

Book Review

Challenging Corporate Social Responsibility: Lessons for Public Relations from the Casino Industry

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In this interesting and provocative book, Jessalynn Strauss brings her understanding of public relations (PR) to bear on the Corporate Social Responsibility (CSR) practices of the casino industry (particularly in Las Vegas). When we think of the casino industry, the first thing that comes to mind is not always CSR. However, casino operators practice philanthropy in Las Vegas and across the country (many are required to as a condition of their license, such as in Council Bluffs, IA). More recently, casinos have developed their CSR practices strategically in alignment with their PR concerns, which are ultimately aimed at corporate profit, of course. Through an analysis of casinos' CSR practices, Strauss raises some serious concerns about this alignment between CSR and PR. She provides plenty of reasons to doubt whether CSR—when done for strategic bottom-line interests rather than purely ethical reasons—will consistently accomplish what the casinos set out to achieve.

This book is an interesting contribution to gaming literature in that it combines an excellent overview of CSR literature with a thorough history of gaming around the world, highlighting the diversity of the casino industry. Most importantly, Strauss provides deep insight into the industry's CSR strategies, pointing out that typically they focus on problem gamblers, rather than other potentially negative societal effects of gaming. She also calls on the industry to develop a more robust CSR program—one with a moral, rather than functional, approach. Her challenge should be seriously considered within the casino industry.

Chapter 1 provides an overview of the book after a brief introduction to CSR and the casino business. Here, we are reminded that mobsters have given plenty to the community in Las Vegas, including Mo Dalitz's gift of the land for the Guardian Angel Cathedral on the strip (although he was Jewish, not Catholic). Strauss notes, "The transition from gangster to community pillar, it seems, was not very difficult—not in Las Vegas". Stanley Ho, who had a monopoly on gaming in Macau from 1962-2001, did much for the community as well—he hired Macau residents for top-level management jobs, helped establish transportation to Macau, and other things that made him quite popular in the local community. Through these stories, we learn that CSR is not necessarily new to gaming—it's been part of the business since early on.

Chapter 2 provides an excellent foundation for the rest of the book, giving a brief history of CSR and a variety of definitions and debates on the subject. Here, she also contrasts two types of CSR motivation: functional (done for survival in the midst of competition) and ethical (done on the basis of ethical considerations alone). She also outlines the

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development of the “business case” for CSR, highlighting the importance of cultural expectations on corporate behavior. The remainder of the chapter considers how PR communicates the CSR activities of a company to its stakeholders.

Chapter 3, “The Casino Industry Grows Up,” provides an overview of the evolution of the casino industry. Strauss explores how it has become more corporate, how CSR strategies came about, and the unique challenges posed by being a “vice industry.” She also reveals how casinos tend to tout their social responsibility by focusing on programs to help “problem gamblers,” thereby putting the focus on the individual’s gambling rather than on the industry itself. She argues instead for the gaming industry to adopt a more robust concept of CSR—one by which casinos strive to have a net positive effect on society.

Chapter 4 provides a broad picture of the global casino industry, highlighting some of the unique challenges faced in distinct geographical areas such as Macau, Las Vegas, Atlantic City, and Canada. We find that the level of government involvement, paired with the motivations and considerations that bring the gaming industry into each area, significantly shapes the way CSR is practiced there.

Chapter 5 is a fabulous brief overview of the history and development of the casino industry in Las Vegas, setting the backdrop for the next chapter.

Chapter 6 is essentially a case study of CSR development in Las Vegas, looking at how it has developed, who the stakeholders are (i.e., consumers, employees, investors, management, nonprofits, the general community), and some of Las Vegas’s unique concerns (environmental issues such as water use, as well as treatment of employees). Perhaps the most interesting part of this chapter is the chart she develops to contrast the two types of CSR—functional and moral. Strauss also shares the results of qualitative research she did interviewing nonprofits in Las Vegas who seek support from casinos, highlighting some of their key concerns and struggles in approaching casinos.

We find Strauss’ conclusions about the implications of her study in chapter 7. She argues that there are unintended consequences from the strategic approach to CSR. First, the stakeholders who are more important to the casino get favored treatment. Second, governments who benefit from taxes on gaming revenue become dependent on the casino industry for those taxes, creating a conflict of interest—do they prioritize the interests of casinos to get more revenue, or the citizens to avoid social harm? She also highlights three additional concerns:

1. The casino will focus on the CSR that will generate the best returns, not those which do the best for society,
2. If the focus is on the bottom line, casinos will primarily give to mainstream nonprofits and avoid giving to potentially controversial causes, and
3. Again, if CSR is strategically oriented toward the bottom line, then in times of economic difficulties, the corporations may cut back.

While the first point here has some merit—sometimes companies donate to high-visibility but low-impact or low-value causes—the second two seem weak. One can hardly expect a publically traded company to support a controversial cause that could lead to boycotts. In addition, it’s hard to imagine an economic downturn where businesses would not prioritize essential operational expenses over philanthropy.

Strauss has some additional concerns when it comes to *communicating* about CSR. In her opinion, casinos may not publicize their CSR activities because they either may not be doing all that stakeholders might want, or worse, stakeholders might start to expect even more. But, she says, this lack of communicating CSR efforts is detrimental. If casinos as community leaders do not make their CSR leadership public, community concern in general may be undermined. Additionally, employee morale may suffer and nonprofits would find it harder to know how to approach casinos, spending unnecessary time and resources figuring out what casinos are wanting to accomplish. Finally, when casino corporations do not disclose their CSR activities, nonprofits may have a more difficult time publicizing their programs and needs to the general public (which, Strauss points out, they're more likely to do when casinos make nonprofit a public emphasis). Here, Strauss draws our attention and that of casinos to the importance of communicating their PR and coordinating with various stakeholders—not just consumers, but employees, relevant nonprofits, the general community, and investors. The potential for CSR and PR to be mutually beneficial is a driving concern for Strauss throughout the book, which is unsurprising given her expertise in strategic communications and CSR.

In the last chapter, “Conclusions and Future Directions,” Strauss discusses what might motivate a corporation to take her advice and be more open about its CSR activities. She also admits that legal regulation may be the only way to really change some of the behaviors of casino corporations. She admits that while the business case for CSR has flaws, a purely moral-based CSR does not “satisfy the demands of shareholders that the corporation be a responsible steward of their money.” So from a practical perspective, a functional approach to CSR is most likely to succeed.

In her thoughts for the future, Strauss has six suggestions:

1. Casinos should consider their responsibility to all stakeholders, not just to those who directly impact their bottom line.
2. CSR efforts should be communicated to all stakeholders, and casino corporations should engage all stakeholders in dialogue about CSR.
3. Casinos should provide support to nonprofits based on the nonprofits' needs, not on the basis of the casino's prescribed giving priorities.
4. Casinos should make sure they are solving real problems guided by evidence, not simply doing what will give them good PR.
5. Casinos should consider issues like secondhand smoke effects on their employees as a CSR issue.
6. With regard to preventing problem gambling, casinos should not look at the gambler's addiction as the only problem, but look at their own practices and methods that might contribute to these social ills.

This is Strauss's first book, so there are weaknesses. Some issues are passed over too quickly and some of the criticisms of casinos' CSR strategies seem a bit impractical. In addition, while she says many times that all stakeholders' concerns should be addressed, the practical process of weighing one stakeholder's concerns against another's is not addressed in any depth, along with any justification of philanthropy decisions that don't align with the corporation's pragmatic concerns.

Despite these drawbacks, this book does an admirable job of introducing the reader to CSR and the relationship between CSR and PR in the casino industry. It also provides very valuable historical development background in chapters 2, through 5. Furthermore, Strauss has put her finger on several important issues—particularly transitioning the CSR focus of corporations from fighting “problem gambling” to altering some of their own methods and practices to help impact this social ill. I will recommend portions of this book to students in my Las Vegas travel course. We owe a debt of gratitude to Strauss for writing it.