

2016 HOTEL AND GAMING COMPENSATION REPORT



INTRODUCTION SOURCE OF INFORMATION

Our 2016 Compensation Surveys were revised in September 2016. The outcomes were accumulated from a comprehensive information analysis extracted from Renard International's own database of 45,000 candidates and supplemental 15,000 contacts. The sources also included written answers to our global survey sent to Executives in over 50 countries.

The data was also taken from thousands of resumes received monthly by Renard offices and Consultants worldwide, which confirm in writing individuals current remuneration, benefits, bonuses, etc.

They also signpost desired salary, benefits, preferred location and ideal role.

We also take into consideration the information which has been shared with us in confidence by Clients, when they retain Renard for executive searches.

In 2015 alone, Renard Consultants successfully completed assignments in over 40 countries from Culinary to the CEO of a major Hotel/Casino Group. We have now assisted Clients in nations that were non-existent when we commenced business 46 years ago.

Our Remuneration Reviews are produced using an **average format** in which the information is totaled and divided by the number of replies, or, in a **median format**, which is calculated using data mid-range to extremes.



INTRODUCTION TO COMPENSATION IN THE GAMING INDUSTRY - 2016

In 1995 when we researched our first Gaming Compensation Study, the report was restricted solely to Las Vegas and Atlantic City. Online Gambling was non-existent.

21 years later, much has changed. Online gambling is the fastest growing gaming product worldwide, and experts predict its revenue for 2016 to be over 10 billion US dollars.

In our 2016 report, we examine total cash compensation for senior executives. We have formulated our surveys using data from almost 100 gaming corporations. Our sources include self-reports and tax filings from public companies, personal resources, direct requirements from searches we have received, along with our salary survey data, which we solicited.

Our most noteworthy comment in 2016 on gaming is that it has taken us “one step closer to global acceptance,” adding new locations in 2015 such as Cyprus, Albania, Cape Verde, Massachusetts (Boston), India (State of Maharashtra), Israel (soon to be approved), Gibraltar, Saipan and Montenegro.

Overall, almost every state in the USA, all provinces in Canada, and over 35 countries now offer some form of legalized gambling. There are over 220 gaming jurisdictions, including parts of Macau, Singapore, Malaysia, Bahamas, Philippines, Saipan, Korea, Netherlands, Antilles, UK, Switzerland and Vietnam.

As part of this growth, the need for experienced casino management talent has become both extremely competitive and cutthroat, especially for difficult postings in faraway countries. As a result, pressure to adequately compensate executives continues to be a major factor. Most of the major publically listed casino organizations even offer their key employees stock or stock options.

Will every location soon have a gaming establishment next door? Why not? As governments desire these huge tax windfalls, from the gambling business.

Another notable observation is that even though the revenue pie from gaming increased substantially in 2015, it is now shared with more operators. Additionally, historic venues such as Las Vegas and Macau did not increase their revenue significantly. In fact, these hubs lost some of their leading share of the global gaming revenue pie.

An aspect of our study worth noting is the major difference in compensation between large and small players in the gaming industry, and between those which are publically listed as opposed to those which are privately held.

For example, a CEO of a small, privately-held gaming group may earn a base salary, bonus and stock totaling \$500k (USD), compared to a large, publically listed organization where the CEO may earn in excess of \$20M (USD).

For 2016, we did not consider any Black-Schole evaluations, where the value of the stock granted in previous years had substantially higher or lower value than the year it was granted.

Another consideration: in previous years, there was a separation of income by country and venue. With the increased worldwide growth of casinos, salaries are now more aligned with less distinction.

In previous years, we also focused primarily on major North American gaming areas. In 2016, we have added in-depth information on international casino groups, although many are still USA-controlled. This year, we also took special notice of SE Asian gaming establishments in Malaysia, Macau, Vietnam and the Philippines.

The location and size of casinos matter with regards to basic compensation levels. On the other hand, bonuses remain fairly consistent as a percentage of base salaries. In other words, many companies offer higher base incomes, however their bonus percentages (i.e. 25% - 50% of the base) remain consistent.

As the gaming industry grows, the escalation of pay seems inevitable. What does this means for gaming companies?

The answer: higher payrolls, greater utilization of computerization, higher incentives and the overwhelming need to retain management talent. The catalyst for this is specialized US gaming, which is prevalent almost everywhere and adheres to the most stringent legal hiring requirements for gaming licenses.

Overall, the majority of key casino employees hail from the USA** or Canada, which we call the Renard Birdcage Effect*. On the other hand, operation executives (non-gaming executives) can come from a more diverse range of places around the world.

As a result of worldwide casino growth, including many with no USA affiliation, American gaming consultants are training local executives. Therefore a non-American casino corporation rather than hiring more expensive American casino management, these casinos can now employ locals with the ability to operate American-style casinos.

Our overall opinion is that 2017 (like 2016) will continue to be a global scavenger hunt for these American-trained casino executives. Additionally, incestuous employment policies along with engagement bonuses will continue to be the norm.



Notes:

- * *The Renard Birdcage Effect* refers to shaking the birdcage, causing the birds to change perches (talent moves from one company to another), however they are the same birds.
- ** American citizens or green-card casino executives (even offshore) pay some USA taxes, therefore American citizens are not tax-free and require financial incentives to recruit.

GLOBAL

2016 Casino Executive Committee Member Compensation Report
Hotel Component for All Locations Outside of Canada and USA - Including
Macau (China), Singapore, Philippines and Nassau (Caribbean)

**Average Format USA Dollars
(Single Unit Responsibilities Only)**

Designation	Salary	
	Average	Highest Reported
Hotel Component		
General Manager **	\$185,740	\$348,400
Executive Chef ***	\$75,400	\$143,000***
Executive Sous Chef	\$62,500	\$90,400
Hotel Resident Manager*	\$76,100	\$141,600
Food & Beverage Director	\$72,400	\$120,100
Executive Housekeeper Casino Public Areas and Hotel	\$65,900	\$101,000
Hotel Security Manager	\$59,150	\$89,500
Hotel Director of Sales & Marketing	\$95,700	\$145,350
Hotel Financial Controller of a Single Unit or Department	\$72,000	\$120,200
Social Network Manager	\$31,900	\$48,100
Revenue Director	\$48,650	\$66,400
Human Resources Director – Hotel staff only	\$75,000	\$109,100

- Gross or net depends on jurisdiction i.e. Macau, Singapore is gross, Bahamas is net.
- Size of hotel for this study was 500 Rooms or larger.
- Benefits or bonuses are not included.
- Some employees in this study had extensive tenure with these hotels/casinos.
- Size matters! The highest compensation logically goes to the casino and hotel which are the largest with biggest revenues.
- Average salary for a branded or well established Casino Hotel.
- 18 casinos used for this survey. Some casinos did not have a hotel component or were not associated with a connecting or a nearby hotel.
- Single unit responsibility only.

- This does not include other perks nor stock or stock options. These are the most senior individuals overseeing a single unit; but may report to an individual in another division if it is a multi-unit organization.
 - Titles are diverse as many operators use different designations due to size of complex or for historic reasons.
 - Bonus programs potentially differ greatly between branded and independent operations.
 - Long-term tenure employees are logically the highest paid and so have a great effect on base income calculations.
 - This does not include any initial hiring bonuses.
 - * May be termed as Hotel Manager, Director of Operations or EAM reporting to the General Manager.
 - ** Hotel operations ONLY and reports to the CEO of both the Casino and Hotel.
 - *** In this scenario all restaurants managed by the casino hotel non outsourced, but some operated under license.
- All receive expatriate benefits.

GLOBAL

2016 International Casino Executive Committee and Department Head Salary Survey - All Locations Outside of North America (USA & Canada)

Average Format	USA Dollars	
Designation	Salary	
**CASINO EXECUTIVES		
	Average Base Salary	Maximum Salary Reported
CEO Casino & Hotel Operations	\$396,850	\$865,000
CEO Hotel Services only	\$274,000	\$355,900
VP Casino & Hotel Operations	\$211,050	\$275,100
VP Casino Player Sales & Marketing	\$125,500	\$199,750
VP Sales & Marketing Hotel Division	\$139,800	\$190,225
Casino Property Finance	\$136,225	\$298,400
Property Hotel Operations (Rooms Division Manager) Paiza Manager	\$89,125	\$126,200
Inside Casino Operations Food & Beverage Manager	\$89,600	\$119,900

***DEPARTMENT HEAD CASINO ROLES – NOT EXCOM MEMBERS**

Role	Salary	
	Average	Highest Reported
Surveillance Operations Manager (#2)	\$72,950	\$136,600
Slot Marketing Manager (#2)	\$61,400	\$143,800
Gaming Dealer of Multiple Games	\$32,850	\$60,000
Cage Manager	\$66,700	\$148,350
Casino Pit Manager	\$61,450	\$128,100
IT Manager	\$65,500	\$73,000
Graphic Designer	\$46,000	\$61,950
HR Director Casino staff only	\$81,550	\$120,640

- Gross or net depends on jurisdiction i.e. Macau, Singapore is gross, Bahamas is net.
- Size of hotel for this study was 500 Rooms or larger. Benefits or bonuses are not included. Some employees in this study had extensive tenure with these hotels/casinos. Size matters! The highest compensation logically goes to the casino and hotel which are the largest with biggest revenues. Average salary for a branded or well established Casino Hotel.
- 22 casinos used for this survey. Some casinos did not have a hotel component or were not associated with a connecting or a nearby hotel.
- Single unit responsibility only.
- * All receive some expatriate benefits.
- ** All receive full expatriate benefits, including schooling for all their children if applicable.

This does not include other perks nor stock or stock options. These are the most senior individuals overseeing a single unit; but may report to an individual in another division if it is a multi-unit organization.

- Titles are diverse as many operators use different designations due to size of complex or for historic reasons.
- Bonus programs potentially differ greatly between branded and independent operations.
- Long-term tenure employees are logically the highest paid and so have a great effect on base income calculations.
- This does not include any initial hiring bonuses.

Note: Some salaries and bonuses have been lower, reflecting the challenges faced by some casinos in 2015. Some inflation in salaries is solely due to changes in currency exchange

NORTH AMERICA

USA & Canada Hotel Department Head Salary Survey Average Salary For a Branded Or Well Established Casino 750 Rooms Or Greater (as of January 2016)

Role	Salary	
	Average	Highest Reported
Executive Chef	\$90,430	\$166,000
Executive Sous Chef	\$65,650	\$111,100
Hotel Resident Manager	\$72,950	\$121,600
Food & Beverage Manager	\$95,125	\$132,640
Executive Housekeeper Public Areas	\$52,230	\$90,000
Security Manager	\$89,450	\$126,300
Director of Sales	\$73,430	\$111,720
Financial Controller of a Single Unit or Department	\$74,650	\$136,000
Social Network Supervisor	\$33,600	\$52,800
Revenue Manager	\$44,750	\$76,000

CASINOS

Role	Salary	
	Average	Highest Reported
Surveillance Operations Manager (#2)	\$66,350	\$111,300
Slot Marketing Manager (#2)	\$60,430	\$132,400
Gaming Dealer of Multiple Games	\$32,640*	\$48,100*
Cage Manager	\$64,100	\$148,000
Casino Pit Manager	\$66,800	\$136,200
IT Manager	\$75,000	\$107,800
Graphic Designer	\$52,050	\$75,640
HR Director	\$77,760	\$121,900

Note: The great majority of source information for this survey came from Las Vegas hotels.

*Gratuities increase salary substantially as this is an hourly paid role.

- Size of hotel for this study was 1000 Room Casino Hotel or larger.
- Benefits or bonuses are not included.
 - Some employees in this study had extensive tenure with these hotels.
- Size matter; highest compensation logically goes to the casino and hotel which are the largest with biggest revenues.

Note: Some employees are unionized, no expatriate benefits offered.

RENARD INTERNATIONAL HOSPITALITY SEARCH CONSULTANTS*



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*International Salary Surveys

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121 Richmond Street West, Suite 500, Toronto, Ontario, Canada M5H 2K1 • Tel: (1) 416 364-8325 • Fax: (1) 416-364-4924
Contact Stephen J. Renard, President at: steve@renardinternational.com

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