

# Inclusion, Sustainability, and Community

Interviews with Phyllis A. James, Executive Vice President and Chief Diversity Officer; Cindy Ortega, Senior Vice President and Chief Sustainability Officer; and Shelley Gitomer, Vice President of Philanthropy & Community Engagement, MGM Resorts International

**COMPANY BRIEF** MGM Resorts International ([mgmresorts.com](http://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 VEDARA resorts.



Phyllis A. James

**EDITORS' NOTE** Phyllis James, Executive Vice President, Chief Diversity Officer, and Special Counsel-Litigation, joined MGM Resorts in March 2002. She was listed among the Top Influential Women in Corporate America for 2014 by Savoy Magazine and the Top 100 Executives in Corporate America for 2012 by

Uptown Professional Magazine. Among other recognitions, the Women's Chamber of Commerce of Nevada inducted her into its Hall of Fame in 2014, bestowing her with the Minority Lifetime Achievement award. In December 2012, she was cited as one of Las Vegas' top 12 business leaders by VegasInc. James graduated Magna Cum Laude with a Bachelor of Arts Degree in American History and Literature from Harvard/Radcliffe College. She earned her J.D. from Harvard Law School.

## How critical has diversity and inclusion been to the success of the company?

It's something that our company has had to work to achieve. It didn't happen overnight; it represents almost 15 years of continuous effort to promote diversity and inclusion as a core part of the culture of our company.

We started down this path in 2000, when our company became the first in the gaming and hospitality industry to publicly embrace diversity and inclusion as part of its value system.

Since that time, we have worked incredibly hard to integrate diversity not only into our core business operations, but also into our

culture and the way we think about each other in our workplace. It further impacts the way that we think about our customers, and the way that we relate to vendors and suppliers who come into our workplace.

It has been incredibly important to our company because we have currently about 62,000 employees from virtually every part of the world. It's vital to build a work culture in which everybody feels that they are respected, first and foremost as a human being but also as a team member on our work teams. You cannot have an effective team or group of teams if everybody is not working at their maximum level.

I consider diversity and inclusion as a pathway to promote our recognition of our employees as real people and, in turn, that's especially important for a hospitality business because our people are the essence of our business.

Given that we now operate in truly a global world in which we are connected with people all over the world all the time, our promotion of diversity and inclusion and embedding it in our culture has enhanced our ability to do business in a global economy.

It has also helped us to expand our business to new jurisdictions that we didn't operate in during the year 2000 when we first embarked on this initiative.

Nevada is our hub and we've done extremely well here, but to continue to grow as a company, we have to expand to other jurisdictions. Our ability to expand depends upon our ability to move into new communities that may not have the same profile as the community in Nevada.

Our diversity and inclusion competency has facilitated our expansion into multi-cultural communities such as Springfield in Massachusetts and Prince Georges County in Maryland, and internationally in promoting our non-gaming brands in China, the Middle East, and other parts of Asia.

## How are diversity and inclusion related?

Recently, inclusion has developed as a companion value to diversity. Like many other companies in America, it was not sufficient to simply have diversity in our workforce; it's one thing to just have the representation but it's another thing to build a cohesive team in which every member feels like a part of the team. That's where inclusion comes in.

## How critical is it that top leadership is engaged in these efforts?

Our diversity and inclusion initiative began from the very top of our company with our prior chairman. The reason our company has been able to excel with our cause is that, from day one, it has been embraced and championed by our chairman.

We've had back-to-back chairmen who have embraced this and have elevated the initiative to chairman-level status. The chief diversity officer in our company has always reported directly to our chairmen on this critical issue. It raises the profile of an initiative to sit in the constellation of things that lie at the core of the company. This raises diversity and inclusion to the top tier of what the company is invested in, concerned about, and actively working at.

That, in turn, has sent a signal to the entire corporation that the company is very serious about this, that this really matters to our company, to achieving what we have to achieve now, and to achieving the vision that we hold for the future. ●



Cindy Ortega

**EDITORS' NOTE** Cindy Ortega is Senior Vice President and Chief Sustainability Officer of the Corporate Sustainability Division of MGM Resorts International. She oversees the development and implementation of strategies for environmental sustainability and awareness throughout the company. These include natural resource conservation,

sustainable new construction, and environmentally sensitive company operations. Cindy was responsible for the oversight and achievement of the LEED certification of the \$8.5-billion CityCenter Project in the heart of the Las Vegas Strip. Under Ortega's guidance, six developments at CityCenter were awarded LEED Gold certifications, making it the largest single Gold-certified new construction project in the world. She is recognized for her leadership and expertise on energy issues and testifies routinely before the Nevada State Legislature, and in 2014 was recognized by Green Building & Design as one of The 10 Most Powerful Women in Sustainability in the United States.

## **How important is sustainability to the culture of the company and how is it driven throughout the organization?**

Every business aspires to be a leader and the word “leadership” is thrown out a lot in corporate America, but to be a true leader, you have to hold yourself to the same standards that you proclaim are important. For MGM Resorts, a key part of our strategy is that we truly believe it’s a responsibility of business to do its part to save the environment, and that is why the program here has the support of senior management as well as resource allocation to support it.

### **What does “sustainability” mean for MGM and how broad is the focus?**

The core definition of “sustainability” for us means the sustainability of the ecosystem of the world. We look at what our company does in the course of its operations that may impact those systems for future generations and how can we mitigate that impact.

### **Does sustainability mean increased cost in many of these areas or at day’s end, is it a savings?**

The core of being responsible has to do with how much you waste and how you look at the systems around you to make sure they’re lean. We make sure we purchase things with really good lifecycles and use things more than once. These practices almost always align with a positive business case for a company.

### **How critical are metrics in terms of the range of programs you work on?**

The lack of metrics is the biggest obstacle for many corporations engaging in sustainability. I have a gentleman who works for me who is literally more attuned and knowledgeable about energy and water metrics than many experts at our utility companies.

This is important because in corporate America, the only way to get things done is to make a business case for projects and to get resources allocated to them. We find that, because of our expertise and our credibility in evaluating technologies, we are able to get funding every time.

Our sustainability division has a dedicated capital budget. The company trusts that our programs are credible and the investment will pay back to the company as quickly, or more so, than our other investments.

### **What are some of your conservation efforts?**

Right now, I have one of the biggest projects that I’ve ever had in my career and it’s to change all of our lightbulbs. We’re on the leading edge of technology with LEDs and their application in resort settings, and my team is going to change 1.3 million lightbulbs over the next two years. The project will result in a 60 to 70 percent return on that investment for us.

### **As you look to build in the future, will LEED certification be a given?**

What LEED brings to the table is a platform of common communication. This helps us communicate consistently through an entire project team, from the general contractor to procurement, with the same set of standards so everybody has the same understanding.

In terms of the level of how green buildings are, the U.S. Green Building Council continues to make the standards more aggressive, so a LEED Gold building of 2009 wouldn’t qualify in 2015.

The biggest barrier from 2008 to 2010, when we were building CityCenter, was the lack of availability of materials that we needed to build green at the scale we were building. One of CityCenter’s most remarkable accomplishments is that when you buy 9,000 showerheads, it can help stimulate and open that market to others following us.

### **You don’t see this as just the right thing to do but also as part of business strategy?**

There is no question that a greener business is a better business. So in my division and with my team, we return \$6 for every dollar we invest in our operating team, and we return about \$3 for every capital dollar that we invest in our facilities. I don’t see these returns declining because technology is continuing to provide new opportunities. ●



*Shelley Gitomer*

**EDITORS’ NOTE** *Shelley Gitomer is Vice President of Philanthropy & Community Engagement and most recently served for 10 years as Vice President for Development at Nevada Cancer Institute. Prior to that, she served as the Assistant Dean for Development & Alumni Relations at the University of Maryland School of Law. Gitomer’s previous experience also includes work as the Director of Development for the Johns Hopkins Oncology Center.*

### **How significant is the commitment to community engagement for MGM?**

It has become part of the DNA of our company and I’m very proud of that. Nobody thinks about it anymore – it has almost become second-nature to our employees and the community.

The community is still crawling out of the recession. We have not come back in the same way or as quickly as other communities, so the community still really needs help.

I’m also pleased to say that right through the recession, we continued to give, since we knew that was when people needed us the most – it was not the time to stop.

Since the recession, we look closely at the things we do and who they affect.

### **Do the areas you support need to align with business strategy in some way?**

They intertwine in our case. We have made sure that we define areas that are important to us and to our employees.

It’s very important to us that our communities are healthy, because when they thrive, our business has the opportunity to thrive.

It’s important for companies to be upfront and transparent about where they allocate funds and why they do it. We are very vocal about it. Many times, we work with those we contribute to in order to determine how we will be recognized and how they will explain to people what we did, as well as how our money will be used. We make sure the organizations are held accountable to us – this is very important.

### **Are things like community investment, volunteerism, and philanthropy linked or looked at separately?**

They’re all linked. We have an employee effort that is extremely important to us. More than 51 percent of our employees gave to our employee campaign in 2014. That is a very good statistic and reflects a very high level of employee engagement.

Although it’s separate from the corporate giving, at some point, we do report it altogether because it all flows through MGM Resorts and it all reflects our values as a company.

### **As the business has grown outside of Nevada, does the same focus apply and is it more challenging to apply in those other locations?**

We have two new locations in Maryland and Massachusetts, and we are already making sure that those locations are onboard with our philanthropic policies. Our Chairman always says, “One Company, One Culture.” We’re not going to change our standards for other locations.

The only thing that is different is that different communities may have slightly different needs, and we respect that. But we’re still going to be philanthropic and care about the health and well-being in each location we have.

### **How critical is it that the work being done and the causes being supported is driven and celebrated throughout the company?**

It’s critical because this awareness and support doesn’t happen by itself. It’s our responsibility to keep informing and educating our employees so they are proud of it, buy into it, and stay in the game.

### **How important is it to have the metrics in place to track the impact of philanthropic work?**

You can’t know how you’re doing unless you measure it. It’s very important for us to know.

For example, knowing that 51 percent of our employees give back helps build employee morale. It also helps reassure us that we are reaching people because we wouldn’t have that 51 percent rate if we weren’t.

We also have to keep reassessing our results. What works for volunteerism may not work for employee giving. What works in one year may not work the next. What works for one company may not work for another.

I very often have companies call me to ask how we do it. I think because we are a hospitality industry, our employees not only help our customers but they help the community. It’s part of what we do and it’s something that we’re really good at. ●