

# Women in the Gaming Industry: A Research Summary

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# Agenda

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

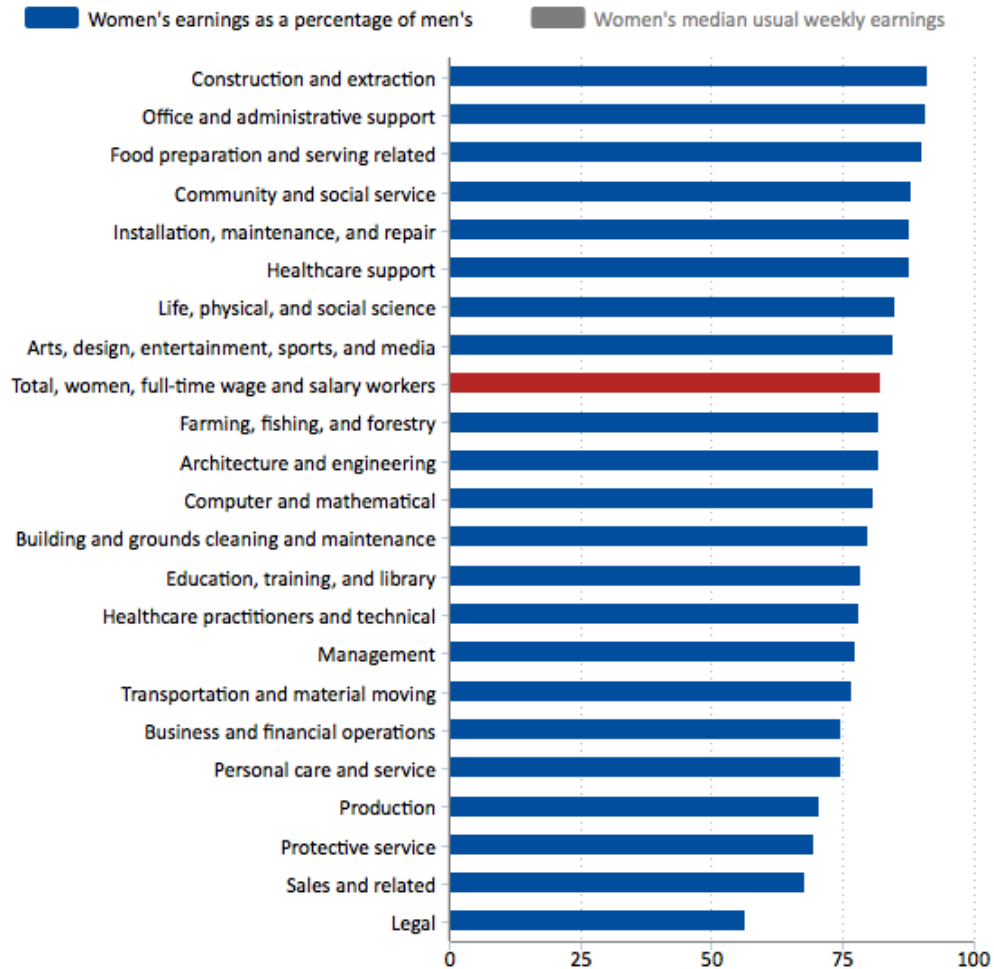
# History in the Workplace

- 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)

**Women's earnings as a percentage of men's and women's median usual weekly earnings  
(full-time wage and salary workers), by occupation, 2014**



# 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”

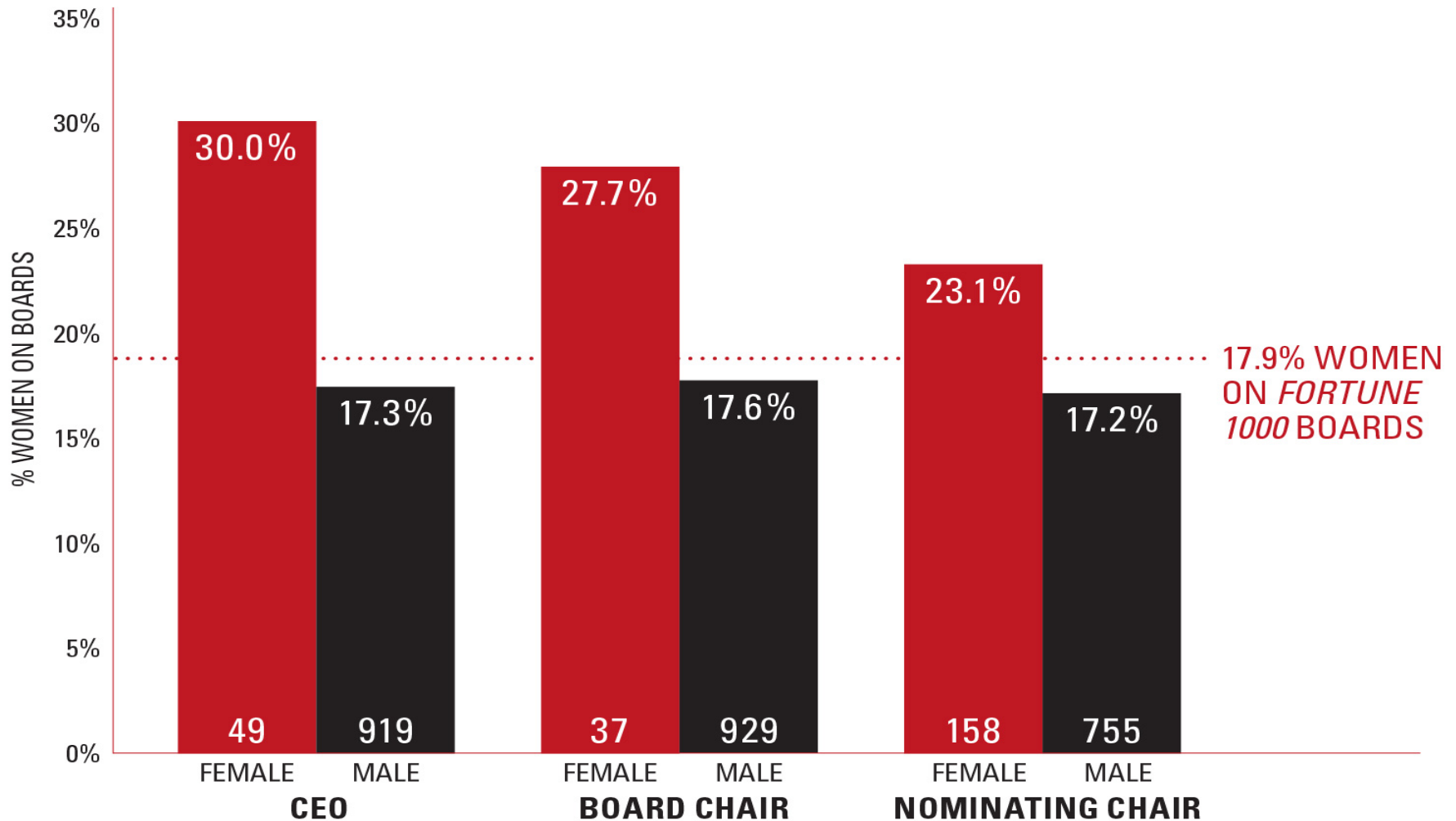


# Women on Boards

- 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



(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 they 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?