

Employees' Economic Gain from the De- Monopolization of the World's Largest Gaming Industry in Macao

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Gambling Industry

- Socio-economically and politically controversial
- Non-mainstream service industry

Gambling Industry: Pros

- Lucrative and profitable worldwide
- Worth billions of USD per annum
- Fuels tourism
- Employs a considerable amount of labor
- A major source of government revenue in many economies

Gambling Industry: Cons

- Socio-economic:
 - Financially afflicts low-income individuals
 - Pathological gambling (through addiction)
 - Leads to suicide
 - Attract criminal elements
 - Foster corruption
 - Facilitates money laundering

So, Gambling Industry...

- Strict governmental regulation worldwide
- Typically, some kind of monopoly
 - e.g. limited licensing

Gambling Industry: Monopoly

- Contains the cons
- Licensing terms:
Guarantees social welfare contribution and infrastructure investment by the licensed monopolist



- Inefficiencies & distortions
(incl. labor market)

Gambling Industry: What if De-Monopolized?

- In particular, in this study:
 - changes in employees' job satisfaction and turnover intention
 - exemplary case study in Macao

Macao: Gambling Matters

- A special administrative region of China like Hong Kong
- Not practice mainland China's socialist market economy
- Legalizes the gambling industry
- Its gaming industry:
 - 49% of its GDP
 - 16.1% of its total employment
 - 70% of its government revenue



- Per capita GDP in 2007: Gambling-driven Macao > Finance-driven Hong Kong

Macao: Why Exemplary?

- The world's largest gambling market since 2006
 - Las Vegas second
- Heavily dependent on gambling:
 - 49% of its GDP
 - 16.1% of its total employment
 - 70% of its government revenue

Macao: Gambling Industry

■ Monopoly

- Sole licensed casino operator: Sociedade de Turismo e Diversões de Macau

■ Oligopoly

- Several new licenses
- Scale of the industry tripled
- Brain drain from the incumbent to the new entrants

← 2003 →

This Study: Objectives

- Compare employees' job satisfaction (an economic utility):
 - the incumbent
 - vs.
 - the new entrants
- Relationship between job satisfaction and turnover intention

This Study: Data

- Gambling industry employees' job satisfaction, etc. measured by a customized questionnaire:
 - Q's adapted from the Long Form of the Minnesota Satisfaction Questionnaire (MSQ)
 - +
Q's about turnover intention
 - +
Q's about personal particulars

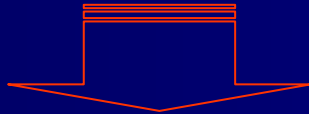
This Study: Data (cont'd)

■ Questionnaires

- to randomly sampled employees of
 - the incumbent ($n = 399$)
 - the new entrants ($n = 301$)
- at the entrances of these casino operators

This Study: Analysis

- Factor analysis



- 6 components for the MSQ-related Q's
- 1 component for the turnover-related Q's

- *t*-tests: the incumbent vs. the new entrants
 - on the 6 MSQ-related components

- Pearson correlation
 - the turnover-related component
 - with
 - each of the 6 MSQ-related components

Findings: *t*-Tests

MSQ Component	Mean		<i>p</i> -value: 2-tailed <i>t</i> -test
	Incumbent	New Entrants	
Management systems	-0.0638 <	0.0845	0.052
Social status	-0.0914 <	0.1215	0.005**
Work environment	-0.1361 <	0.1804	0.000**
Compensation/pay	-0.2301 <	0.3050	0.000**
Opportunities	-0.1124 <	0.1491	0.001**
General satisfaction	-0.1630 <	0.2161	0.000**
** <i>p</i> -value < significance level of 0.01			

Findings: Pearson Correlation

MSQ Component	Turnover Intention Component	
	Pearson Correlation	2-tailed <i>p</i> -value
Management systems	-0.2527	0.0000**
Social status	-0.3104	0.0000**
Work environment	-0.2617	0.0000**
Compensation/pay	-0.1524	0.0001**
Opportunities	-0.2900	0.0000**
General satisfaction	-0.2716	0.0000**

** *p*-value < significance level of 0.01

Conclusion

- Gambling industry employees' job satisfaction:
 - the incumbent < the new entrants
 - for all components except management systems
- The new entrants implements a “super” human resources management strategy in order to gain a foothold

Conclusion (cont'd)

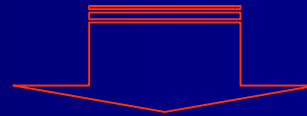
- De-monopolizing the gaming industry has twofold benefits
 - dramatic growth of the industry
 - substantial improvement of the industry's employee job satisfaction, at least for the new entrants



- An additional support for de-monopolization

Conclusion (cont'd)

- All components of job satisfaction decrease turnover intention



- Brain drain explained

Q & A

For further contact:
Email addresses on the title page

Thank you!!