Diversity and Inclusion: An MGM Resorts International Imperative

At MGM Resorts International we are “United through Diversity.” We recognize diversity as the fundamental paradigm of modern global business, innovation and cutting-edge competitiveness in the 21st century. However, as has often been said, diversity without inclusion is simply a missed opportunity. Inclusion is essential to highly effective, innovative diverse teams; a respectful company culture rooted in integrity; a safe, comfortable environment for employees and guests; top talent acquisition; and expansion of business opportunities in diverse communities, in diverse cultures and with diverse business partners around the world. Because diversity and inclusion (D&I) is a complex phenomenon that operates on many different levels in our large human organization, our business strategy is necessarily multidimensional, interdisciplinary, continuous and evolutionary.

D&I as a Business Priority. In 2000 MGM Resorts International became the first gaming and hospitality company to voluntarily, and publicly, declare a formal diversity initiative — as a matter of moral integrity and as a business imperative. The premise for our declaration was and is a simple reality: Our company is a microcosm of our world. Among our employees, our guests, our business partners and our suppliers the four corners of our planet intersect. Achievement of our company vision and mission to be the recognized global leader in hospitality and entertainment mandates that we leverage the intellectual capital of all of our broadly diverse team members. Embedding our inclusion value in our company culture, our core business operations, our customer and guest relations, and our community relationships is therefore vital to our competitive advantage and business growth. Inclusion is one of the pillars of our Corporate Social Responsibility (CSR) platform (along with community investment, philanthropy and community engagement and environmental sustainability).

Inclusion as a Core Value in Our Company Culture. Regrettably, particularly in light of historical and societal forces in America, inclusion does not happen automatically among teams that
are diverse in the entire range of ways humans are different. Inclusion requires intentional attitudes, behavioral norms and strategies that are continuously reinforced in the beliefs, customs, traditions, practices, operations and way of life of the organization. To elevate the paramount importance of the value of inclusion to our business and community success, we institutionalized inclusion as one of our four core company values (the other three being integrity, teamwork and excellence). Inasmuch as culture is foundational to all other aspects of our business, we teach at all levels of our workforce, we regularly communicate and we strive to practice inclusion as the hallmark of our work environment — one in which employees across the board feel they are safe, they belong as valued team members of their individual work teams and the collective MGM Resorts team, they are encouraged and empowered to achieve excellence, and they are recognized for their contributions to team success.

**Continuous Visible CEO and Senior Leadership Commitment.** From the very outset of our D&I initiatives, our chairman and CEO and our chief diversity officer have been visible and ardent champions. We recognize that we, in partnership with our entire executive and broader leadership team, must set the path for the organization — articulating our company’s embrace of the value of inclusion, making the business case for D&I, constantly communicating about D&I companywide and to various levels of our organization, teaching D&I, visibly participating in our D&I business practices and events, and celebrating D&I successes.

**Establishment of Organizational Infrastructure and Resources.** One of the principal ways a chairman and CEO can support D&I is positioning of the chief diversity officer position as a direct report; this is an advanced practice that conveys to the entire company the importance of D&I as a business imperative. Accordingly, from the very outset MGM Resorts adopted this practice, and the chief diversity officer reports to me. Furthermore, it is not sufficient that the chief diversity officer be positioned in the C-suite. This officer must be empowered to advocate and implement D&I initiatives. She/he cannot be siloed off from other management but rather must be integrated into the top-level leadership matrix and operations of the organization.

Further, we have developed a robust infrastructure to support diversity implementation in our business operations, including: (1) our board-level committee (now the CSR Committee with oversight of our D&I, community investment and engagement, and environmental sustainability efforts); (2) our chairman’s senior executive management committee dedicated to CSR initiatives, including D&I; (3) separate, resourced department teams in Corporate Diversity (internal Diversity & Inclusion Strategy and external National Diversity Relations), Supplier Diversity, Construction Diversity, Corporate CSR Communications and Diversity Convention Sales (national diversity sales manager); and (4) voluntary employee groups dedicated to D&I objectives (see below). In addition, we have invested substantial resources in building systems and processes for implementation and tracking of our D&I programs and efforts.

**Cutting-Edge D&I Education.** Our
groundbreaking experiential Diversity Champion Workshop introduced a basic creed for individual and collective responsibility in living diversity at work, at home and in our communities. Our Diversity Champion graduates are role models for extraordinary guest service, guardians of our culture of inclusion and soldiers in our community engagement. We reinvented and introduced in summer 2018 our new Inclusion Champion Workshop to focus our education of managers and team leaders more centrally on the competencies of inclusive leadership and hallmarks of inclusive work environments in which all employees can do their best work. Beyond our Champion Workshop, we have integrated D&I subject matter into our companywide trainings for leaders of people, other training and development programs, new hire orientation for all levels of employees, annual Code of Conduct education for management, and management e-learning courses in unconscious bias and micro-inequities.

Significantly, in 2012 we performed our innovative musical “Inspiring Our World” to more than 41,000 MGM Resorts employees (primarily front line) at nine shows at our Mandalay Bay Events/Concert Center. This musical was conceived by our then D&I education director, almost entirely written by our employees, and produced and performed entirely by an all-employee cast of 70 to each 5,000-plus employee audience. The 90-minute production featured original music, world-class theatrics, exotic costumes and dynamic choreography (created by our employees) spanning multiple cultures to teach our mass employee workforce about our company’s mission, core values and D&I leadership, community engagement, and environmental sustainability programs. We completed presentation of a version of this landmark production to our remaining front-line employees in 2013 and incorporated parts of this production into our new hire orientation.

Continuous Cultural Messaging. We have made and make strategic use of the following media to discuss and reinforce D&I messaging to our organization (not all of which are currently in force and all of which are provided on varying cadences and schedules): a Chairman’s Blog, town hall meetings conducted by our chairman and various levels of management, back-of-house poster campaigns, periodic CSR recharges (employee rallies), monthly D&I messaging for sharing at front-line employee shift and other employee meetings, presentations at Quarterly Management Meetings, internal social media, and articles in our internal newsletters.

As a symbol of our longstanding and deep commitment to inclusion, in March 2018 MGM Resorts released its first record album, called “Universal Love,” which we jointly produced with our creative partners at McCann and Legacy Recordings (a division of Sony Music). The album offers six newly recorded versions of iconic love songs that switch the lyrical pronouns (him to her and her to him) to reflect the world of LGBTQ relationships and give couples in that community a soundtrack for their own love stories. Featured singing artists include Bob Dylan, Kesha and several independent artists. We anticipate these songs will be offered at same-sex weddings or commitment ceremonies throughout the world. (MGM Resorts will not receive a profit from the sale of this album.)

CSR/D&I Integration into Business Operations. We have integrated D&I and CSR into the fabric of our business operations through a host of methods,
including: (1) mandatory annual CSR business strategy and tactics plans for major corporate departments with significant CSR impact (such as individual CSR teams, Human Resources, Procurement, Construction, Communications, Marketing, Sales, etc.); (2) defined CSR objectives as a part of our annual resort/property business planning; (3) quarterly and annual review of relevant business plan key performance indicators; (4) annual information tracking, validation and reporting of significant D&I indicators, such as in human resources, procurement, construction contracting and philanthropy; (5) publication of our annual CSR report; (6) incorporation of D&I metrics into our employee opinion and engagement surveys; (7) incorporation of a diversity element into our bonus compensation system for eligible management; (8) incorporation of D&I into our talent acquisition and talent management processes; (9) establishment of our MGM Resorts Foundation’s annual Women’s Leadership Conference (now in its 12th year) in conjunction with our community engagement to promote professional and personal development of women and men; and (10) recent adoption of advanced management review and refinement of our D&I strategy, tactics and metrics.

All of the above-mentioned practices are highly important, but crucial to the success of any D&I initiative is the integration of D&I into all aspects and levels of the organization’s talent strategy — including recruitment and hiring, talent development, coaching, career pathing, performance management, and succession planning. This is a complicated venture laden with legal and cultural dimensions that must transcend traditional human resources approaches.

Supplier and Construction Diversity. Inclusion of diverse and local suppliers in the commerce of our supply chain is a major priority in our procurement and construction programs at MGM Resorts. Our goal is to provide qualified diverse suppliers access to business opportunities with our company that promote our strategic objectives of quality and price competition, to our competitive advantage, and at the same time contribute to the economic viability, skills, and management development and capacity building of diverse enterprises. In 2000 we adopted a formal policy requiring minority/diverse participation in our construction bids — a policy that still continues. This was followed in 2003 by our formal policy requiring minority/diverse bid participation in all biddable commodity contracts and purchases exceeding $1,000 — a policy that likewise continues. Our arrangements set strong diversity objectives for our contractors and service providers in significant maintenance and renovation of existing facilities, as well as new development and major construction. Both our Supplier and Construction Diversity Programs target enterprises owned by minorities, women, the economically disadvantaged, veterans, LGBT individuals and/or persons with disabilities.

Employee Activation of D&I through CSR Councils and Employee Network (Resource) Groups. Our multicultural, entirely voluntary, self-organized and self-governed CSR Councils, led by our diversity champions at each of our resorts and our corporate division, are a cornerstone of D&I in our culture. They provide a forum for dialogue about D&I issues in our work environments; conduct programs and events that reiterate D&I principles often tied to business themes or campaigns of their resorts or divisions (e.g., guest service initiatives); furnish group mentoring; serve as a critical bridge for open communication and connection between corporate and resort
property leadership and employees; and organize small- and large-scale community giving, volunteer drives and environmental sustainability activities. Beyond enriching our culture our councils foster individual and team growth in leadership and collaborative teamwork skills and as such are important pipelines for talent development.

Separate from our CSR Councils, we have launched 19 voluntary cross-resort Employee Network (Resource) Groups designed to develop and strengthen mutual support relationships among employees organized around their common identities, interests or issues. These groups — open to front-line as well as professional employees — share valuable knowledge and information about career paths and advancement at our company, provide group mentoring and development in addition to our formal human resources training and development programs, and host employee volunteerism.

In 2017 we expanded the reach of our resource groups by our new virtual Employee Network Group — Connect — that is tied entirely by technology connection; this allows us to include employees who cannot physically attend onsite meetings (whether due to work schedule, family obligations or otherwise). In 2018 we augmented the leadership learning and development component of our resource groups by launching a new development program (LEAD — profiled below), which leverages technology to expand this reach across our 24/7 population.

Our Employee Network Groups have definitely increased employee engagement in our company’s business mission. Here are two prominent examples. Our Veterans Network Group devised a guest loyalty program that offers unique savings and benefits to military personnel and their families. This focused effort led to new business and revenue for our company. Building on our established practice of same-sex commitment ceremonies at our resorts’ wedding chapels, our LGBTQ Network Group partnered with various management teams to enhance our wedding chapels as a destination for same-sex weddings.

**BEST PRACTICE SHARING**

**Augmenting Human Resources by Providing Development to Employee Network Group Members.** To expand our centralized leadership development programs beyond their primarily management focus, in 2017 we launched an innovative self-directed, technology-based on-demand leadership program that is available to any Employee Network Group member. Our offering, called LEAD (Learning Experiences Accelerate Development), uses video-based micro-learning; practice with other employees as a coach, mentor or mentee; and learning reinforcement by participation in our internal social media platform. This use of technology provides access to learning; Employee Network Group meetings; and interaction with other employees of all levels, shifts and locations. This affords accessibility to our front-line employees who staff our 24/7, 365-day-per-year operations.

LEAD provides three learning tracks that align with our company’s formal leadership structure and expectations, and it correlates the learning within each track to our leadership career stages. Three weeks after we introduced this program, it was registered to capacity, requiring us to start a waitlist. While the program has only just launched, it has generated considerable internal publicity.
as well as a request for D&I team members to speak at conferences on this practice.

In summary, as an organization, our commitment to D&I is a journey we have traversed for almost 18 years. While we have achieved many milestones, we accept that this effort may require sustained efforts for generations to come.

**EXAMPLE OF EMPLOYEE EXPERIENCE**

In 2012–13 MGM Resorts employees presented our innovative musical “Inspiring Our World” to more than 60,000 employees (primarily front line) — primarily through 11 live shows at our Mandalay Bay Events/Concert Center and regional resorts for each mass (several thousand employee) audience and thereafter through a combination of live and videotaped performances. This musical was conceived by our then diversity and inclusion (D&I) education director, almost entirely written by our employees, and produced and performed entirely by an all-employee cast of 70. The 90-minute production featured original music, world-class theatrics, exotic costumes and dynamic choreography (created by our employees) spanning multiple cultures to teach our front-line and management workforce about our company’s mission, core values and D&I leadership, community engagement, and environmental sustainability programs.

For our company and case, this musical was a living example of our core values of integrity, inclusion, teamwork and excellence. Below is what one of our employees wrote about his experience as a performer in our show.

> “This experience has changed me inside and out. I have been a diversity champion for six years, but now I am an ambassador to inspire the world. I have cried, I have laughed, I have screamed and shouted, but I have [conquered]. I am proud, I am humbled[,] I am great. Being such a part of history has helped me [identify] my positive qualities in which I must give the same to each and every person I encounter. As an ambassador I must inspire, I can inspire and I will inspire.”

— Jermaine Green, then Assistant Executive Housekeeper, Mandalay Bay Resort & Casino (now Executive Housekeeper, Aria Resort & Casino). (Letter published in MGM Resorts 2012 Annual Corporate Social Responsibility Report)

**EXAMPLE OF CONSTRUCTION DIVERSITY SUCCESS**

MGM Resorts has spent billions of dollars with diverse enterprises since the introduction of our formal Diversity & Inclusion (D&I) Initiative. As previously stated, our very robust approach has many mutual benefits for our company and the diverse businesses with which we contract — enhancing the value we receive through greater price and quality competition for us, while contributing to the economic viability and capacity growth of our diverse business partners.

One case in point is THOR Construction, now one of the largest minority-owned construction companies in the United States. THOR was one of the first minority contractors to partner with then MGM MIRAGE in the early stages of our D&I program. Today, as THOR Companies, this enterprise offers multifaceted services including development, utilities management, design, construction and consulting. Over the course of the past 15 years, THOR has performed more than 20 projects for MGM
Resorts, demonstrating in many instances increasing complexity, scope and fees.

A partial listing of THOR’s projects with MGM Resorts includes: remodeling of MGM’s executive offices; as a co-contractor transforming MGM Grand’s 29th and 30th floor suites into the ultraluxury Skylofts venue; demolishing the MGM Grand Amusement Park; demolition and buildout of Stack Restaurant at The Mirage, along with a large team of designers, architects and engineers; and remodeling The Mirage Volcano to include flames and fireballs that shoot 60 feet into the Las Vegas sky. At our pioneering CityCenter project, which includes our Aria and Vdara resorts, THOR performed many jobs during the several years of construction before project completion in 2009: majority contractor in construction of the CityCenter residential preview and sales center (a $25 million showcase for CityCenter’s high-rise condominium models); a joint venture with Clark Construction of Maryland to build two of the CityCenter people mover stations (at Bellagio and Monte Carlo); work with base-building contractors to complete the penthouse suites in the Veer Towers; and buildout of several of the luxury retail stores at CityCenter’s high-end Crystals Shopping Mall (such as Lanvin — the couture house’s first West Coast location — and Carolina Herrera).

In 2012, after a decade-long relationship with MGM Resorts, THOR was selected to be the lead general contractor for remodel of 4,212 rooms and suites at MGM Grand — then the biggest single hotel renovation in the history of Las Vegas. Thereafter THOR remodeled the guest suites at Bellagio, our flagship luxury resort.

In 2015 THOR completed a $70 million, 350,000-square-foot expansion of the Mandalay Bay Convention Center in eight months (with a 900-car garage) and self-performed all of the concrete work on the project.

More recent projects include: pouring of 44,000 cubic yards of concrete to help complete the world-class T-Mobile Arena, which MGM Resorts co-owns with AEG (the arena seats 20,000 guests and features four component concrete structural support columns); serving as general contractor and pouring more than 2,500 cubic yards of concrete to transform MGM Grand’s existing Wet Republic pool into a water wonderland; performing various aspects of the resort-wide conversion of the Monte Carlo property into its new brand, including work at the tower, pool, lobby and meeting rooms; and performing the concrete work for several components of the Excalibur Resort’s new parking garage (2017) and various expansions of the Aria Resort convention center (2017–18). THOR is currently providing construction manager and other services on the expansion of the MGM Grand convention center.