



ISSN: 1286-4892

Editors:

Martin Evans, *U. of Toronto*

Bernard Forgues, *U. of Paris 12*

Robert P. Gephart, Jr. 2001
Safe Risk in Las Vegas,
M@n@gement, 4(3): 141-158.

M@n@gement is a double-blind reviewed journal where articles are published in their original language as soon as they have been accepted.

Copies of this article can be made free of charge and without securing permission, for purposes of teaching, research, or library reserve. Consent to other kinds of copying, such as that for creating new works, or for resale, must be obtained from both the journal editor(s) and the author(s).

For a free subscription to *M@n@gement*, and more information:
<http://www.dmsp.dauphine.fr/Management/>

© 2001 *M@n@gement* and the author(s).

Safe Risk in Las Vegas

Robert P. Gephart, Jr.

University of Alberta
School of Business
eMail: robert.gephart@ualberta.ca

This paper proposes the concept of "safe risk" as a tool for understanding social transformations in contemporary spectacular society. The paper reviews theories of risk that have emerged in scholarly research. "Safe risk" is proposed as a concept which extends our understanding of the institutional production and consumption of risk. I argue that safe risk production is fundamental to tourism and leisure industries as illustrated by the casino-resort industry on the Las Vegas Strip. The concept of safe risk also provides insights into the nature and emergence of communities and civility in the Las Vegas metropolitan area. Three safe risk themes are addressed: financial safe risk or "safe money"; the consumption of sexual imagery through "safe sex"; and the production of casino-environments and residential areas as "safe places". Safe risk production is interpreted using critical theory and postmodern theory. The paper establishes the importance of safe risk as an organizationally produced and consumed image. It provides insights into why safe risk and other simulations may be more attractive than reality even though the consumption of safe risk entails real hazards and dangers. And the paper concludes by suggesting that safe risk analysis should become an important focus in postmodern studies and management and organization theory.

We live in a risk society where the challenges of avoiding risk and harm loom large in everyday life (Beck, 1992). But our culture also contains risk seeking behavior: «We persist in ignoring safe pleasures or in reaching for dangerous ones» (Sapolsky, 1993: 95). The current paper examines the paradoxical risk avoiding and risk seeking nature of contemporary society. I offer the concept of safe risk as a heuristic which can be used to understand important features of risk in contemporary social and cultural institutions. Safe risk involves the production of simulated or false images of risks. These productions provide thrills and excitement. Safe risk is not new. But an important feature of spectacular society is the use of simulations to produce safe risk as a consumable service or commodity. Safe risks are inherently paradoxical: imaginary and unreal they are also real yet unstable phenomena which beget potentially unexpected problems and implications.

In this paper I discuss how quantitative risk assessment and risk acceptability are relevant to the concept of safe risk. Next, I show that safe risk production is an increasingly important commodity in tourism and leisure industries and a foundational organizational feature of contemporary spectacular society. The importance of safe risk is demonstrated by discussion of gaming, sex and metropolitan growth in Las Vegas documented by Gottdiener, Collins and Dickens (1999). The paper contributes to the literature on management by discussing the

organizational and managerial basis of safe risks. It relates theories of risk to theories of organization and management and to cultural and social factors which broadly influence the creation, perception, production, and consumption of risk.

THEORIES OF RISK

QUANTITATIVE RISK ASSESSMENT

Risk analysis and risk studies emerged in the last half of the twentieth century (Burger, 1993; Kunreuther and Slovic, 1996). These new sciences seek to detect and quantitatively assess risks and to develop strategies to avoid harm (Douglas, 1985). Risk analysis involves calculating risks or the probability of untoward outcomes from an action where risk is defined as the probability of harm multiplied by the extent of the harm. Risk analysis research has placed particular emphasis on assessing and managing risks from technology and other human creations (Perrow, 1984; Erickson, 1994; Kunreuther and Slovic, 1996). However, risks are multitudinous in nature and are often fundamentally incalculable (Vaughan, 1996). Hence quantitative risk assessment has been criticized for its ready assumption that risks can be precisely described and quantified. Quantitative risk assessment has been supplemented by perspectives which seek to understand the particular risks and dangers which are actually conceived as important in a given group or culture.

ACCEPTABLE RISK

The acceptable risk perspective is a second perspective on risk. Risk acceptability or acceptable risk refers to risks which society or groups notice, define and accept (Clarke, 1989). The acceptable risk perspective is concerned to understand the particular phenomena defined as risks and how these definitions of risks are created and used (e.g., Clarke, 1989: 60).

Acceptable risk assumes that no person or organization «can know more than a fraction of the dangers that abound» (Douglas and Wildavsky, 1982: 5) hence risk and misfortune are culturally coded. That is, different cultures or world views notice and attend to particular risks and dangers, allocate blame in different ways, and thereby allow other potential risks and dangers to go unnoticed or unattended (Douglas, 1985; Gephart, Steier, and Lawrence, 1990; Gephart, 1993). In this view, it is important to understand the role of culture in the perception and management of risk (Douglas, 1985). However, the neglect of culture in risk studies has been so systematic and entrenched that «nothing but a large upheaval in social science would change this» (Douglas, 1985: 1).

A cultural analysis perspective suggests that the acceptability of risk lies within the values and principles of a culture and its institutions (Douglas, 1985). A cultural program for studying risk acceptability

needs to begin with a study of institutional design (Douglas, 1992). Such a program needs to investigate how each cultural pattern of risk is sustained by its own appropriate economic structure, and how risks are coded and linked to economic forms (Douglas, 1985). Risk and management scholars need to understand the kinds of institutional structures which support particular views, perceptions or claims about risk and danger (Douglas, 1985). Second, since institutions solve some risk problems by public allocation of blame or the assignment of responsibility (Douglas, 1985, 1992) it is important to understand how blaming and the allocation of authority occur (Gephart, 1993) and how they are related to institutional features. It is also important to understand how political pressures influence the construction of responsibility, risk and blame. Pressure is not against taking risks but against exposing others to risk (Douglas, 1992).

Acceptable risk issues are important issues for organizations and management because risk definition is a public, social and inter-organizational process. Organizations are critical actors in defining acceptable risk and mitigating it (Clarke, 1989). Indeed, acceptable risk can be conceptualized as an inter-organizational "garbage can" which involves organizations, public agencies, and collectivities. A hierarchical division of labor among agencies is a precondition for the definition of acceptable risk (Clarke, 1989). Acceptable risk thus emerges at the level of the organizational field as this field becomes constricted. Organizations construct the context for the evaluation of hazards and this context is constructed so as to make the hazards seem more reasonable (Clarke, 1989). Organizations are thus major arenas where struggles over risk occur. An understanding of controversial decisions about risks requires understanding of the cultural, social, political and organizational contexts of the decisions. Acceptable risks decisions about hazards reflect the distribution of power in society as some groups allocate hazards while other groups bear those hazards (Clarke, 1989). The question in acceptable risk is thus whose risks are being ameliorated? Unfortunately, there are few social studies which investigate the processes through which organizations respond to technological risks (Clarke, 1989) and allocate risk, responsibility and blame (Gephart, 1993).

SAFE RISK IN SPECTACULAR SOCIETY

The acceptable risk perspective emphasizes risk avoidance. But some aspects of risk are valued for their own sake e.g., for the elation and thrills they provide. Safe risks are simulated and/or vicarious risks which produce thrills. The current paper argues that institutionally structured risk environments which manufacture and sell safe risks are of increasing prominence in modern as opposed to premodern societies (Giddens, 1991) and are becoming ever more prominent in contemporary risk society and its spectacles (Beck, 1992). Safe risk is thus an important feature and central product of the contemporary society of the spectacle (Debord, 1994; Best and Kellner, 2000). In spectacular society «the commodity contemplates itself in a world of its

own making» (Debord, 1994: #53). The spectacle is «hierarchical power evolving on its own» (1994: #25), an «enormous positivity, out of reach and beyond dispute» (1994: #12). Spectacular society involves the economic realm becoming autonomous and developing for itself. The society of the spectacle is thus «capital accumulated to the point it becomes image» (1994: #43) and it creates a social relationship between people mediated by images.

Simulacra and simulation characterize the spectacle (Debord, 1994; Best and Kellner, 2000). Simulacra are perfect representations or copies of entities which do not exist (Jameson, 1991). They emerge from simulations as models of a real are created without a basis in reality (Baudrillard, 1983; Gephart, 1996). They are the «pseudo events» and spectacles of our time (Fjellman, 1992: 401). Through simulation, images including concrete entities are created that abolish or remove the relationship between reality and appearances. Indeed through simulation the model or image comes to precede reality. The perceptible world is replaced by a set of images that are superior to the world and which impose themselves as eminently perceptible (Debord, 1994). Through simulation we create a society where commodities «are now all that there is to see» (1994: #42).

Safe risks are forms of cultivated, vicarious or simulated risk taking. They involve exposure to simulated uncertainty and are manufactured and consumed as commodities in contemporary spectacular society. Safe risk activities are unusual activities that produce elation or thrills due to 1/ awareness of (simulated) danger; 2/ voluntary exposure to simulated danger; and 3/ the expectation that the simulated danger will be overcome (Giddens, 1991). Further, safe risks 4/ require no active mastery of risk management skills by the consumer; and 5/ there is little uncertainty in expert systems which produce vicarious or simulated risks that would require mastery by the consumer. In safe risk contexts, people bracket out high consequence, low probability risks. And they either trust producers to preempt or counter risks or they adopt a fatalistic attitude toward risks (Giddens, 1991). Yet corporations mislead people about the true levels of risk, or use advertisements to insure people take those risks and develop those habits (Giddens, 1991). Thus in well defined institutional settings, there is passive acceptance of some hazards, the active avoidance of others, and also a search for and consumption of safe risks and dangers. In the next sections, I explore these features of simulation, safe risk and spectacular society which are evident in Las Vegas.

THE HISTORY OF LAS VEGAS: SAFE RISK AND SIMULATION

The history of Las Vegas growth is a history of the production of safe risk. Safe risk is a tourist attraction and a prominent feature of community and residential life. Through organizational activity, new forms of risk have been produced and transformed into acceptable risks and safe risks.

Development in Las Vegas has been externally driven and imposed. Las Vegas was established as an official city in 1905 in what was once a verdant oasis with numerous artesian wells (Gottdiener et al., 1999). Challenges to growth and economic development were significant. Located in an extremely arid area, Las Vegas lacked water and fertile lands and the temperature can be extremely hot, or cold. Las Vegas is distant from urban manufacturing centers (Gottdiener et al., 1999). It has experienced a boom and bust economy with an economic depression in the 1920s-1930s. The boom has returned repeatedly with the injection of federal funds into the economy, often as the result of lobbying by Las Vegas and Nevada politicians. In particular, construction of the Boulder (now Hoover) Dam authorized in 1928 generated economic growth for the area and surprisingly, the dam became a tourist site in the 1930s. Gambling was re-legalized in 1931 for purely commercial or business purposes, i.e., due to the economic potential of gambling. Thus in the 1930s Las Vegas became a tourist destination based on gaming (Gottdiener et al., 1999).

The resort hotels concept was developed in the 1940s and soon hotels such as the El Rancho Vegas were sited south of the city line to avoid taxes and government controls. Singers and comedians were hired for casinos in the 1950s and Las Vegas witnessed the emergence of the Las Vegas Lounge Act. The emergence of sexual display as a form of commodified imagery and commercial entertainment is evidenced by the Dunes Hotel. It opened with an Ali Baba/Arabian Nights Theme. It lost money during the first year of operation but then added Las Vegas' first striptease dance show "Minsky's Follies" and immediately turned a profit (Gottdiener et al., 1999). And the Hacienda became the first casino-hotel oriented to families. It provided several swimming pools and a go-cart track as family leisure options to supplement adult gaming. These commercial ventures can be interpreted as efforts to reduce the financial risks from casino operations, to increase returns, and thus to use features of spectacular society to lure tourists to Las Vegas. The production of safe risk thus occurs as economic agents seek to mitigate residual financial risks.

The development of Las Vegas necessitated creation of an image of Las Vegas and area as a hospitable and safe place to live and reside, and as a safe and desirable place for tourists, leisure and entertainment. This image had to be created and sustained in a hostile desert environment. Thus Las Vegas garnered the interest of tourists by legitimating activities other areas of the nation considered illegal, including: 1/ gambling; 2/ sexual spectacles including sexually explicit public displays, nude dancers and prostitution which was legal in rural counties; 3/ uncontested divorce and marriage; and 4/ "the mob" and criminality. Legitimating these activities involved transforming them into safe risks. For example, gambling was marketed and presented as a form of entertainment and fun rather than as a risk to one's financial integrity. Safe sex spectacles emerged—titillating events which allowed an audience to vicariously observe full or partial nudity in the context of dance, music, costume and elaborate stage sets which glorify sexuality and allow legitimate and easy consump-

tion of sexuality as an image. Mobsters became important citizens and investors.

In 1969 the face of Las Vegas began to change when the Corporate Gaming Act allowed public corporations to own casinos. This led to the emergence of corporate control of Las Vegas development and initiated the 5th phase of growth, from the 1980s to the present. This phase of growth is characterized by corporate dominance and the creation of mega-resorts. Through real estate development, large scale themed architectural structures such as casino-hotels were developed. And master planned residential communities were created as the Las Vegas area became the fastest growing metropolis in the United States. Below, I discuss the substantive features of three important safe risk domains which characterize contemporary Las Vegas: financial, social and physical.

SAFE MONEY

Financial safe risk emerges in images that depict organizationally produced financial or economic activities, services or products as safe, fun forms of entertainment and investment which can be legitimately pursued with limited concern for or likelihood of extensive problems or negative financial impacts. Three important aspects of financial safe risk are evident in the history and development of Las Vegas; gaming or gambling, casino investment and real estate investment and financing. First, gambling was not only legal but also celebrated in Las Vegas. Gambling is an age old form of entertainment, a high financial risk activity which is transformed in Las Vegas into a form of adult play or fun—«light-hearted entertainment» (Gottdiener et al., 1999: 91). Gaming often occurs in themed, fantasy oriented environments which emphasize or highlight eroticism and glorify the allure of gambling (Gottdiener et al., 1999). The stigma of gambling is removed in Las Vegas where institutionally based gaming encourages and enables the pursuit of profit in leisure time. Profit seeking during play and leisure commodifies previously non-commodified aspects of the human life.

Certain social practices maintain the image of safety and disguise raw risks. The purchase of tokens or chips disguises the use of money in betting and recodes money into coloured chips. The use of credit limits and end of stay room bills further distances financial realities and delays their onset. In addition, the practice of providing complimentary benefits or “comps” including free meals, hotel rooms, limousine services and airfare to guests based on time spent gambling and average bets (Earley, 2000) is another means by which financial risks to consumers are disguised, mitigated and symbolically redressed. Indeed to consumers these “comps” symbolize sought after rewards, not costs from betting. In addition, the actuality of winning is signaled by loud music that bursts from slot machines when people do win from gambling. The positive allure and safe risk of gaming lie in the possibility of sudden economic transformation through instant riches which occurs when one “wins”.

Child's play has even been transformed into a form of safe risk via gaming at Circus Circus. It is illegal for children to gamble or loiter in a gaming area and "red lines" on the floor are used in casino-hotels to demarcate the legal pathways children as guests can take when traversing a casino en route to their hotel room. At Circus Circus, the prohibition against children gambling and the simultaneous challenge of entertaining children while parents gamble was addressed by creating a supervised midway where children can play a variety of games. Children pay for tickets and win prizes rather than money. This form of childhood gambling represents carnival games at local fairs. In Las Vegas it becomes something more than mere carnival when it is recontextualized in a casino environment to become a simulacrum of adult gaming. This approach has been so successful that Circus Circus has been dubbed «Nevada's baby-sitter» (Earley, 2000: 106).

Senior gambling represents another dimension of risk. Local seniors are targeted by casino-resorts through courtesy buses, meal coupons, free slot play and other benefits. Indeed, casinos have become de facto community centers according to Gottdiener et al. (1999). Seniors maintain the safe money myth of casino gambling by claiming they spend little money and receive entertainment and dining benefits from gaming. But as Gottdiener et al. (1999) note, seniors likely spend significant sums of money since casinos engage in extensive market research and would not provide benefits at a loss to a particular consumer segment. Anecdotal evidence also suggests that some seniors may lose their life savings and even their homes due to a gambling obsession and this may produce depression, family problems and divorce.

The production of gambling as safe risk disguises several less attractive features. First, gambling for fun is profitable for business enterprise. Thus the "corporatization" of Las Vegas has led to investments in gaming industries, business planning and explicit expectations of profitability by Wall Street. Gambling is a safe investment because the "house advantage" which can range from 11-30% insures an ongoing transfer of funds from the patron to the house (Gottdiener et al., 1999). Certain high rollers or "whales" who have credit lines of \$5 million to \$10 million are eagerly sought by the casinos. They can bet up to \$250,000 per hand in baccarat and may have spectacular losses, up to \$70 million for one gambler in one year. But whales may also threaten profits for the quarter—or even the region—if they win big. For example, Earley (2000: 450) chronicles the story of one "whale" who «left Las Vegas with checks totalling \$5.5 million». Further, the glorification of gaming conceals the multitude of problems from obsessive gambling, including crimes, family problems and the social costs of dealing with problem gambling. Indeed, 3-5% of the Nevada population are compulsive gamblers and there are fifty Gamblers Anonymous meetings per week in Las Vegas. Thus gaming is highly profitable for casino-resorts. For patrons gaming is a risky activity which has been glamorized, sanitized and provided to consumers as a form of vacation fun. In reality, people can lose money and have their lives ruined by an obsession with gambling.

Gambling and entertainment are commodified activities—safe risks—which tourists come to consume. They are created to generate revenues and profit for firms and are ways in which firms transform the risk of unprofitable operations in a desert environment into profit in a metropolitan casino and resort environment. Gaming revenues and profits may mitigate financial risk but they also require and occur in a broader context of other social and organizational risk taking activities. Thus a second and basic form of safe economic risk is the notion of gaming and tourist/leisure management as an investment.

The financial risks of casino and leisure facility operations arise in part from the large sums of investment capital required for developing large scale fantasy environments, the construction time during which investments are not generating revenues, and the volatility of gaming and tourism revenues. For example, Treasure Island opened in 1993 with construction costs of only \$430 million, a cheaply done facility which locals call “Motel Six” despite the fact it features an impressive mock pirate battle (Gottdiener et al., 1999). The risk of insolvency is thus large for investors. For example, \$1 million per day in revenues were needed by the Mirage just to service its debt and interest (Gottdiener et al., 1999) although this was not a problem since the Mirage generated \$2 million per day in revenues. Junk bonds, themselves a high risk form of capital, were used for several years as a source of development capital although this ended with the criminal prosecution of the junk bond financier Mr. Miliken (Gottdiener et al., 1999).

The casino resort industry uses construction of new and more elaborate facilities, the renovation of older facilities, and the destruction of even relatively new buildings as a basis for competitive advantage. For example, after only 3 years of operation the MGM Grand announced a \$700 million interior renovation and expansion (Gottdiener et al., 1999).

Resort operators vie with one another using archi-tainment developments, e.g., the full sized Eiffel Tower replica. This constant cycle of destruction and creation is costly and enhances the financial risk of any Las Vegas area casino-resort venture. Thus there is a growing capacity in the industry which is increasingly sensitive to decreases in the number of tourists or tourist spending. An important trend has been the rise of non-gaming revenues. In the past, many resorts lost money on hotel, entertainment and merchandising as well as dining and in the 1980s non-gaming revenues were 30% of total revenues for the industry. In 1994, non-gaming revenues comprised 45% of total revenues because of the expanding number of tourists and the growing family market. But the risk is that the highly profitable gaming revenues are declining, thus posing a further potential financial threat to the organizations in the industry. The scope of the potential financial risk to the industry if tourism greatly declines is enhanced by the \$7 billion in corporate collateral financing including especially debt used to construct tourist facilities (Gottdiener et al., 1999). Thus hotel-casino resort operators are encouraged to incur ongoing redevelopment costs to update and maintain spectacular features which attract guests to resorts. They also need to take steps to make casino resorts appear busy and well

run if guests are to be attracted and to feel satisfied, even when guest visitation levels are down and operating costs are high. Thus casino operators may incur significant costs in an effort to attract and please customers. Risks which consumers perceive in terms of the quality of their leisure experience thus come to conflict with the financial risks which hotel operators must incur to provide a quality experience. These risks are enhanced by the large sums of investment capital involved in casino-resort development.

SAFE SEX

The glorification of sex is perhaps second only to the glorification of gambling in Las Vegas casino-resorts. Sexual imagery is common and widely distributed in Las Vegas, from the work uniforms of many women casino-resort employees to sculptures which adorn the streetscape. Indeed, a variety of safe sexually related behavior can be performed on the streets of Las Vegas. For example, a key entrance to the Riviera Hotel is adjacent to a bronze mural commemorating the important "Crazy Girls" chorus line which figures in the history of the hotel. The mural depicts the backs of female figures clad only in a small "g-string". The mural is a favorite photographic site for tourists who can often be seen fondling the buttocks of the iconic women dancers.

Sexual image consumption also occurs in off-the-strip "strip" clubs (Boje, 2001a). Here, rules such as the "twelve inch rule" at the Chee-tah Club (Boje, 2001a: 205) maintain safety for the dancer by requiring a 12 inch distance from the customer. The safe sex, risky act boundary blurs when lap dancers are rated on websites on scales of how far they will bend the no touching rule (Boje, 2001a).

Safe sex is also evident in hand bills distributed to pedestrians and in a variety of advertisements in media which offer a range of sexual services including dancers and strip tease artists who make room calls. Room calls provide some evident sexual safety for the patron but clearly also create risks and dangers to both patron and dancer. For the patron, the risk of robbery exists and there is also the risk of illegal behavior should the "dancing" stray into the zone of prostitution which is illegal in Las Vegas. For the dancer, there is the risk of violence from an unknown other or person (generally male) in a hotel room, sexual assault, robbery and perhaps arrest. The safe sex opportunities thus obscure risky and more dangerous aspects of sex including loss of self-esteem, physical risk, sexually transmitted disease, criminal behavior, arrest, punishment, and marital breakdown or stress. The boundary between safe sex and danger may well be an important enticement to tourists in Las Vegas. Further, the omnipresent sexual imagery and sexual displays are inconsonant with the creation of a family environment, the "Disney in the Desert for Adults and Families" image which is now being marketed by casino-resorts.

Finally, marriage and divorce also take on new images in Las Vegas. Quick no-wait no-blood-test weddings are a feature of the local envi-

ronment. A variety of wedding chapels including the often relocated national historic site, "The Little Church of the West" reflect the ease and informality with which marriage can occur in Las Vegas. While divorce may be more difficult, Las Vegas was the center of the uncontested 6 week divorce for more than half a century (Gottdiener et al., 1999). Thus no wait marriage and low wait divorce became safe risks in Las Vegas.

SAFE PLACES

The construction of mega-resorts and spectacular architecture emerges from the attempt to manage financial risks. That is, resorts and simulations are constructed to generate profit safely (safe financial risk). To do so, organizations create a setting where patrons can experience safe risks from safe money and gaming, and safe sex. One important safe risk theme in the physical locale of Las Vegas thus lies in the construction of safe themed environments, casino-resort areas and other leisure installations where safe risks can be produced and consumed. These safe themed environments are places where the entangled orders of simulacra become entwined with exotic human tastes and desires. For example, Steve Wynn's development of a \$14 million Dolphin habitat behind the Mirage Hotel in a desert and an exotic white tiger habitat near the registration area for the hotel are simulations of natural habitats used to create human experiences which do not exist naturally in the desert. Mass produced images such as audioanimatronic people at Caesar's Palace help fashion the spectacle. Further, architecture is used to produce large scale "archi-tainment" on "The Strip" including the volcano at the Mirage, the Excalibur with its medieval castle, jousting matches and medieval feast, and Treasure Island's lagoon and mock pirate battle complete with sinking ships and simulated cannon fire (Gottdiener et al., 1999). Other spectacular simulations on "The Strip" include the Luxor pyramid replica, the simulated Eiffel Tower and the simulated gondola and canals of the Venetian.

The simulated habitats, mass produced audioanimatronic people, and the huge replicas of great architectural features from other places enlarge and enhance the spectacular features of Las Vegas. The Strip and other important features of Las Vegas are thus firmly based in un-reality and they make this un-reality real for example by creating real flames, simulating changes in cloud patterns on the ceiling of themed installations and through other simulative techniques. These features of the spectacle—the spectacular features of Las Vegas—are important aspects of leisure and recreational activities in Las Vegas and they compose an important part of the current attraction Las Vegas holds as a tourist destination.

These simulations thus produce safe risk by creating hype in images. Hype involves garnering attention through the promotion of extreme forms of behavior (Gottdiener et al., 1999). Safe volcanos and pirate battles, bungi jumping and innumerable other activities reflect the use

of hype in promotion of Las Vegas and its built environments. These themed environments provide safe locales for a variety of extreme or normally deviant behaviors and images including gambling and sexual titillations. These behaviors also depend on physical resources such as water and energy which are not naturally plentiful in the desert environment. Thus the production of safe risks in the casino-resort industry has generated environmental impacts and risks at the level of the natural environment or ecology.

An interesting physical environmental risk in the Las Vegas locale arises because the caliche layer in the ground prevents water from sinking deep and causes rain water to roll over it. A consequence is that floods can develop with 1 inch of rain as water descends from the west to the east of the Las Vegas basin. Underground parkades such as the one at Caesar's Palace have become flooded and have left automobiles floating (Gottdiener et al., 1999). Attempts to remedy this problem pushed the hazard across the street to the Imperial Palace, a structure built on stilts.

Another interesting risk relates to pedestrian walkways and vehicular traffic. As the mega-resort architecture has become a tourist attraction, Las Vegas has developed a pedestrian culture on sidewalks adjacent to the aggressive and deadly vehicular culture driving the Strip. Thus while thousands of people throng The Strip, an attempt to cross the road generates physical danger which is enhanced because police seldom charge vehicle operators who hit or kill jay-walking pedestrians. Thus a movement to create pedways so that pedestrians and banal drivers can be kept separated has led to conflicts among casino organizations who battle to gain access or proximity to pedways while seeking to avoid paying some of the costs. For example, a tunnel proposed by the Mirage was rejected by Caesar's Palace and Bally's as «dangerous and difficult to maintain» (Gottdiener et al., 1999: 226) but ultimately the Mirage paid for one tunnel and the others split the cost of 3 walkways. The Flamingo Hilton and the Barbary Coast battled over where an \$8 million pedestrian bridge would touch down, Harrah's battled the Sands (now the Venetian) over a cooperative driveway, and other battles have emerged. Clearly safe risk is a commodity or image with economic value.

Another important aspect of physical space and safe risk is production of safe residential spaces. The growth of Las Vegas as a tourist mecca and as a retirement location has resulted in a significant increase in population in the area, with Las Vegas becoming the fastest growing metropolis in the United States. As tourists seek safe risk in casino-hotels, residents seek safe places to reside which are distant from the Strip and its culture of decadence, gambling and glitz. Civic normalization is thus occurring in Las Vegas, as new residential areas are developed and institutions of civic life are created which are essential characteristics of communities elsewhere (Gottdiener et al., 1999). This involves transformation from a political culture oriented to business needs related to tourism and gambling to an ongoing political agenda which reflects the daily needs of residents. Safe places are thus safe communities which have the social institutions and spatial

arrangements needed to promote interaction and daily contact among citizenry (Gottdiener et al., 1999). The development of residential housing and the emergence of a sense of community are thus important to safe locales.

In the early history of Las Vegas real estate development a key risk which delayed investment was the risk of being seen investing in Las Vegas which had a doubtful reputation and was seen by the Ludwig Corporation as a dubious place to build permanent residential living (Gottdiener et al., 1999). Green Valley was developed as a safe place, a master-planned community with few links to «sin city» (Gottdiener et al., 1999: 135). Summerlin, another master planned community provides a total lifestyle. Residents are attracted to master planned communities according to Gottdiener et al. (1999) because they are willing to pay a premium price to reside in a safe environment protected by community planning codes. Indeed, high crime areas are located close to The Strip, emphasizing how contrasts in risk and safety are spatially distributed.

The production of safe residential spaces is problematic. The extreme heat of the desert places residents at risk from dehydration, heat and sun stroke, and requires use of air conditioning as temperatures rise to 110°F and vehicle internal temperatures may approach 150°F. The development of “swamp coolers” and later of air conditioning alleviates risks from the intense heat but climate control requires large amounts of energy.

In addition, the hot desert environment limits the landscaping which can be done in residential communities. Over 50% of the water consumed in the area is for residential outdoor landscaping, although certain trees and shrubs which consume water are banned. Thus the master planned community of Summerlin allows only 4 types of micro-environments: oasis, desert garden, enhanced desert landscaping and native desert (Gottdiener et al., 1999).

Las Vegas also exhibits a culture of growth which compromises residential safety and the quality of life. Upscale master planned communities provide safe environments for residents but many long time Las Vegas residents cannot afford to live in such areas. Locals often earn low wages since most positions in the service sector are low paying and 70% of local jobs are in service and commercial trade industries (Gottdiener et al., 1999). At the time of retirement locals thus encounter a financial struggle, particularly relative to the economically advantaged retirees arriving from other areas. Thus many long term local residents live in relatively poor areas with few services.

The production of safe residential spaces through spatial differentiation has become a political issue as home owners face the intrusion of casinos into residential areas. This issue became an important topic in 1987 when the City of Las Vegas allowed then refused to allow construction of the new Fiesta Hotel and when Texas Station was constructed in close proximity to thousands of new homes in North Las Vegas in 1995 (Gottdiener et al., 1999).

Rapid growth in metropolitan Las Vegas has produced a number of crises. Residential and tourist development and even daily life depend

on potable water. Las Vegas had only one 26 year old water line in 1997 when the system broke for the first time presenting the potential scenario of 1.2 million people in a temperature of 115°F for 3-4 days without water. Some \$10 billion is needed in infrastructure in the next 10 years in Las Vegas and the question of who will pay for this infrastructure is becoming a key political issue. Rapid growth has also led to the rise of other quality of life concerns including traffic noise and dangers from crime (Gottdiener et al., 1999).

The safety and desirability of living in Las Vegas is also impacted by environmental concerns. Air quality has declined and is the 5th worst in the U.S. threatening tourism if the famous sunsets are occluded by dirty skies. Nevada is approaching the limit of water it can take from its water system (Gottdiener et al., 1999). The water is hard and contains significant residue of pesticides and fertilizers as well as perchlorates. Open space is disappearing and the Las Vegas core is being developed in ways which leave little space available for development of parks, a problem in particular because Las Vegas is already below the norm for open park space per population base in the U.S.

LAS VEGAS: THE ORGANIZATIONAL PRODUCTION OF SAFE RISK

The paper demonstrates that safe risk is an organizationally produced phenomenon which can be manufactured for public consumption and display. The corporate organizational form has become important to safe risk productions in contemporary society given the production of safe risks is increasingly normalized and commercialized through large scale business enterprise. In a sense, the production and consumption of spectacular forms of safe risk may well mark a distinguishing feature of millennial or post-modern culture. Through the production and consumption of safe risks our culture constructs particular risks and imbues them with important cultural meaning. A trip to Las Vegas or the opportunity to live or retire in a warm desert climate are experiences many members of our culture value. We build and seek safe risks while negotiating acceptable risks which emerge from our risk producing institutions.

Four practices which allow safe risks to exist while concealing or disguising raw and acceptable risks and dangers can now be identified based on this discussion of Las Vegas. First, separation and segregation are used to distribute risk forms, to concentrate gaming risk in casino-hotels and The Strip and to allow residential enclaves to remain places of relative safety from the risks of gaming and the intrusion of outsiders and tourists. Second, dis-simulated systems are used to manufacture the images of safe risk. These falsely portrayed simulations highlight desirable features and conceal undesirable. Third, particular highly symbolic forms of capital are used to exert control particularly where capital is used as an important sensemaking resource to explain or rationalize action. Here, capital includes the ideology that embraces safe risk as a positive social feature. Fourth, safe risks are

interpreted, produced, and consumed as commodities or commodified services. Potential problems which emerge from safe risks are not desired by producers nor by consumers. These problems are explained in terms of the unintended consequences of modern production (Beck, 1992). Thus ideologically the problems from safe risk production and consumption are likely to be attributed to the safe risk consumer in individualist consumption oriented society (Beck, 1992). This attribution of consumer choice assumes people are rational and explicitly choose or at least are responsible for consumption choices and decisions e.g., the decision to gamble, the sexual choices one makes and one's decision as to where to live. Responsibility is thus allocated to consumers by using a market logic that assumes safe risk emerges when producers attempt to meet consumer demands and market needs. Culturally, we interpret the meaning of safe risk in gaming, sex and in residential life by using the logics, ideologies and rationalities of the social institutions of free enterprise and management. This tendency imbues our experiences of recreation and leisure and of residential life with the alienated meanings which social and commodity relations acquire. Buyer Beware!

These safe risk practices are evident in Las Vegas and in the process of «Vegasification» (Gottdiener et al., 1999: 256) which is identified with that locale. Vegasification is the process of urban development whereby a complex metropolis emerges through the ebb and flow of real estate and venture capital. Vegasification involves the creation of spectacular architecture and gambling establishments, the use of hype and neon to enhance images, the emergence of a growing residential housing market due to the growth in the number of image consumers, and the emergence of social, economic and political contradictions due to uneven economic development.

In the current paper, Vegasification is also evident as a process which creates safe risks and acceptable risks and which allocates risk, blame and responsibility among different constituencies and organizational groups. Vegasification is an interorganizational process but it is also an interinstitutional process which involves several key social institutions: business enterprise, marriage and the family, gendered relations, metropolitan and rural communities, as well as state and local governments. It also incorporates natural spaces. Through Vegasification we manufacture safe risks which conceal real risks and which require social organizational consideration of acceptable risks, often in institutional settings. Safe risks are images composed of glitter, neon, and carnal displays where desire is glorified, hyper-normalized and made available for consumption.

Safe risk is thus risk which is socially constructed and pursued. It begins with the organizational development of ideas of artifacts, images and services which can be manufactured to create thrills and profits. These artifacts and services require construction of a fantastic or spectacular environment with elemental features of hype. Construction or realization of the images also requires large amounts of capital as well as access to land and public resources. Resource needs and demands create certain economic, financial and political risks for orga-

nizations, particularly where other organizations and institutions react negatively or aggressively to proposed development. Assuming the developer organization(s) surmounts these risks and secures appropriate building and development permits, construction can proceed on the safe risk facility. Part of this process may well involve risk assessment and acceptable risk judgements related to secondary or infrastructural aspects of the development. These risk assessments do not examine the social desirability of a proposed development and merely subject the development to technical feasibility tests. For example, governmental institutions and regulatory agencies consider the ability of a caliche based soil to support hotels. A structure might be questioned and technical revisions to development plans might well be suggested based on such assessments. But these agencies do not offer nor provide a forum for questioning the social value of the development.

During the construction phase of a development or installation e.g., a themed environment, infrastructural limits and social impacts emerge which are unanticipated and/or undesired (Perrow, 1984). By this point in time or in the construction phase official claims have been issued that the installation is a safe risk site and a safe site of new but normalized spectacular thrills. The facility is opened or launched and there is a continuation of the process of transferring second level risks onto the broader environment and community.

These safe risk dynamics can be comprehended in part through consideration of the social construction of target populations in public policy making (Schneider and Ingram, 1993). Elected officials seek to develop policies that assist in re-election and which address widespread public problems. They thus develop policies that target the interests of certain groups or target populations. Target groups can be characterized as having different levels of power and different degrees of social desirability. The first or primary priority in policy making and public resource allocation is encouraging growth and production hence beneficial policies and decisions accrue to developers who are viewed as powerful, deserving targets of public policy. Hazards are not considered and emerge later to become technical problems which require technical solutions. There is also a tendency to punish powerless, undesirable groups (e.g., lower class residents and chronic gamblers) who are already exposed to negative, unanticipated consequences of a development. The result of this process is that deserving groups may oversubscribe to benefits with a decline in resources available for less powerful or desirable groups which experience risks and problems. This process itself seems a fatal strategy when enacted by a large number of organizations since ultimately the contradictions and problems which emerge from accumulation of risks can challenge the financial, social, political or even ecological viability of the producer and even the metropolitan area itself.

Safe risk can be understood in part using critical theory to understand the dynamics of contradictory subsystems in advanced capitalism (Habermas, 1973; Offe, 1984; Gephart and Pitter, 1993; Gephart,

Boje and Thatchenkary, 1996). The profit seeking behavior of firms leads to exploitation of the political and social sectors of society. For example, public funds are used to subsidize infrastructural developments needed for capitalist enterprise, gaming extracts profits from play and leisure. And the sale of goods and services using sexual imagery colonizes and commodifies gender relations and disrupts the institutions of marriage and the family. Even the community itself is commodified as master planned communities are created and managed through private enterprise rather than public government. Thus the capitalist economic sector increasingly appropriates economic value from non-economic areas of society by changing human relationships into commercial relations. In the context of a boom-bust economy which Vegasification itself reproduces, intra-industry competition requires firms to continuously invest in facilities. There is a strong tendency to overcapacity in the casino-resort industry and therefore a further ongoing colonization of private spheres of play and life in the search for profit.

However, critical theory is not fully adequate for theorizing the spectacular nature and features of (post)modern society or of Las Vegas. The specific features which have emerged require historical explanations and the trajectory of Vegasification itself seems highly contextual and historically dependent. Thus a critical theory of organizations provides important insights but it may require supplementation by postmodern cultural theory (Kellner, 1989) if it is to adequately describe current social formations. One important supplementation would be to bring the issue of (safe) risk into the central conversation of the field of postmodern organization theory. At a practical level, postmodern management and organization theory (Boje, Gephart and Thatchenkary, 1996) might seek to incorporate critical theory insights into a framework which provides insights into strategies for the disruption of the safe risk production processes. Such disruptions might require an anti-theory (Boje, 2001b) that facilitates a concerted effort by organized community interests and publics to instantiate values of traditional civic normalcy in socio-political processes within the community and government. This civic normality must displace the commodified civility which is gaining dominance in the emerging culture of the spectacle.

In conclusion, safe risk is central to the cultural landscape of the 21st century. The production and consumption of safe risk can be understood in part by understanding the actions of corporate, political and community organizations. However, most contemporary theories of organization fail to consider risk and danger thus they fail to address issues which emerge from safe risk industries. The current paper recommends that risk should become a central focus in postmodern management and organization theory. Our theories of organizations and management need to account for the organizational production of risk. They need to explain the cultural, social and political factors which allocate risk to particular segments and groups in society. And they need to address the organizational production and management of images of human desire.

Endnote. I would like to thank David Boje, Grace Ann Rosile, Doug Orton, John Van Maanen, Dan Moore and participants in the Postmodern Organization Theory Track of the International Academy of Business Disciplines 1999 and 2000 for suggestions and comments on the ideas in earlier version of this paper.

Robert P. Gephart, Jr. (Ph.D., University of British Columbia) is Professor of Strategic Management and Organization at the University of Alberta School of Business, Edmonton, Canada T6G 2R6. Dr. Gephart is the author of *Ethnostatistics* (Sage, 1988) and has published numerous articles in scholarly journals in management and social science. Dr. Gephart also serves on the editorial boards of several journals including the *Academy of Management Journal*. He is currently interested in cultural features of risk management in organizational settings.

REFERENCES

- Baudrillard, J. 1983
Simulations, New York: Semiotext(e).
- Beck, U. 1992
Risk Society: Towards a New Modernity, Newbury Park, CA.: Sage.
- Best, S.,
and D. Kellner, 2000
Debord, Cybersituations, and the Interactive Spectacle, in J. Biberian and A. Alkhafaji (Eds.), *Business Research Yearbook*, Vol. 7: 623-626.
- Boje, D. 2001a
Las Vegas Striptease Spectacles: Organization Power Over the Body, *M@n@gement*, 4(3): 201-207.
- Boje, D. 2001b
Narrative Methods for Organizations and Communications Research, Thousand Oaks, CA: Sage.
- Boje, D.,
R. P. Gephart, Jr., and
T. J. Thatchenkary (Eds.) 1996
Postmodern Management and Organization Theory, Thousand Oaks, CA.: Sage.
- Burger, E. J., Jr. 1993
Introduction, in E. J. Burger, Jr. (Ed.), *Risk*, Ann Arbor, MI: University of Michigan Press, vii-xiii.
- Clarke, L. 1989
Acceptable Risk? Making Decisions in a Toxic Environment, Berkeley, CA: University of California Press.
- Debord, G. 1994
The Society of the Spectacle, New York: Zone Books.
- Douglas, M. 1985
Risk Acceptability According to the Social Sciences, New York: Russell Sage Foundation.
- Douglas, M. 1992
Risk and Blame: Essays in Cultural Theory, London: Routledge.
- Douglas, M.,
and A. Wildavsky 1982
Risk and Culture: An Essay on the Selection of Technical and Environmental Dangers, Berkeley, CA: University of California Press.
- Earley, P. 2000
Super Casino: Inside the "New" Las Vegas, New York: Bantam Books.
- Erickson, K. T. 1994
A New Species of Trouble: Explorations in Disaster, Trauma and Community, New York: Norton.
- Fjellman, S. M. 1992
Vinyl Leaves: Walt Disney World and America, Boulder, CO: Westview Press.
- Gephart, R. P., Jr. 1993
The Textual Approach: Risk and Blame in Disaster Sensemaking, *Academy of Management Journal*, 36(6):1465-1514.
- Gephart, R. P. 1996
Management, Social Issues and the PostModern Era, in D. Boje, R. P. Gephart, Jr., and T. J. Thatchenkary (Eds.), *PostModern Management and Organization Theory*, Newbury Park, CA: Sage, 21-44.
- Gephart, R. P., Jr.
and R. Pitter, 1993
The Organizational Basis of Industrial Accidents in Canada, *Journal of Management Inquiry*, 2(3): 238-252.
- Gephart, R. P., Jr., L Steier,
and T. Lawrence 1990
Cultural Rationalities in Crisis Sensemaking: A Study of a Public Inquiry into a Major Industrial Accident, *Industrial Crisis Quarterly*, 4:27-48.

■ Gephart, R. P., Jr.,
T. J. Thatchenkary,
and D. Boje 1996

Conclusion: Reconstructing Organizations for Future Survival, in D. Boje, R. P. Gephart, Jr., and T. J. Thatchenkary (Eds.), *Postmodern Management and Organization Theory*, Newbury Park, CA: Sage, 368-364.

■ Giddens, A. 1991

Modernity and Self-Identity: Self and Society in the Late Modern Age, Stanford, CA: Stanford University Press.

■ Gottdiener, M., C. C. Collins,
and D. R. Dickens 1999

Las Vegas: The Social Production of an All-American City, Oxford: Blackwell.

■ Habermas, J. 1973

Legitimation Crisis, Boston: Beacon Press.

■ Jameson, F. 1991

Postmodernism, or, The Cultural Logic of Late Capitalism, Durham, NC: Duke University Press.

■ Kellner, D. 1989

Jean Baudrillard: From Marxism to Postmodernism and Beyond, Stanford, CA: Stanford University Press.

■ Kunreuther, H.,
and P. Slovic 1996

Preface, *The Annals of the American Academy of Political and Social Science*, Special Issue on Challenges in Risk Assessment and Risk Management, 545: 8-13.

■ Offe, C. 1984

Contradictions of the Welfare State, Cambridge, MA: MIT Press.

■ Perrow, C. 1984

Normal Accidents: Living with High-Risk Technologies, New York: Basic

Books.

■ Sapolsky, H. 1993

The Politics of Risk, in E. J. Burger, Jr. (Ed.), *Risk*, Ann Arbor, MI: University of Michigan Press, 83-96.

■ Schneider, A.
and H. Ingram 1993

Social Construction of Target Populations: Implications for Politics and Policy, *American Political Science Review*, 87(2): 334-347.

■ Vaughan, D. 1996

The Challenger Launch Decision: Risky Technology, Culture and Deviance at NASA, Chicago: University of Chicago Press.