

Are You Building a Responsible Gambling-oriented Culture?

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Editor's note: *This op-ed was prepared by Dr. Kahlil Philander, Assistant Professor in the School of Hospitality Business Management at Washington State University's Carson College of Business.*



Ask just about any gambling industry executive if their organization is committed to responsible gambling and they would say yes. Most can also point to policies, codes of conduct, audits, and business strategies that support such a claim. But why then are so many organizations, particularly in America, unable to show any progress in performance measures or any substantive innovations in responsible gambling tools?

Outside the organization, we can identify many contributing factors: Underfunded programs, poor regulations, and a lack of human capital, among others. But inside a firm that can self-organize, there's only one root cause: organizational culture.

Organizational culture is the intangible dynamic within a company that guides norms in attitudes and behaviors. It determines whose ideas, strategies, and practices are supported or rejected. And along with strategy, it's how leaders can point a company [towards the right outcomes](#).

Today, responsible gambling is caught between two cultural paradigms in the wider gambling industry. On one side are land-based gambling venues, which emerged from a compliance-based culture of risk-mitigation and a history of slow innovation. This has led to a near complete stagnation in responsible gambling

development, industry-wide. Since the invention of self-exclusion in 1989, there have been only incremental improvements in the design of responsible gambling programs, and many promising technologies, like on-device limit setting, have struggled to find any sense of product/market fit.

Conversely, online gambling companies, which emerged from the technology industry model of finding product/market fit first, and dealing with unintended consequences second, has faced its own cultural challenges. Online gambling operators typically face much more competition and much faster development cycles, and therefore have oriented themselves towards iterating on products and tactics that create immediate value. Against this lens, the longer-term importance of responsible gambling innovation may be seen as redundant, or even antithetical, to employees' near-term goals in consumer engagement, gross margins, revenue growth, or any other number of key performance indicators.

It's not all bad news. We are seeing substantial progress in *strategy-based* responsible gambling commitments. For example, the RG Collaborative, a group of researchers, NGOs, and trade organizations to which I belong, has developed a set of [Effectiveness Principles](#), designed to move the industry towards smarter policies and better practices. But practically, organizations have a lot of *cultural* work left to turn strategy into meaningful change. If there is any single complaint I've heard while collaborating with responsible gambling experts in gaming organizations, it has been the struggle to effectuate change management among colleagues, rather than receive clear direction from leadership. This points to a cultural problem that will continue to undermine efforts until it is addressed. Leaders can shift culture, and in this case, they must.

With the closure of most physical gaming facilities in 2020, and the accelerated migration of players to online channels, we have been handed a global "reset" on the provision of gambling services, which provides us with a unique opportunity to change our industrial culture. While policymakers can provide a nudge through a more heavy-handed approach (or the threat of such an approach), ultimately that will just encourage operators to engage in more box checking and less long-term innovation. We need to unlock that innovation to truly make a difference in reducing gambling harms.

Regulators should start to consider how they can provide an environment for operators and suppliers to innovate in responsible gambling, and perhaps even

fail several times along the way. This is not a simple problem. Regulators must either be willing to accept potential unintended harms in the short-term or provide large enough incentives to make a more careful development process worthwhile - for instance, the expensive FDA approval process is viable because it is offset by profits from exclusive drug patents. To solve this cultural dilemma, all stakeholders should be asking the gambling industry to “solve their part of the problem” rather than to “avoid making a mistake.”

At an organizational level, there are many cultural initiatives that can help [orient workers around these responsible gambling objectives](#). And while change management takes time, given the structural changes occurring today in the gambling industry workforce, one of the most important steps at this moment is to make sure that organizations have the right people in key roles. That doesn't mean that every manager needs to be a responsible gambling champion, but it does mean that as organizations consider whom to hire or promote into management positions, that they make sure those individuals are committed to wider organizational goals in responsible gambling.

If you are in one of these organizations, its time to start thinking beyond strategy, and to ask yourself: are you building a responsible gambling-oriented culture?

Disclosures (Since 2017)

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He has held speculative and investment positions in most publicly traded gaming companies on North American exchanges, including common shares, call options, and put options. These include financial instruments in individual companies, and positions in broader retirement or exchange traded funds.