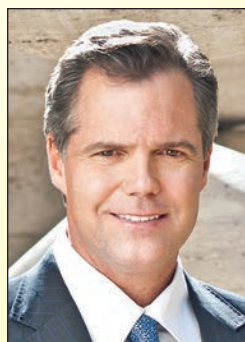


Company and Community

An Interview with James J. Murren,
Chairman and Chief Executive Officer, MGM Resorts International

EDITORS' NOTE Jim Murren received his undergraduate degree at Trinity College where he studied art history and urban planning, and continued his studies in Rome. He joined the Wall Street firm of Cyrus J. Lawrence as a securities analyst and earned the Chartered Financial Analyst certification in 1991. During his career on Wall Street, he served as a managing director and the Director of U.S. equity research for Deutsche



James J. Murren

Bank. In 1998, he joined MGM as CFO and member of its board of directors. In 1999, he became President and was promoted to Chief Operating Officer in 2007; he became Chairman and CEO in December 2008. A leader in the area of corporate responsibility, Murren was named a Responsible CEO of the Year by CR Magazine in 2013. He is also Executive Chairman of the Board of Directors of the Corporate Responsibility Officers Association and Chair of the American Gaming Association. With his wife, Heather Hay Murren, he founded Nevada Cancer Institute.

COMPANY BRIEF MGM Resorts International (mgmresorts.com) is one of the world's leading global hospitality companies, operating a portfolio of destination resort brands including Bellagio, MGM Grand, Mandalay Bay, and The Mirage. The company also owns 51 percent of MGM China Holdings Limited, which owns the MGM Macau resort and casino, and is in the process of developing a gaming resort in Cotai. It also owns 50 percent of CityCenter in Las Vegas, which features the ARIA and VDARA resorts.

Why is corporate responsibility so ingrained in your corporate culture, and where do you focus your efforts?

If the communities in which we operate are not sustainable, then we suffer immediately; in addition, when MGM has suffered through major catastrophic events, the communities have suffered mightily.

So company and community are inextricably tied together, and we felt it was a business imperative from the private sector side to get engaged with the public in that way.

Also, we're in the customer-facing hospitality business, and people don't have to visit our resorts. The majority of customer experiences

are colored by their interactions with our employees. If employees are engaged, love their jobs, and are inspired by what they do, they will create those great interactions that inspire positive memories for the guests, which are the foundation of our success. So investing in our employees is a business priority.

We also feel that leaders need to lead. We're not a huge company, but we are large players in the markets in which we operate. With that leadership comes a lot of responsibility. We have to stretch people's thinking and challenge

the status quo in areas of health care, education, and the environment, because if we don't do it, we're shirking our responsibilities.

How do diversity and inclusion affect the bottom line?

We are a majority minority company – more than 60 percent of our employees are minorities and more than half of our employees are women. We have employees from literally all parts of the world speaking more than 100 different languages. We represent a global industry and our customers come from every part of the world.

We felt strongly for many years that the more we could create an environment where the employees feel their contributions will be valued, the more engaged our employees will be, and it would stimulate a tremendous amount of diverse thought.

Over the past few years, our turnover rates have plummeted and are the lowest in our industry, and our retention rates have also improved dramatically. Absenteeism and tardiness rates have gone down dramatically. The engagement of employees to volunteer internally and externally in their communities has gone up exponentially. Our health care costs are being positively impacted as a result of the efforts we are putting into nutrition and delivery of health care for our employees. We're also recruiting from a broader array of schools, which has led to innovation, and revenue-producing and expense-reduction ideas.

If you can improve labor statistics and the quality of the life of employees, you become what we've become, which is an employer of choice, and that results in better revenues.

You do philanthropy through your corporate giving program, MGM Resorts Foundation, as well as your employee volunteer program. Are they linked in some way?

There are several must-haves for this effort to be successful in a U.S. corporation.

You need to have a board-level committee for CSR; it can't be just another program imposed upon management.

Also, the CEO has to own it because otherwise, it will be just another idea that the board is pushing down onto management and it will be unevenly deployed.

It can't be narrow-minded: just a diversity or sustainability effort or a community affairs effort – they are all linked together.

We have a belief of employee ownership and engagement, so when we created the MGM Resorts Foundation, we made it clear this would be run for and by the employees of the company, and they're going to determine where the money goes because it's their money. We will just make sure that MGM Resorts makes it as easy as possible for employees to get engaged in a community.

We have some general areas we focus on, primarily in the communities in which we operate and in areas we know there are dramatic needs, be it in education, health care, or feeding of the homeless and hungry.

Additionally, if sustainability is not at the forefront of this, we're missing a huge opportunity. Based on the amount of effort we devote there, from changing legislation to investing in emerging technologies, we can deploy a lot of knowledge to our employees and the communities, further empowering our employees by integrating sustainability with our philanthropic and volunteer efforts.

Are you surprised that we haven't seen more of a focus in this area?

It's not acceptable but not surprising. Today's executives are bombarded with many things that they need to do.

The problem is that this creates an issue of priorities. CSR in many respects has evolved from diversity, which has been housed in most organizations in the HR department.

If diversity and CSR are not warehoused in the most senior departments within organizations, they cannot get the visibility to execute on what needs to get done.

There is a strong business case to be made to make this a top-five priority for CEOs and boards. Some of it is obvious.

If you don't make that leap, then you're only scratching the surface of CSR. A lot of what we're doing is the leap-frog type of investments of time and capital, and that only happens when you have Board and CEO alignment. ●