



13th Annual Bristol Associates/ Spectrum Gaming Group EXECUTIVE SATISFACTION SURVEY

Prepared by Jeremy Pollock and Nora Bright

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5777 W. Century Blvd., Suite 855
Los Angeles, CA 90045 USA
Tel: 1-310-670-0525
www.bristolassoc.com



SPECTRUM
GAMING GROUP

Independent Research and Professional Services

1201 New Road, Suite 308
Linwood, NJ 08221 USA
Tel: 1-609-926-5100
www.spectrumgaming.com

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The Goldilocks Attitude: Not too much optimism, not too much pessimism

The latest annual survey of gaming industry executives demonstrates a series of mixed results consistent with the uneven overall economic recovery. Evidence of optimism is slight, while evidence of pessimism is only slightly more apparent.

Indeed, while 2013 was a tumultuous year for gaming headlines, starting with the opening of legal online wagering and continuing through coming expansions in markets ranging from Massachusetts to Asia, the executives who participated in the **13th Annual Bristol Associates/Spectrum Gaming Group Executive Satisfaction Survey** showed remarkable consistency, which is the basis for our Goldilocks metaphor: not too much enthusiasm, and not too much pessimism.

The first table below ranks various gaming markets, based on how respondents view their future, and whether or not these markets will offer strong career opportunities. The range is from “strongly disagree” (ranked as 1) to “strongly agree” (ranked as 5). There are no breakout markets, with most hovering between neutral (ranked as 3) to “agree” (ranked as 4).

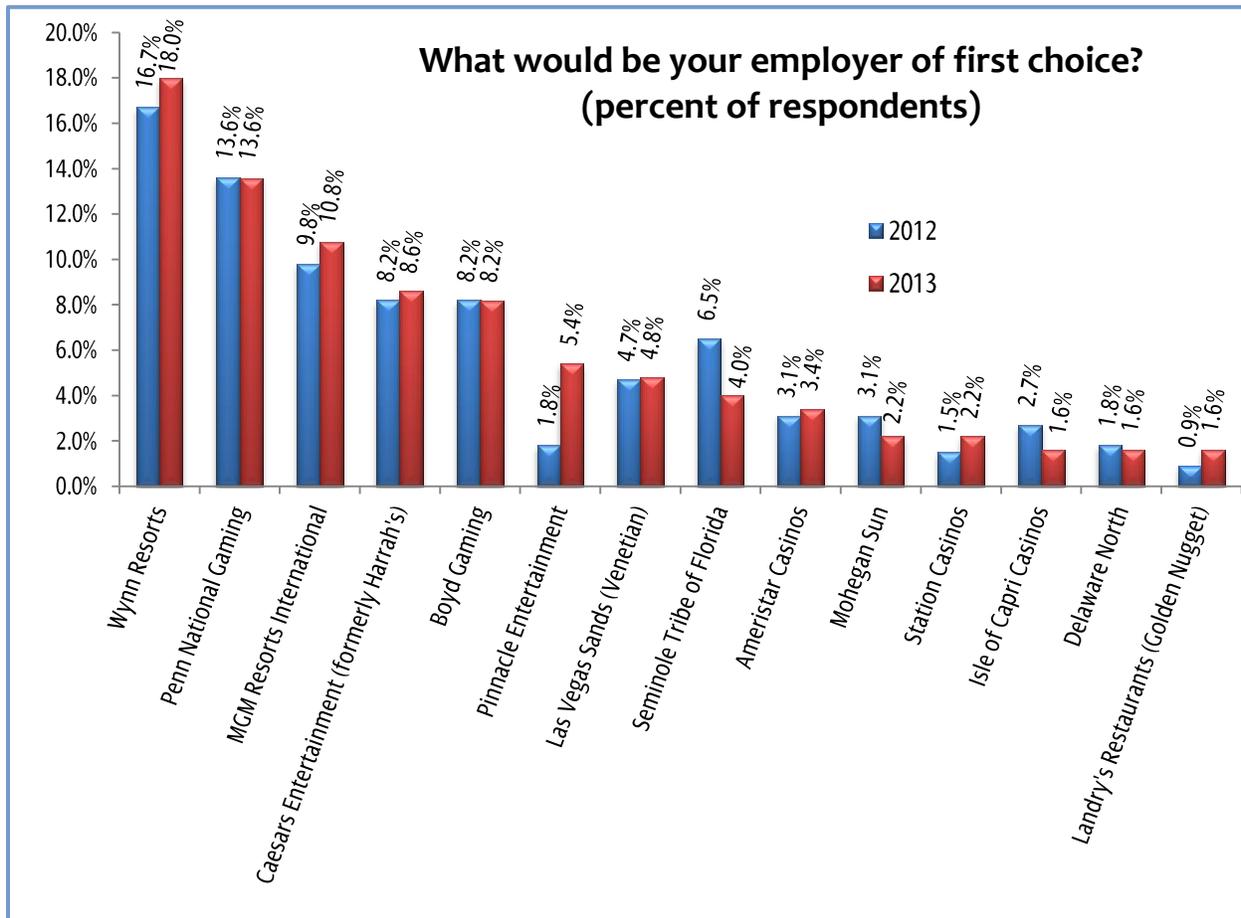
	Las Vegas	The South	Midwest	Atlantic City	California	Native American Casinos	Racinos
2005	3.73	3.61	3.47	3.09	3.91	3.57	3.50
2006	3.80	3.73	3.56	3.06	3.86	3.54	3.50
2007	3.79	3.58	3.52	2.98	3.73	3.46	3.44
2008	3.70	3.54	3.44	2.98	3.67	3.45	3.36
2009	3.06	3.30	3.36	2.37	3.43	3.39	3.28
2010	2.97	3.28	3.30	2.26	3.42	3.28	3.31
2011	3.05	3.26	3.34	2.37	3.36	3.22	3.23
2012	3.31	3.30	3.42	2.26	3.45	3.25	3.19
2013	3.38	3.36	3.44	2.18	3.50	3.20	3.18

As the table demonstrates, California is still home to more hope than other markets, even though revenue from its tribal casinos still hovers near the \$7 billion mark. Chalk that up to the state’s overall economic outlook, and its perennial appeal as a great place to live and work.

Las Vegas has shown remarkable growth in its appeal in just the last two years.

In contrast to California, which is by far the largest tribal gaming state, most Native American properties in general have dropped in their level of enthusiasm, remaining just slightly ahead of racinos.

Atlantic City still trails the pack, and its optimism level is down by nearly a full point from 2005, when its future looked quite bright, and many projects were planned, nearly all of which were shelved in the coming recession. Notably, those respondents who gave high marks to Atlantic City were optimistic about every market, which could give rise to a new title for Atlantic City: home of the eternal optimists.

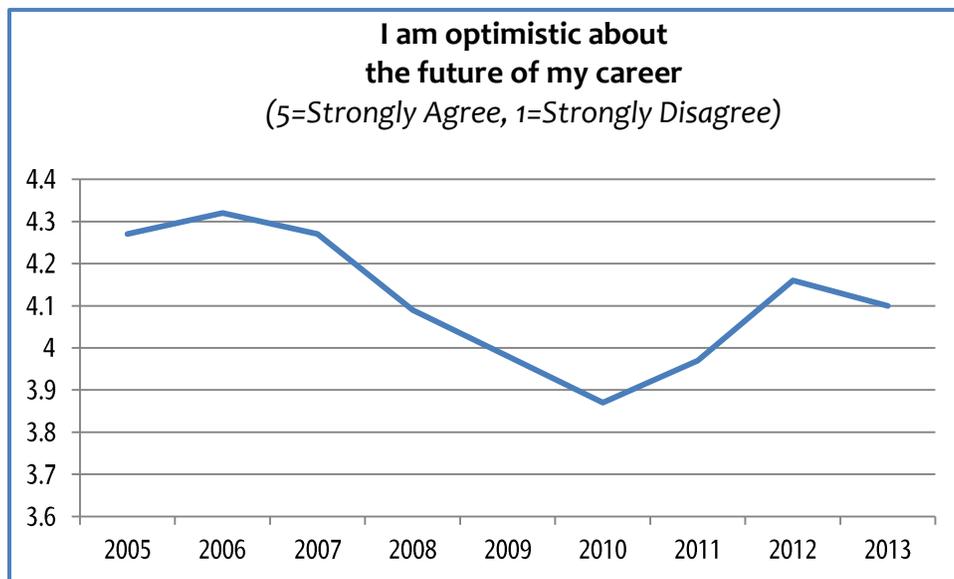


Consistency also abounds in the choice of employers. Wynn Resorts expanded its significant lead as the most popular employer of first choice, with Penn National holding its second-place position. MGM Resorts showed a full percentage point growth in popularity, with Caesars showing growth in fourth position as well. Pinnacle showed remarkable growth, catapulting past others.

We caution against reading too much into this chart, as each decision can be based on a variety of attributes, from the locations of a company’s properties to its human-resource policies. Still, we note that Wynn’s remarkable staying power as an employer of choice can, to a large degree, be attributed to Steve Wynn’s reputation as an employer who takes care of his executives, a reputation that harkens back several decades.

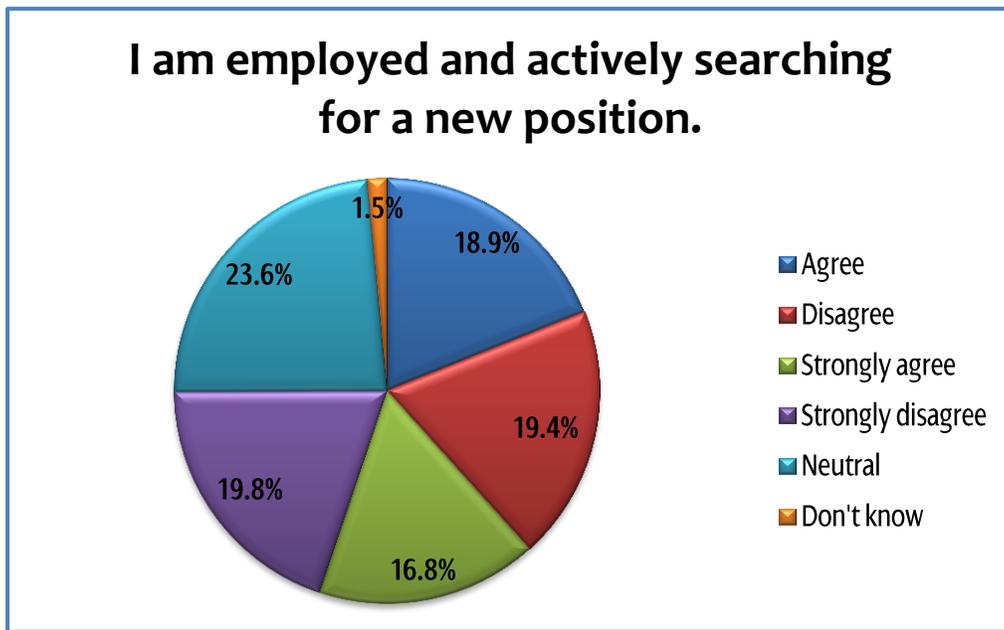
Career growth optimism fades slightly

Overall optimism for individual career growth dropped to 4.10 (on a scale of 1-5), a drop from last year’s level of 4.16, which is not a particularly meaningful drop, but does represent a slight reversal from the previous trend of post-recession growth in optimism.



Not surprisingly, most unsatisfied executives report interest in finding new positions. This has left the industry with many passive candidates who are content enough in their current roles to not go actively seeking new positions, but most of whom would consider another employment offer.

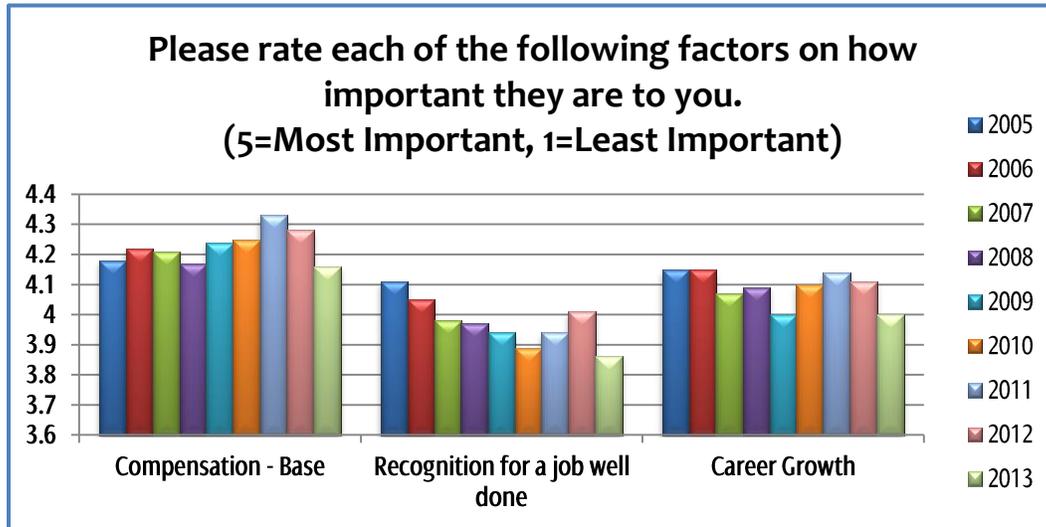
More employed gaming executives are actively searching for new positions than in 2012, as 35.75 percent of respondents this year indicated that they are employed and actively looking for a new position, compared to last year's 27.41 percent.



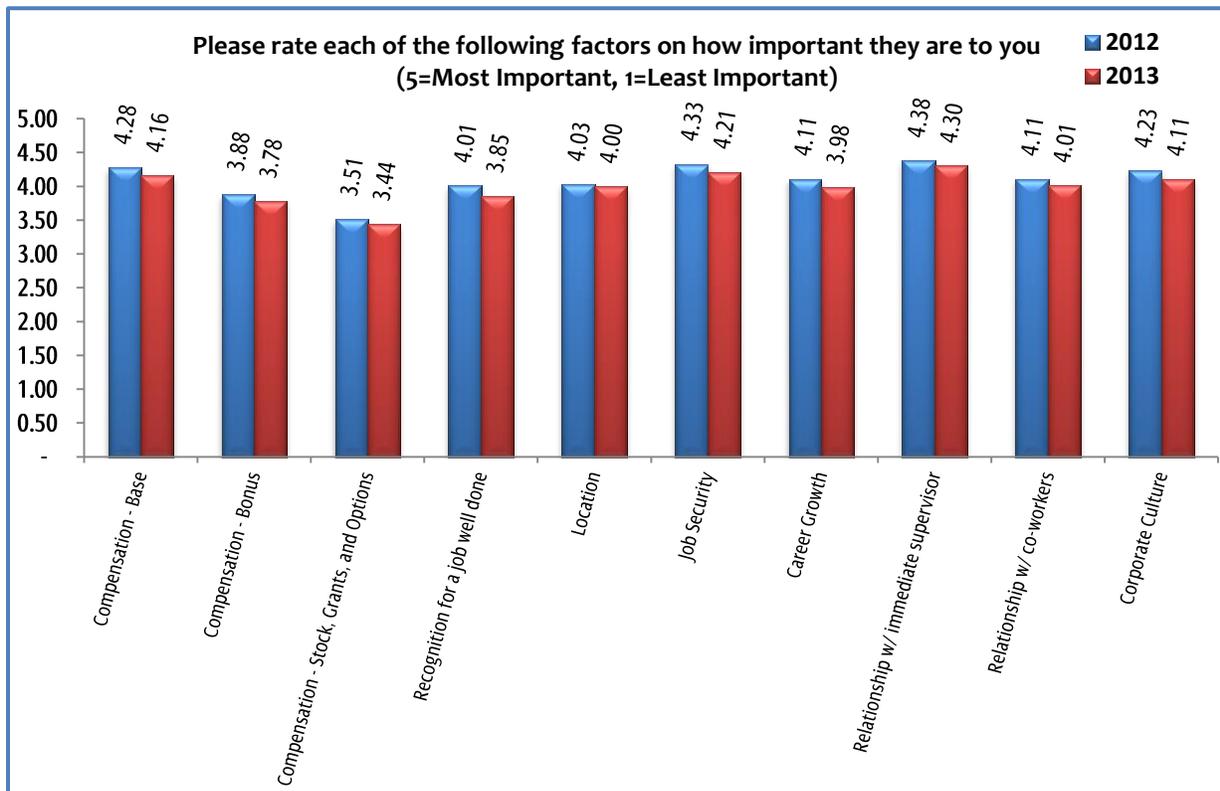
This leaves 64.3 percent of employed respondents who indicated that they are not actively looking for new career opportunities. These individuals are often described as “passive,” and form an essential component to any thorough hiring process. It is worth noting that because a recruiting firm has conducted the survey, candidates who are actively looking for new career opportunities might be overrepresented.

Bristol Associates Vice President and General Manager Ben Farber confirms that, “most of the candidates we place are passive. If you’re not reaching out to passive candidates, you are missing out on some of the best talent.”

As the chart below shows, the relative importance of three key factors – base compensation, recognition and career growth – all declined year over year.

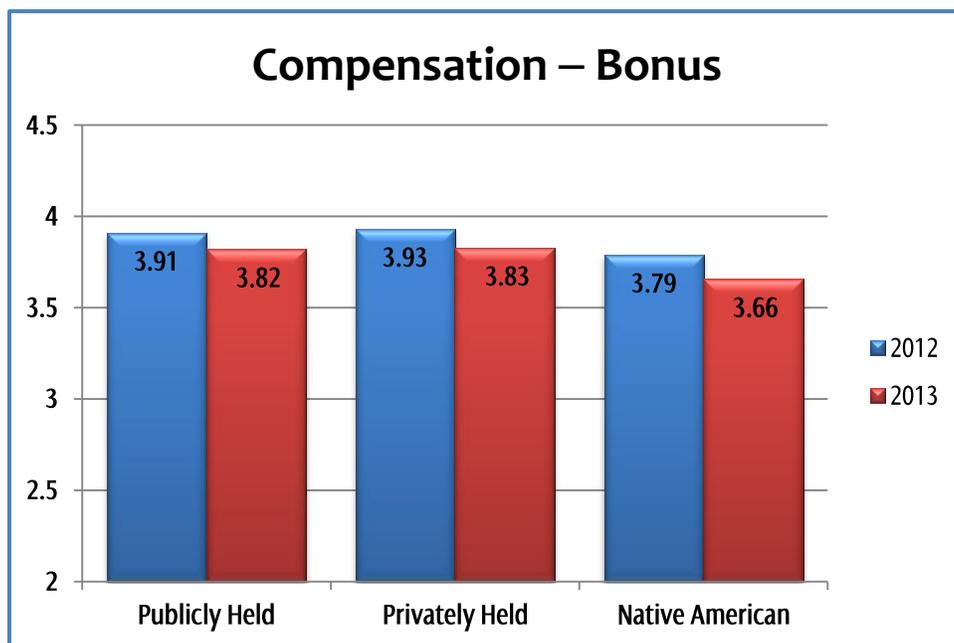
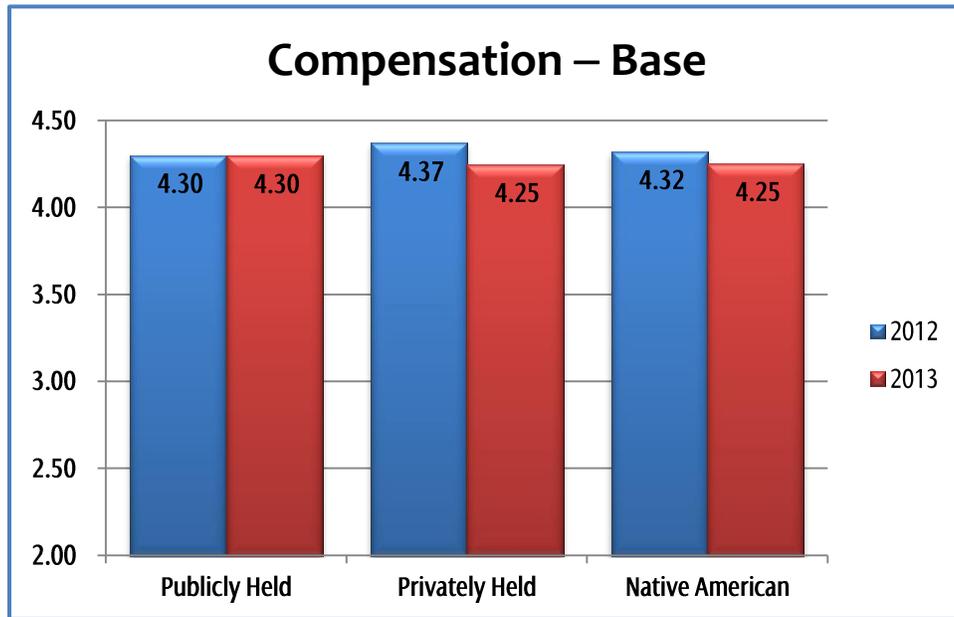


Still, we note that this is not a zero-sum game. A drop in importance in one category does not necessarily result in increases elsewhere, as evidenced in the next chart:

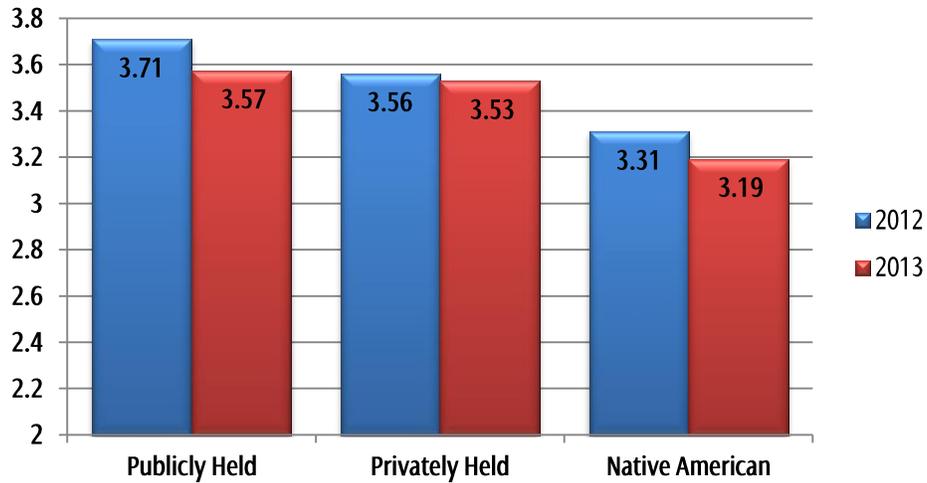


The results appear to reflect a general unease, and fading anticipation.

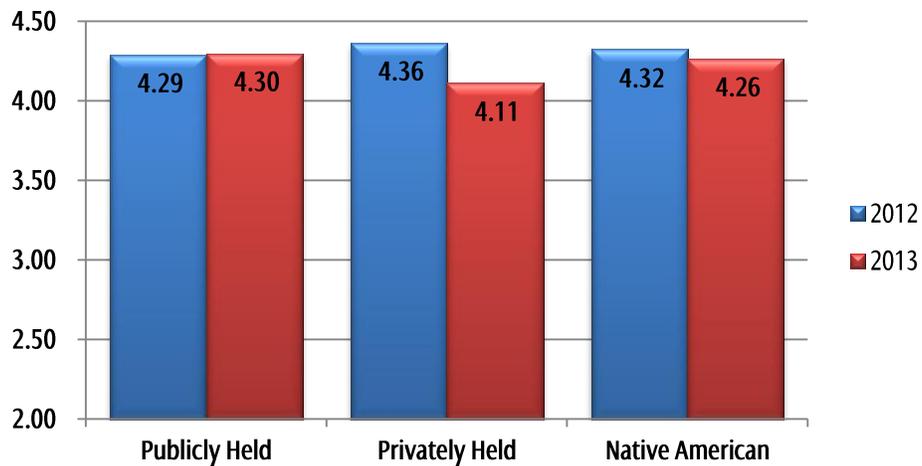
The following series of charts shows the relative breakdown in factors, based on executives who work for public, private and Indian casinos:

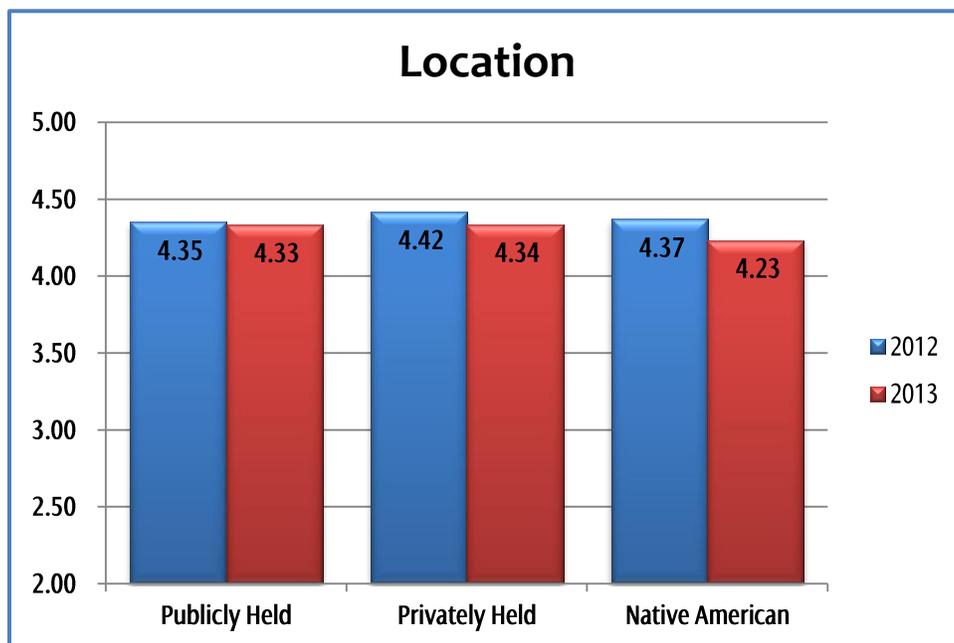
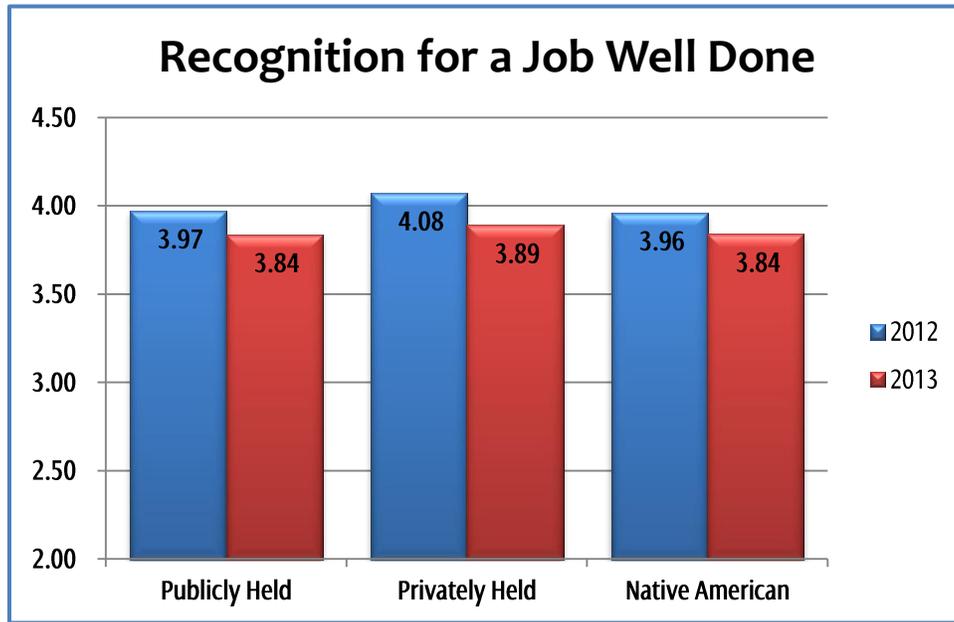


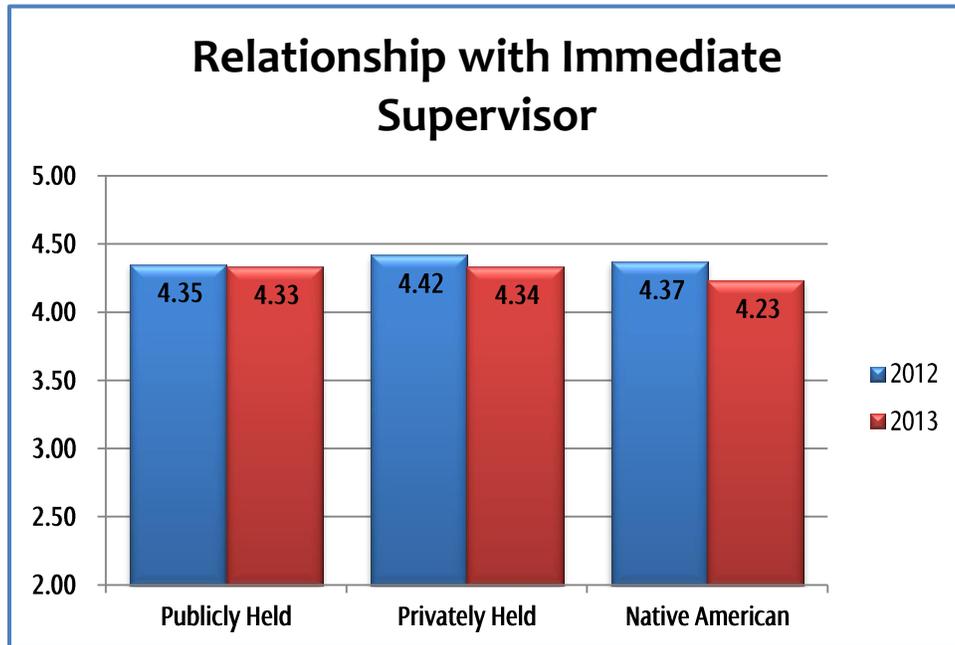
Compensation – Stock, Grants, and Options



Job Security







Thoughts from an experienced human resources executive

Bristol Associates interviewed a human resources executive in the casino industry about their thoughts on employee motivation and retention techniques. This executive has asked us to keep their identity private. Here are some of their thoughts:

“Keeping employees motivated and retention in check goes straight to your senior management team. It comes from the top down and has to be constantly monitored and measured. By that I mean if the CEO treats his VP's with disrespect or is not a good leader....those traits and behaviors are reflected by all of the people that report to him. And that carry's all the way down throughout the organization. People leave a company because of how they are treated...In my opinion that is the number one reason with benefits and salary trailing.”

The human resources executive told Bristol Associates about employee satisfaction and retention methods used at their highly successful casino:

Financial Based

- Programs implemented to increase employee satisfaction and retention at a highly successful casino property
- Ancillary Compensation
- Buses run from nearby population center free to employees
- Employees with issued gaming licenses get an 8 cent discount for each gallon of gas

Recognition

- Employees with long tenure celebrated at service award event where they have their pictures taken with members of the board
- Birthday card presented from Chief Executive Officer with coupons to use at property outlets
- Excellence awards given with cascading level of gift cards
- \$40 gift card issued by General Manager during the week before Christmas

Communication and Training

- The Chief Executive Officer conducts unscripted question and answer annual meeting with each shift
- Intensive leadership skill enhancement seminars

Methodology

The Bristol Associates/Spectrum Gaming Group Executive Satisfaction Survey was conducted via the Internet. The total number of responses collected was 573, representing a sampling of industry executives from across North America. This is a slight decline from 596 responses last year, which was the largest response rate in the 13 years we have been conducting this survey (up from 585 responses in 2011), and the respondents are diverse in terms of geography, executive responsibilities, years of experience and other meaningful criteria.

The survey was posted on www.bristolassoc.com, the website of Bristol Associates, as well as on Spectrum's website, www.spectrumgaming.com. The responses were collected over several months this summer and early fall. We publicized the survey in a press release and through email, largely to inform and encourage executives to participate.

The survey collected data designed to ensure, among other things, that the individuals who participated were indeed employed in the casino industry and that no one responded to the survey more than once. At the same time, however, we did not ask questions that could identify respondents by gender, age or other criteria that could be useful in a pure analysis — but would be perceived as potentially discriminatory in hiring.

The principal analyst in this report was **Jeremy Pollock** of Spectrum Gaming Group, who served as principal writer, with **Nora Bright** of Bristol Associates as the key contributor.

About Bristol Associates

Bristol Associates, Inc. (www.bristolassoc.com) is an executive search firm. Founded in 1967, it has well-established, successful recruitment practices in casino gaming, hotel, restaurant, travel, healthcare and food processing. Bristol maintains one of the largest databases of executive talent in the industry.

Typical searches in the casino industry include key corporate and property-level executives within operations, finance and accounting, marketing, human resources, hospitality, information systems and development. Current searches and examples of completed searches can be found at www.bristolassoc.com/casino-gaming/searches.

Bristol is known for offering highly-focused personal service, depth of experience and professional knowledge of the industries in which they work. The firm has been established with a focus on responsiveness, honesty, integrity and strict adherence to ethical standards.

Bristol's casino gaming practice includes Jim Bright, President, Ben Farber, Vice President and General Manager, and Steven Kessler, Vice President.

About Spectrum Gaming Group

Spectrum Gaming Group, an independent research and professional services firm founded in 1993 that serves private- and public-sector clients worldwide. Our principals have backgrounds in operations, economic analysis, law enforcement, regulation and journalism.

Spectrum holds no beneficial interest in any casino operating companies or gaming equipment manufacturers or suppliers. We employ only senior-level executives and associates who have earned reputations for honesty, integrity and the highest standards of professional conduct. Our work is never influenced by the interests of past or potentially future clients.

Each Spectrum project is customized to our client's specific requirements and developed from the ground up. Our findings, conclusions and recommendations are based solely on our research, analysis and experience. Our mandate is not to tell clients what they want to hear; we tell them what they need to know. We will not accept, and have never accepted, engagements that seek a preferred result.

Our public-sector clients have included the Florida Legislature, Iowa Gaming Control Board, Atlantic City Convention and Visitors Authority, the Connecticut Division of Special Revenue, Delaware Lottery, Georgia Lottery, Maryland Lottery, Massachusetts Lottery, Massachusetts Gaming Commission, the New Jersey Casino Reinvestment Development Authority, Ohio Casino

Control Commission, Ohio Lottery, West Virginia Lottery, the Puerto Rico Tourism Company, and the Singapore Ministry of Home Affairs.

Spectrum and its sister companies, Spectrum OSO Asia, Spectrum-i and Spectrum Gaming Capital, maintain a network of leading experts in all disciplines relating to the gaming industry, and we do this through our offices in Atlantic City, Bangkok, Guangzhou, Hong Kong, Macau, Miami, Philadelphia, New York and Tokyo.

Private-sector clients have included the New York Gaming Association, Caesars Entertainment, Carnival Corp., Casino Association of Indiana, Casino Association of New Jersey, Hard Rock International, Genting, National Indian Gaming Association, Revel Entertainment, Seneca Gaming, and Wynn Resorts.