

Challenges in Responsible Provision of Gambling: Questions of Efficacy, Effectiveness and Efficiency

*Nerilee Hing
Jo Mackellar*

Abstract

This paper aims to explain why responsible provision of gambling is an important corporate social issue facing many gambling providers by examining its status with reference to three characteristic features of such issues proposed in the corporate social responsibility literature—expectational gaps, impacts and controversy (Wartick and Mahon, 1994). The existence of expectational gaps, impacts and controversy relating to contemporary gambling operations thus clarifies why gambling providers are under pressure to manage their gambling operations in a more socially responsible manner. A second aim is to clarify why resolving this issue has been difficult. Drawing on a second explanatory framework from the corporate social responsibility literature (Waddock and Mahon, 1991), the paper identifies three areas hindering the resolution of this issue between gambling providers and key stakeholders—lack of agreement over the facts (efficacy), lack of agreement over goals (effectiveness) and lack of agreement over the means to achieve these goals (efficiency). By examining these existing barriers, it is hoped that some pathways to the issue's resolution may be illuminated. Examples from Australia underpin the discussion.

Key Words: responsible gambling, corporate social issues, stakeholder management, Australia, problem gambling, social responsibility

Introduction

Responsible provision of gambling has emerged over the last decade as a prominent issue facing gambling providers in many jurisdictions, particularly those that have witnessed significant expansion of gambling and increased evidence of associated social problems, such as problem gambling. Ample evidence for rising concern over social responsibility in gambling can be found. For example, governments in several nations have conducted inquiries into gambling at both federal (e.g., National Gambling Impact Study Commission, 1999 [U. S.]; Productivity Commission, 1999 [Australia]) and state levels (e.g., Independent Pricing and Regulatory Tribunal, 1998, 2003); made legislative changes to incorporate socially responsible objectives into gambling-related Acts (e.g., *Gambling Legislation Amendment (Responsible Gambling) Act 1999 NSW*, *Gambling*

Nerilee Hing
Senior Lecturer & Head
School of Tourism &
Hospitality Management
Southern Cross University
Lismore NSW Australia
email: nhing@scu.edu.au

Jo Mackellar
Associate Lecturer
School of Tourism &
Hospitality Management
Southern Cross University
Lismore NSW Australia
email: jmackell@scu.edu.au

Act New Zealand, 2003); established responsible gambling research agencies (e.g., the Responsible Gambling Council of Ontario, Casino Community Benefit Fund in NSW Australia); and funded problem gambling treatment services (e.g., Gamblers' Help services in Victoria, Australia; Break Even services in Queensland, Australia).

Responsible conduct of gambling is now the primary focus of numerous conferences where academic, welfare, public interest, industry and regulatory representatives debate various aspects of the issue (e.g., annual conferences of the National Association for Gambling Studies in Australia, and the European Association for the Study of Gambling). Gambling providers and their industry associations continue to grapple with the issue, with many introducing responsible gambling policies and programs (e.g., the American Gaming Association's Responsible Gambling Code of Practice; the Queensland Responsible Gambling Code of Practice, the ClubSafe program in NSW)

However, while the above evidence demonstrates that responsible provision of gambling is clearly an important issue for many stakeholders, less certainty and agreement surround how it might be addressed. For example, examining submissions to government inquiries into gambling, such as those cited above reveals a huge diversity of opinions on what should be done. Similarly, legislation and voluntary industry codes of practice introduced to enhance social responsibility in gambling show marked variations in what is required of gambling operators. Lively debate at many gambling conferences is testament that the issue has yet to be resolved to the satisfaction of key interest groups.

It is in this context that this paper draws on some constructs in the general corporate social responsibility literature to clarify the nature of the issue and to identify hindrances to its resolution. While constructs in the corporate social responsibility literature have been applied to a range of diverse social and environmental issues, from minority employment to pollution, it appears that responsible conduct of gambling is an area of inquiry where little of this has occurred (some exceptions include Hing, 2000; Hing & McMillen, 2002; Hing, 2003). Analysing responsible provision of gambling according to some generic frameworks in the corporate social responsibility literature is useful for understanding it as a typical social issue and for demonstrating that it is not exempt from common barriers to resolving problems of a social nature. It also has utility for identifying developments in research and industry practice that could assist in resolving the issue.

Thus, the purpose of this paper is twofold. First, it explains why responsible provision of gambling is an important corporate social issue facing many gambling providers by examining three characteristic features of such issues proposed in the corporate social responsibility literature: expectational gaps, impacts and controversy (Wartick and Mahon, 1994). This clarifies why gambling providers are under pressure to manage their gambling operations in a more socially responsible manner.

Given this pressure for gambling reform, a second aim of this paper is to clarify why resolving this issue has been difficult. Drawing on a second explanatory framework from the corporate social responsibility literature (Waddock and Mahon, 1991), the paper identifies three areas hindering the resolution of this issue between gambling providers and key stakeholders—lack of agreement over the issue (efficacy), lack of agreement over goals to be achieved (effectiveness) and lack of agreement over the means to achieve these goals (efficiency). By examining these existing barriers, it is hoped that some pathways to the issue's resolution may be illuminated. Examples from Australia underpin the discussion that follows.

Responsible Provision of Gambling as a Corporate Social Issue

One comprehensive definition of corporate social issues identifies three characteristics—expectational gaps, impacts and controversy—that distinguish them from more general social movements, trends and events (Wartick and Mahon 1994). Each of these characteristics can be observed in public discourse and debate on responsible provision of gambling and helps to explain why it represents an important corporate social issue for contemporary gambling providers in many jurisdictions.

Expectational Gaps

Expectational gaps represent inconsistencies amongst societal or stakeholder views of what is, and what ought to be, corporate behaviour (Jacoby 1971; Ackerman 1973; Post 1978; Wartick and Mahon 1994). These gaps between actual corporate behaviour and that desired by important stakeholders contribute to the development of a corporate social issue by fuelling stakeholder demands for corporate change (Wartick and Mahon 1994:298-299). When related to responsible provision of gambling, it can be observed that expectational gaps have widened in the last decade.

Various stakeholder groups have increasingly criticised the actions of gambling providers and governments in contributing to gambling's social fallout through expansionist policies, aggressive marketing and indifferent management that, until

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recently, had taken limited harm minimisation and consumer protection measures. More vocal criticism via government inquiries, media commentaries and social impact studies has highlighted expectational gaps between current approaches taken by gambling providers and governments and those advocated by welfare, community, public interest groups and others calling for significant reform in the way in which gambling is operated, managed and marketed. In Australia for example, the first and only independent national inquiry into Australia's gambling industries was commissioned by the Federal Government in 1998-99 to investigate their economic and social impacts and the effects of different regulatory structures surrounding these industries (Productivity Commission 1999). The resulting report was a damning indictment of current practices in gambling provision, reflecting significant community unrest over its modus operandi and subsequent social impacts. It advocated a public health approach to problem gambling, pressuring gambling providers and governments to adopt structural changes that promote safer use of gambling products to lessen their potential harm.

Impacts

Various definitions of corporate social issues (for example, Ansoff 1975; Bigelow, Fahey and Mahon 1991; Wartick and Mahon 1994) emphasise that, for a corporate social issue to exist, its impact must be felt within the organisation. That is, recognition of organisation-specific impact differentiates corporate social issues from more general social concerns that have no foreseeable present or future effect on the organisation (Wartick and Mahon 1994:296). Amongst gambling operators there is widespread acknowledgement that pressure for more responsible provision of gambling already has undermined public confidence in gambling provision, damaged their reputation and legitimacy, and in some instances, lead to organisational and legislative reforms to promote more responsible gambling. For example, some Australian state and territory governments have imposed legislated requirements for gambling venues to locate ATMs away from gambling areas, establish self-exclusion schemes, post warning signs about problem gambling, publicise services assisting those affected, provide more comprehensive product information and control the use of advertising and inducements

to gamble. Some jurisdictions have voluntarily introduced such measures. From such efforts there is little doubt that the advocacy of more responsible conduct of gambling is having significant impacts on organisations that provide gambling services and that such pressure is likely to continue unless the issue can be resolved.

Controversy

While gaps may exist between organisational behaviour and stakeholder expectations, and while the organisations concerned may recognise the present or future impact of demands fuelled by these gaps, these organisations may rapidly alter their behaviour, thereby preventing the social concern developing into a corporate social issue (Wartick & Mahon, 1994; Reichart, 2003). However, this has not occurred in responsible provision of gambling. Expectational gaps between the actions of gambling providers and those advocated by key stakeholders have been sustained by considerable controversy or contestability over how best to close these gaps. That is, while both gambling providers and their stakeholders may want to resolve the issue, they have tended to disagree on the most appropriate ways to do so. For example, much public commentary on gambling calls for stronger measures in responsible conduct of gambling than are currently embraced by governments or gambling providers (e.g., Productivity Commission, 1999, Independent Pricing and Regulatory Tribunal, 1998, 2003). While some responsible gambling measures have been established, they have tended to comprise 'softer' measures which, in Australia, have been criticised for: reflecting an ad hoc and 'knee-jerk' reaction to community criticism; for being less stringent than measures used in other public health areas; for failing to be grounded in established principles and causal themes in the literature (such as the links between continuous forms of gambling, regularity of gambling and those players at risk of problem gambling); for not targeting those most at risk of the harmful effects of gambling; and for avoiding advertising of a similar power and sophistication to that employed in marketing the gambling products themselves (Hing, Dickerson and Mackellar 2001).

These are the bases of this controversy over the most appropriate ways to resolve the issue of responsible gambling that this paper now examines in more detail. Using a framework developed by Waddock and Mahon (1991), this controversy is analysed according to differences of opinion between gambling providers and their stakeholders over the facts of the problem (efficacy), the ends or goals to be achieved and the values they represent (effectiveness), and the means, processes and associated policies advocated to attain those ends (efficiency). Waddock and Mahon contend that problem resolution in the social domain requires adequately resolving any disagreements in these three areas. This is because a logical progression from problem definition to action planning to action in resolving the issue involves coming to some common understanding about relevant facts, then about goals or ends, and finally about the means to address the problem (Waddock & Mahon, 1991). The ensuing discussion highlights numerous unresolved areas of contestability in these three domains that are currently hindering attempts to resolve the issue of responsible provision of gambling to the satisfaction of key stakeholders.

The Efficacy Domain: Contestability Over Facts

The factual aspect of an issue or problem centres on questions of efficacy—are the right questions being addressed and are facts being used in a neutral manner (Waddock and Mahon 1991:235)? While facts themselves are neutral, they are sometimes chosen or interpreted with a particular value orientation or choice of solution in mind (Waddock and Mahon, 1991). Further, in instances where the facts themselves are not known, any actions taken or goals chosen may or may not address the real problem or may be

perceived by a stakeholder group as not doing so (Waddock and Mahon 1991). Ultimately, unless questions of efficacy are dealt with satisfactorily, there remains potential for stakeholders to question outcomes because the fundamental problem may not have been addressed (Waddock and Mahon 1991). At least three factual areas relating to responsible provision of gambling appear still under dispute. These can be grouped as those relating to concepts, causes and importance.

How are Key Concepts Defined?

Developing appropriate measures in responsible conduct of gambling would seem to require some common agreement on key relevant concepts, primarily responsible

gambling, responsible provision of gambling and problem gambling. Yet there has been limited congruence amongst definitions used to inform responsible gambling measures and many have proceeded in their absence. In Australia for example, no Acts or Regulations applying to gambling define these terms, even those with specific harm minimisation objectives.¹ Further, many voluntary responsible gambling policies and programs either have neglected to define these terms or show significant variation. This is evident in Table 1, which presents definitions derived from an audit conducted by the authors of 30 responsible gambling policies and programs in Australia. For example, responsible gambling has been defined as rational and informed

decision-making and, alternatively, as gambling that results in no harm. Responsible conduct of gambling has been defined in terms of providing an environment that minimises adverse consequences of gambling, providing a safety net for problem gamblers and those at risk; assisting patrons with difficulties controlling their gambling expenditure, harm minimisation, legal compliance, and meeting community expectations. Some of these definitions, particularly those for problem gambling, have drawn upon academic definitions of these terms (for example, Australian Institute for Gambling Research 1997; Dickerson 1999), while others have developed their own definitions.

This diversity in industry-formulated definitions reflects more widespread debate on how problem gambling should be conceptualised. In contemporary Australia, problem gambling is increasingly defined in terms of its social impacts. This view is that it is the nature and extent to which a person's gambling activities give rise to harm that define problem gambling. While this is essentially a subjective value judgement, defining problem gambling in this way recognises that it is contextually specific according to factors such as income, gender, lifecycle, traditions, and social norms and values (Australian Institute for Gambling Research 1997). This conceptualisation of problem gambling underpins advocacy for a public health approach to the problem through more responsible provision of gambling, shifting the onus for managing problem gambling from individual gamblers to gambling operators and regulators. However, alternate conceptualisations of problem gambling view the condition as a psychological disorder or an addiction, focusing on the medical causes or psychological processes which might underpin such behaviour. Resolving this fundamental conceptual debate would seem an important precursor to developing responsible gambling programs that are acceptable to both gambling providers and their stakeholders.

¹ Harm minimisation strategies are a central part of a public health model emphasising protection and promotion of the community (Mellor, 1995:26). Harm minimisation aims to reduce the risk and severity of adverse consequences associated with using a product, without necessarily reducing that use per se (Plant, Single and Stockwell, 1997:3-4). The aim is not to achieve some ideal usage level, but to implement preventative measures that reduce the chances of adverse outcomes (Plant, Single and Stockwell, 1997:7). Various measures can be incorporated into gambling environments with the aim of decreasing the likelihood of harmful consequences from gambling.

Ultimately, unless questions of efficacy are dealt with satisfactorily, there remains potential for stakeholders to question outcomes because the fundamental problem may not have been addressed.

Table 1 Definitions of Key Concepts in Responsible Gambling Policies and Programs in Australia

Responsible gambling:

'each person exercising a rational and sensible choice based on his or her individual circumstances' (Victorian Gaming Machine Industry);

'where the potential harm associated with gambling is minimised and people make informed decisions about their participation in gambling' (QLD Responsible Gambling Advisory Committee);

'people to participate in gaming and other forms of entertainment, but to do so within their means, and in a manner which brings no harm to themselves or others' (Tasmanian casinos);

'individuals enjoying gaming as a leisure activity without affecting their own well being or that of family or friends' (Australian Leisure and Hospitality Group).

Problem gambling:

'any gambling behaviour which creates harm in a person's life, resulting in serious personal, financial or legal consequences' (Star City Casino);

'when gambling creates a problem in any area of a person's life' (BetSafe Group of Clubs);

'when gambling activity results in a range of adverse consequences where the safety and well being of gambling customers and/or their families and friends are placed at risk; and negative impacts extend to the broader community' (QLD Responsible Gambling Advisory Committee).

Responsible conduct of gambling:

'programs and measures designed to modify the environment in which gaming occurs to reduce adverse social, financial and other consequences to the public, individuals and families' (Clubs ACT);

'policies, procedures and practices to provide a safety net for potential and existing problem gamblers, which will create a responsible gambling environment for all – patrons, staff and management' (BetSafe Group of Clubs);

'the delivery of gaming services in a manner that minimises the potential harm that may be caused to individuals, their families and the general community' (Star City Casino);

'an approach where the environment in which gambling is conducted minimises harm and meets community expectations' (Clubs NSW);

'decisions and actions taken by the club industry and its members in relation to gambling that are desirable in terms of the broad values and objectives of the community' (Clubs QLD);

'providing gambling services in a way that meets government regulatory requirements and community obligations and seeks to minimise any adverse consequences arising from problem gambling' (NSW TAB);

'a policy that provides for responsible gaming and seeks to minimise the harm associated with gambling and provides for the responsible provision of gaming activities' (Clubs QLD);

'gambling venues accept that some patrons may encounter difficulty in controlling their personal level of expenditure. Programs have been developed and established in venues to assist those patrons' (Tasmanian Industry Group Code of Practice).

What Causes Problem Gambling?

A further area of contestability surrounding responsible conduct of gambling relates to the causes of problem gambling. There is lack of agreement about key contributors to problem gambling, such as whether it stems primarily from the weaknesses of individual gamblers, irresponsible industry practices, government policy, the design of the games

Challenges in Responsible Provision of Gambling: Questions of Efficacy, Effectiveness and Efficiency themselves, the gaming equipment used or perhaps a combination of these factors (e.g., Productivity Commission, 1999; Independent Pricing and Regulatory Tribunal, 1998, 2003). This disagreement means that it is difficult to identify where responsibility lies for addressing problem gambling and the most effective measures to address it.

Contestability in this area has been sustained by lack of research into causal factors, allowing the various stakeholders to sometimes advocate measures that best suit their own self-interests. For example, a submission to the Productivity Commission inquiry by ACIL Consulting (on behalf of six major gambling providers with interests in casinos, gaming machines, TAB betting, sportsbetting, keno and lotteries in Australia) argued that problem gambling is a 'rational addiction' whereby 'forward looking' compulsive gamblers weigh up the pleasure of their consumption of gambling against its costs, and choose to continue gambling because the pleasure it affords outweighs the associated harms and the trauma of cutting down or stopping (1999:6.10). This interpretation then formed the basis for arguing for minimalist government regulation of gambling to retain considerable autonomy for gambling providers in the ways that gambling is operated, marketed and managed (1999:6.12). Similarly, other submissions promoted a medicalised view of problem gambling as a psychiatric disorder, a conceptualisation that tends to ignore ways in which the gambling environment affects prevalence rates and harms (Productivity Commission 1999:6.6). In contrast, many other submissions and the Productivity Commission itself (1999) advocated a public health view of problem gambling, focusing attention on the potential contribution of governments and gambling providers to harm minimisation and consumer protection in gambling.

How Important is the Problem?

Uncertainty also surrounds facts relating to the importance of problem gambling—that is, the number of 'problem gamblers', the extent of flow-on effects on significant others and the wider community, and their contribution to the profits of gambling providers. Certainly, the Productivity Commission provided some estimates in the Australian context: that 130,000 Australians have severe gambling problems and a further 160,000 have moderate problems, in total representing 2.1 percent of the Australian population; that at least five other people are affected by each case of problem gambling; and that Australian gambling industries derive about one-third of their profits from people with gambling problems (1999:2). To arrive at these estimates, the Productivity Commission used the South Oaks Gambling Screen (Lesieur and Blume 1987), self-assessment questions and other indicators of harm in its national survey (1999:6.1).

However, the South Oaks Gambling Screen has been criticised on numerous grounds. For example, originally intended to diagnose individual cases of problem gambling amongst those presenting for treatment, the instrument has been criticised for weak predictive validity when used as a general prevalence measure, with doubts raised over its ability to distinguish in the Australian context between regular gamblers and those experiencing problems (Australian Institute for Gambling Research 1997; Allcock 1995). It also has been criticised as unsuitable for assessing problem gambling in women and in culturally diverse and non-English speaking contexts (Australian Institute for Gambling Research 1997). Further, because the instrument comprises questions about problems *caused* by 'pathological gambling', it may not directly measure the construct itself (Walker, 1995).

This lack of faith in the South Oaks Gambling Screen allowed the Productivity Commission's estimates to be contested in various submissions received in response to its draft report. Further, even the Commission admitted limitations associated with the instrument, identifying considerable scope for further investigation to improve its efficacy as a prevalence measure of problem gambling (1999:6.43). Nevertheless, the Commission (1999) and others (for example, Mellor 1995; Quinlan 1996; Australian

Institute for Gambling Research 1997; McMillen, 1997) have argued for a public health approach to problem gambling that seeks to reduce the risk and severity of adverse consequences associated with gambling beyond those targeted only at 'problem gamblers'. From this perspective, accurate estimations of the prevalence of problem gambling are less important than implementing measures that reduce gambling behaviours that lead to harm.

Uncertainty over the factual aspects of responsible provision of gambling, as discussed above, have prevented gambling providers and their key stakeholders from reaching a common definition of concerns to be addressed through more responsible provision of gambling. That is, this disagreement makes it difficult to determine both what ought to be done (ends to be achieved) and how it should be done (means to achieve desired ends) (Waddock and Mahon 1991), two additional aspects of contestability discussed below.

The Effectiveness Domain: Contestability Over Ends to be Achieved in Responsible Provision of Gambling

A second area of contestability in resolving a corporate social issue involves questions of effectiveness. Are we doing the right thing(s) (Waddock and Mahon 1991)? Addressing this question involves dealing implicitly or explicitly with the values of firms and their stakeholders in defining what 'ought' to be done to solve the problem (Waddock and Mahon 1991). Such value considerations are inherent in deciding the goals or ends chosen to contend with the issue in question (Waddock and Mahon 1991).

Again, considerable contestability exists in determining appropriate goals in responsible provision of gambling. For example, the Productivity Commission (1999) raised such related questions as: should gambling be market driven or subject to stringent government regulation?; does responsibility for addressing problem gambling sit primarily with consumers or gambling providers?; should efforts in responsible gambling focus on individual gamblers, gambling venues, government policy or gaming machine design?; and do gambling venues have a responsibility to provide a responsible gambling environment? While questions such as these are still somewhat contentious, there is reasonable acknowledgement that gambling providers can and should play a role in harm minimisation and the debate has now advanced in Australia to focus on more specific aspects of responsible provision of gambling. A number of related questions appear still under dispute, as discussed below.

Whose Values Should Prevail?

Problem gambling and responsible gambling are issues concerning such diverse groups as governments, gamblers, welfare organisations, crime control agencies, the legal profession, public interest groups, the community and gambling providers. Each of these stakeholders has differing organisational objectives and priorities. Thus, one pertinent question in determining the desired goals of responsible provision of gambling is 'whose values should prevail?'

Even a cursory examination of the principles underpinning Australian government policies on gambling highlights the complexities involved in addressing this question. While there exists substantial diversity in the way gambling policies and regulations have been applied in the various Australian jurisdictions, the Productivity Commission notes that their governments generally agree on their broad objectives as maximising revenue, minimising social impacts, ensuring product integrity and deterring criminal involvement (1999:12.14). Yet some of these objectives are inherently conflicting, requiring governments to make choices amongst priorities. For example, unbridled pursuit of revenue risks increasing the negative social impacts of gambling. Similar dilemmas involved in balancing the economic, social and regulatory objectives of

gambling policy have been widely recognised (for example, Eadington 1996; McMillen 1994; Productivity Commission 1999). Similarly, gambling providers face pressures from shareholders and investors to maximise their economic performance, which

Questions of whose values should prevail in determining desired outcomes of responsible gambling efforts are difficult to resolve.

conflict with pressures from other stakeholders to improve their social performance in gambling. Even amongst gamblers, there is potential conflict between safeguarding people's freedom to choose and implementing responsible gambling measures that restrict consumer choice (Productivity Commission 1999:16.6). Thus, questions of whose values should prevail in determining desired outcomes of responsible gambling efforts are difficult to resolve.

What Aims and Principles Should Underpin Responsible Provision of Gambling?

Contestability over whose values should prevail in responsible provision of gambling has hindered agreement about key aims and principles that should underpin such efforts. For example, possible aims in responsible provision of gambling might include preventing problem gambling, minimising problem gambling, treating or otherwise assisting those with gambling problems, reducing expenditure by 'problem gamblers', reducing the harms arising from gambling, implementing certain measures to promote responsible gambling, educating consumers about the risks of gambling, protecting industry from liability, enhancing the industry's reputation or displaying good corporate citizenship. Table 2 presents the range of objectives gleaned from the 30 Australian responsible gambling policies and programs examined by the authors. These illustrate a lack of agreement over whose values should prevail and what the specific aims of responsible gambling efforts should be.

Table 2 Range of Objectives in Responsible Gambling Policies and Programs in Australia

harm minimisation; legal compliance; fair trading; consumer information; responsible marketing; consumer protection; patron privacy protection; meeting community standards; conducting gambling responsibly, with honesty and integrity; providing an environment which promotes responsible gambling by patrons; co-operation with problem gambling support services and other community agencies; enhancing industry and economic development; improving the public image of the organisations concerned; enhancing the leisure and entertainment aspects of gambling; staff training in responsible conduct of gambling; accountability for and ongoing evaluation of the policies and codes.
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Some researchers have identified certain principles that might underpin responsible conduct of gambling. For example, Hing (2000) drew on Carroll's (1979, 1991) framework of corporate social responsibility to argue that gambling providers have responsibilities in the economic, legal, ethical and discretionary domains. Within these domains, responsible gambling practices could be underpinned by principles of primary

harm minimisation (preventative measures), secondary harm minimisation (early intervention), tertiary harm minimisation (treatment of those affected), fair trading (product information and responsible marketing), consumer protection (complaints mechanisms and protection of patron privacy), and philanthropic efforts relating to financial and in-kind support for problem gambling and responsible gambling initiatives. In contrast, Dickerson (1999, 2003) has conceptualised responsible gambling as a continuing process of informed consent, whereby informed decisions about gambling are characterised by good information, a set of genuine choices and the opportunity for balanced consideration of the pros and cons of alternative behaviours. In advising on the development of some responsible gambling programs in Australia, the Australian Institute for Gambling Research (1998) has emphasised principles of legal compliance, harm minimisation, consumer protection and accountability. This divergence amongst researchers about the principles that should underpin responsible provision of gambling is mirrored in the policies and programs developed by Australian gambling providers, as reflected in their objectives presented in Table 2.

While considerable divergence of principles is apparent amongst operators within the gambling industry, this is even more pronounced *between* the industry and external stakeholders. That is, a different prioritisation of objectives seems apparent amongst external stakeholders to those generally demonstrated by gambling providers. For example, a comparison of principles and practices supported by club managers and dominant stakeholder groups in New South Wales Australia (Hing 2000) revealed that the club managers placed highest priority on economic, then legal, then ethical and lastly, discretionary, principles in their machine gambling operations, while government, community service organisations and consumer protection agencies advocated a more holistic set of principles which embraced all of these domains. Further evidence of this divergence in priorities is contained in numerous submissions to recent gambling inquiries in Australia, which have been highly critical of current industry efforts in responsible gambling (for example, the Independent Pricing and Regulatory Tribunal 1998; Productivity Commission 1999).

Even if objectives and principles in responsible conduct of gambling can be agreed upon, organisational success in achieving them would be impossible to evaluate, given the limited knowledge that currently exists about the effectiveness of various practices in meeting these objectives. For example, the effectiveness of a responsible gambling program in minimising harm cannot be assessed without evidence demonstrating the efficacy of responsible gambling measures, both individually and in combination. Similarly, evidence is needed of what constitutes adequate consumer protection in gambling and what characterises an environment that promotes responsible gambling by patrons, if these are to be achieved. Simply put, there is no evidence to identify what works and what does not work in responsible provision of gambling. Further, even if the objectives of current responsible gambling programs are limited to implementing practices that are *thought* to be effective, there appear few program monitoring, compliance and evaluation mechanisms in place. For example, of the 30 industry programs reviewed by the authors, only six could be considered to provide incentives for compliance and/or disincentives for non-compliance, none have independent monitoring bodies apart from a mechanism for consumers to complain if the programs are breached, and none collect independent evidence to indicate compliance rates. Further, only a small minority states a commitment to ongoing program evaluation and review.

This lack of clarity over the ends to be achieved in responsible conduct of gambling has fuelled substantial debate over the third area of contestability examined in this paper – the means to achieve it. Given the continuing contestability over the efficacy and

Evidence is needed of what constitutes adequate consumer protection in gambling and what characterises an environment that promotes responsible gambling.

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effectiveness dimensions of responsible gambling, it is not surprising that the means currently taken to resolve the issue also are diverse and contentious.

The Efficiency Domain: Contestability Over Means to Achieve Responsible Provision of Gambling

Contestability over the means to achieve ends (whether the latter are agreed or not) relate to questions of efficiency—that is, are we doing things right (Waddock and Mahon 1991)? The chosen means are represented by policy steps or actions and involve questions over the need for a policy to deal with the issue and the specific content of the policy or program (Waddock and Mahon 1991). Certainly, Australian gambling providers have shown greater acceptance of the need for responsible gambling policies and programs. For example, an audit by the authors of responsible gambling codes, policies and programs identified 30 such voluntary initiatives in Australia, with most commencing since 1999. However, there is still substantial debate over whether such policies should be mandatory rather than voluntary and questions could be raised over whether a code of practice or policy is the most efficient approach to encouraging responsible gambling practices. For example, alternate approaches might include the implementation of reward and incentive systems and educational programs that promote positive behaviour, rather than policy directives imposed by industry associations.

Additionally, there remains substantial debate about the content of such policies and how they are operationalised, as reflected in the current diversity amongst regulatory and voluntary measures in responsible conduct of gambling and amongst actions advocated by different stakeholder groups, and about practices that are thought to be effective.

Diversity Amongst Regulatory and Voluntary Measures

One indicator of contestability surrounding the best means to resolve the issue of responsible management of gambling is the diversity in the specific content of responsible gambling initiatives in Australia, as noted by Hing, Dickerson, & Mackellar (2001). This diversity is apparent in both legislated measures and in the voluntary programs of gambling providers. Table 3 shows the measures in place in Acts and Regulations in Australia, while Table 4 shows those contained in the 30 voluntary codes, policies and programs examined. They illustrate that contestability remains both amongst the eight state and territory governments in Australia and amongst Australian gambling providers over the best means to achieve more responsible gambling.

Diversity Amongst Actions Advocated by Gambling Providers and External Stakeholders

In addition to contestability amongst various Australian governments and gambling providers over the most appropriate means in responsible provision of gambling, there is evidence that many external stakeholders dispute that the currently implemented measures are the most appropriate. For example, a comparison of responsible gambling measures supported by NSW gambling operators and their stakeholders (Hing 2000) revealed that, while the gambling operators and other groups associated with gambling provision supported passive and reactive measures unlikely to threaten the popularity and profitability of their gambling facilities, most other stakeholder groups advocated a wider set of practices. Similarly, the Productivity Commission (1999:Chapter 16) revealed widespread dissatisfaction amongst external stakeholders about the responsible gambling measures currently implemented by Australian gambling providers.

Table 3 Measures to Achieve Responsible Gambling per Industry Sector Contained in Australian Acts and Regulations

	<i>Casino</i> N = 7*	<i>Hotels</i> N = 5*	<i>Clubs</i> N = 6*	<i>TAB</i> N = 8*	<i>Lottery</i> N = 6*
Tertiary harm minimisation (treatment):					
Direct counselling for problem gambling	0	0	0	0	0
Financial support for problem gambling services	3	4	3	1	1
Secondary harm minimisation (early intervention)					
Self-exclusion procedures	3	2	2	1	1
Imposed exclusion for problem gamblers	2	2	2	1	0
Primary harm minimisation (preventative)					
Problem gambling information	1	2	2	2	1
Responsible gambling information	0	0	0	1	0
Gambling by staff	4	2	2	0	0
Gambling by intoxicated persons	4	2	2	1	0
Access to ATMs and EFTPOS for gambling	2	4	5	2	1
Cheque cashing for gambling	3	1	1	0	0
Cheque payment of large wins	1	1	1	1	1
Display of clocks	1	2	2	0	0
Gaming room design	0	3	2	0	0
Fair trading					
Product information	3	2	2	2	1
Responsible advertising and promotions	1	2	2	2	1
Consumer rights					
Independent consumer complaints mechanism	8	6	7	8	8
Patron privacy mechanisms	0	1	1	0	8
* N refers to the number of organisations and/or industry associations examined for each sector across the 8 Australian jurisdictions.					

Lack of Knowledge About Effectiveness

A further barrier to resolving questions about the most appropriate means to resolve the issue of responsible provision of gambling is lack of knowledge about which practices are effective. Neither gambling providers nor their stakeholders can verify the measures they implement or advocate, via evidence supporting their effectiveness. In the absence of such evidence, gambling providers can be accused of taking a ‘top-down’ approach to the development of responsible gambling measures and of selecting measures that are likely to have the smallest negative impacts on their profitability. After all, if gambling providers receive on average about one-third of their income from people with gambling problems (Productivity Commission 1999:2), there is a strong incentive to avoid measures that might threaten this market. In contrast, it is tempting for external stakeholders to advocate that gambling providers implement every possible measure in responsible gambling, in the absence of knowledge about which of these measures might be truly effective. Thus, given the lack of facts about the effectiveness of responsible gambling measures, and the differing value systems typical of gambling providers and external stakeholders, reaching agreement on the best practices to implement in responsible management of gambling appears fraught with difficulties and has led to the contestable situation evident in responsible provision of gambling in Australia.

Table 4 Measures to Achieve Responsible Gambling per Industry Sector Contained in Voluntary Australian Programs

	Casino N = 7*	Hotels N = 5*	Clubs N = 6*	TAB N = 8*	Lottery N = 6*
Tertiary harm minimisation (treatment):					
Direct counselling for problem gambling	4	0	1	0	0
Financial support for problem gambling services	3	1	3	0	0
Secondary harm minimisation (early intervention)					
Self-exclusion procedures	7	5	6	2	0
Imposed exclusion for problem gamblers	1	2	2	1	0
Primary harm minimisation (preventative)					
Problem gambling information	7	5	6	7	2
Responsible gambling information	7	5	6	7	2
Gambling by staff	2	3	3	1	0
Gambling by intoxicated persons	6	5	6	3	0
Access to ATMs and EFTPOS for gambling	7	4	5	2	0
Cheque cashing for gambling	6	4	5	2	0
Cheque payment of large wins	4	4	6	2	0
Display of clocks	5	5	6	3	0
Gaming room design	3	0	1	0	0
Fair trading					
Product information	7	5	6	4	6
Responsible advertising and promotions	6	5	6	5	6
Consumer rights					
Independent consumer complaints mechanism	7	5	6	3	4
Patron privacy mechanisms	3	1	2	4	4
* N refers to the number of organisations and/or industry associations examined for each sector across the 8 Australian jurisdictions.					

Discussion

When viewed in terms of Waddock and Mahon's (1991) framework, it appears that resolving the issue of responsible provision of gambling is compounded by lack of agreement over efficacy, effectiveness and efficiency dimensions of the problem. If perceptions of corporate social responsibility depend on agreement in all three dimensions amongst relevant parties, as Waddock and Mahon contend (1991:245), then gambling providers can expect to be judged as socially irresponsible by their external stakeholders. This is consistent with Waddock and Mahon's proposal that, where disagreement exists in all three domains, the likely outcome is an incongruent and unstable situation, accompanied by outside pressure on the organisation(s) concerned to be more socially responsible.

For gambling providers, this continued controversy over corporate approaches to responsible conduct of gambling risks consequences such as poor publicity, loss of public confidence, litigation and more stringent legislation, which are typical outcomes of a poor assessment of corporate social responsibility by stakeholders (Waddock and Mahon 1991:232-233). Few would dispute that each of these outcomes has occurred in contemporary Australia. It is suggested from the analysis in this paper that these outcomes will continue unless the fundamental controversies identified are resolved. Thus, Waddock and Mahon's framework (1991) provides both a descriptive tool to explain why responsible provision of gambling is a significant corporate social issue facing gambling providers, and a prescriptive tool to identify potential pathways to resolving the issue.

Descriptively, this paper has demonstrated that continued contestability over efficacy, effectiveness and efficiency dimensions of responsible conduct of gambling has fuelled its development into a corporate social issue for gambling providers. From the preceding analysis, it appears that contestability over the efficacy dimension derives from a lack of knowledge about problem gambling and responsible gambling, in turn reflecting the infancy of research in this field. In contrast, contestability over the effectiveness dimension appears grounded in the diverse values and objectives of gambling providers and their stakeholders, hindering agreement about appropriate goals to be achieved by responsible gambling measures.

Further, lack of consensus about facts and objectives in responsible conduct of gambling has given gambling providers considerable latitude in the content of their responsible gambling programs, except for practices obligated by Acts and Regulations. This has resulted in a 'top-down' approach, whereby practices to promote responsible gambling largely have been initiated and defined by gambling providers, governments and other industry stakeholders. In Australia, this has led to criticisms that the existing range of strategies, perhaps with the exception of some self-exclusion procedures, seems to have been carefully selected to avoid those most at risk of experiencing gambling-related problems (Hing, Dickerson and Mackellar 2001). The Productivity Commission (1999) has identified these as regular, weekly or more frequent gamblers who prefer gaming machines, casino table games, keno and racing. A 'bottom-up' approach to responsible conduct of gambling emanating from an emphasis on the gambler-base most at-risk would include strategies specifically targeting this group. However, current practices indicate that this group is still the focus of promotions, prizes and expenditure rewards, particularly in jurisdictions where the tracking of individual players is permitted, with no responsible gambling programs in Australia addressing how the marketing power of these tracking systems might be limited and even used to support harm minimisation efforts (Hing, Dickerson and Mackellar 2001). Similarly, established links between continuous forms of gambling and problem gambling indicate that the minimal responsible gambling measures in TAB venues could be improved, while regular player clubs operated by casinos could be an obvious vehicle for the development of harm minimisation strategies (Hing, Dickerson and Mackellar 2001). With the 'top-down' approach underpinning current developments in responsible gambling failing to build on such established principles and causal themes, the community perception remains that little that is effective in responsible conduct of gambling has been done (Hing, Dickerson and Mackellar 2001). Thus, community pressure continues for a 'solution' to the problem where an optimal result is achieved (Ackoff 1986), rather than the current 'satisficing' (Simon 1957) solution that simply attempts to cope with the problem in ways that gambling providers can accommodate without overly threatening their core business.

Prescriptively, the analysis in this paper points to a number of inherent controversies that must first be addressed if the issue of responsible conduct of gambling is to be resolved to the satisfaction of key stakeholders. In the efficacy domain, for example, developing common definitions of fundamental concepts, including problem gambling, responsible gambling and responsible conduct of gambling, would facilitate the development of responsible gambling programs with common objectives. Such definitions also could underpin the development of reliable, valid and accepted instruments to measure the incidence and prevalence of problem gambling, contributors to problem gambling and practices that promote responsible gambling. Without such clarification, responsible gambling programs are likely to proceed in a piecemeal, reactive and 'top-down' fashion.

In the efficiency domain, developing optimal responsible gambling programs requires improved knowledge about which practices are effective in addressing problem gambling and in promoting responsible gambling. Research could test consumer awareness of responsible gambling practices (for example, of the availability of self-

exclusion procedures and counselling services), assess whether consumer information on problem gambling and responsible gambling is most appropriate and understood by players, assess whether strategies used in other public health areas (such as alcohol) might be effective in gambling, and pursue experimental designs that test whether responsible gambling strategies, both individually and in combination, change gambling behaviour. Responsible gambling programs could also benefit from research that demonstrates how optimal program compliance can be achieved.

Resolving contestability in the effectiveness domain is perhaps the most challenging area, given the inherently diverse value systems and objectives of gambling providers, governments, communities and other stakeholders. However, if questions over key facts of the issue can be resolved and if research can demonstrate that certain practices are effective in addressing problem gambling and in promoting responsible gambling, then there is less scope for contestability over values and ends.

Conclusion

This paper has examined the issue of responsible conduct of gambling in terms of contestability between gambling providers and their stakeholders over efficacy, effectiveness and efficiency dimensions that is hindering attempts to resolve the issue. It has identified specific aspects of this controversy that help to explain why responsible provision of gambling is a significant corporate social issue facing gambling operators, and that, if addressed, could facilitate problem resolution. While this paper has not attempted to offer direct solutions to the dilemmas discussed, the analysis has provided some direction for advancing the development of effective responsible gambling programs more likely to be acceptable to key stakeholders than current efforts.

Certainly some progress has been made in responsible conduct of gambling in Australia, with gambling providers demonstrating greater willingness to implement programs and policies to address the issue. However, much remains to be done for the issue to be resolved. Given the compounding effect of disagreement in the efficacy, effectiveness and efficiency domains in fuelling the issue of responsible provision of gambling, attempts to resolve areas of contestability over the facts, then ends and then means appear fundamental if gambling providers are to implement measures which are viewed as socially responsible by external stakeholders. As such, resources might well be directed to addressing these fundamental concerns, to advance measures that transcend the knee-jerk and patchwork solutions that appear to characterise current efforts in responsible conduct of gambling.

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