Vegas Sands: 0
- MGM: 3 (27%)
- Caesars: 0
- Wynn: 1
- Boyd: 3 (27%)
- Penn National: 2 (25%)
- Pinnacle: 2 (28%)
- IGT: 1

Only includes Board of Directors, additional as Executive Officers
Women in Gaming

Where do we go from here?